

**Hillsong Stewardship Fund, Inc. (EIN: 82-3753888)**  
**as the sole corporate Member of**  
**HC Property Holdings, LLC**

**Directors' Resolution**

*Presented FC  
 Mr Wilkie  
 12:40pm 9/3/2023  
 B*

Date: 27 October 2021



Directors: George AGHAJANIAN  
 Melinda DWIGHT  
 Amanda TAY  
 Timothy WHINCOP

RESOLVED to authorize George Aghajanian, as the manager ("Manager") of HC Property Holdings, LLC to **lend collateral security for the indebtedness of Invorto, LLC ("Borrower")**, made in favor of BOKF, NA dba BOK Financial ("Lender") **for the sum of \$3,000,000**, as evidenced within that certain promissory note. In this regard, the Manager, on behalf of the LLC, is authorized to Execute Notes, Grant Security, Execute Security Documents, Open Depository Accounts, (including, without limitation, assignments of rents and subordination agreements), Negotiate Items, and Further Acts related to this matter.

Without limitation of any of the foregoing, the Manager is also hereby authorized to carry out any other actions related to the foregoing and as may be necessary or proper or as requested by Lender, including, without limitation, as however may be expressly provided for within those certain authorizing resolutions executed by and on behalf of the LLC and delivered to the Lender with the intent of the Lender's reliance thereon.

This Resolution may be executed in one or more counterparts, each of which shall be an original, but all of which together will constitute one instrument, binding upon all parties hereto, notwithstanding that all of such parties may not have executed the same counterpart.

The undersigned certify that they are Directors of Hillsong Stewardship Fund, Inc. and that the foregoing is a true and correct copy of the resolution duly adopted by written consent on 27 October 2021.

Signed: *T. Whincop*  
 Name: Timothy Whincop  
 Title: Director  
 Date: 28 October 2021

Signed: *P. Ridley*  
 Name: Peter Ridley  
 Title: Company Secretary  
 Date: 29 October 2021





# Hillsong Church: Briefing Note



TAB 53

BN Number	GLOBAL 21.095
Topic	Ratify recent circular resolutions
Entities	Hillsong Church USA, Inc. as the sole member of Hillsong Publishing, LLC and Hillsong Music and Resources, LLC and Hillsong Kansas City, LLC. Hillsong Central West, Inc. as the sole member of Hillsong Phoenix, LLC. RGB Group, Inc. as the sole member of IO Management, LLC and Invorto LLC
Date	29 November 2021
Prepared for	The Hillsong Church USA, Inc. Board of Directors, and The RGB Group, Inc. Board of Directors
Prepared by	Jess Irwin
Approved by	Peter Ridley
Attachment(s)	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No

## Purpose

The purpose of this briefing note is to facilitate the ratification of the recent circular resolutions and to record it in the minutes of the Board meetings of the entities.

## Background

The circular resolutions (decisions by written consent) were completed recently regarding:

### Invorto Loan: Hillsong Publishing authorisation

The circular resolution to authorise Peter Ridley as the manager to enter into various loan documents made in favour of BOKF, NA dba BOK Financial was completed by the Board of Hillsong Church USA, Inc. on the 29 October 2021.

### Invorto Loan: Hillsong Music and Resources authorisation

The circular resolution to authorise David Bagheri as the manager to enter into various loan documents made in favour of BOKF, NA dba BOK Financial was completed by the Board of Hillsong Church USA, Inc. on the 29 October 2021.

### Invorto Loan: IO Management authorisation

The circular resolution to authorise David Bagheri and Johnny Rays as the managers to enter into various loan documents made in favour of BOKF, NA dba BOK Financial was completed by the Board of RGB Group, Inc. on the 29 October 2021.

### Invorto Loan

The circular resolution to authorise David Bagheri and Joel Houston as the managers to enter into various loan documents made in favour of BOKF, NA dba BOK Financial the sum of \$3,000,000 was completed by the Board of RGB Group, Inc. on the 29 October 2021.

**Other Committees**

Hillsong Global and Hillsong Australia have other advisory bodies which use the name Committee but are not sub-committees of the Board. Examples include the IT Steering Committee, Building Committee or the Global Racial Diversity, Equity and Inclusion Committee (Global) or the Australian Reconciliation Action Plan Committee (Australia). These Committees are unlikely to form part of this particular discussion as their role, reporting and mandate function more like an advisory team which provide recommendations to Management for implementation.

**Conclusion**

It is requested that the Board undertake discussion around the role and composition of Committees to ensure best fit for purpose at this time.

## Hillsong Global and related entities

### Statement of Financial Position

As at 31 December 2020

in USD ('000)

	2020	2019	Inc/Dec	Percentage	Commentary
Cash	5,601	9,352	(3,752)	-40%	College Student Trust and Publishing Banks reclassified to Restricted Cash
Restricted Cash	4,709	451	4,259	945%	College Student Trust and Publishing Banks reclassified to Restricted Cash
Receivables - Current	2,064	4,038	(1,974)	-49%	Hillsong Events Interco Loan reclassified as current in 2019 settled in 2020
Royalties Receivables	9,083	9,275	(192)	-2%	
Inventories	1,113	1,026	87	8%	
Other assets - prepayments	733	824	(91)	-11%	
- Total Current Assets	23,303	24,966	(1,663)	-7%	
Other debtors - Non Current	1,696	2,929	(1,233)	-42%	Debtors paid for Kiev \$110k; California Global Support \$618k; San Francisco \$317k; Norway \$126k
Receivables - Non Current	4,391	2,052	2,339	114%	Increase in related party loans - settled early 2021
Related parties receivable	0	0	(0)	-100%	
Property, plant and equipment	10,931	8,537	2,394	28%	Megadrive Purchase
Accumulated Depreciation	(2,922)	(1,943)	(979)	50%	
- Total non-current assets	14,096	11,579	2,517	22%	
<b>- TOTAL ASSETS</b>	<b>37,400</b>	<b>36,545</b>	<b>854</b>	<b>2%</b>	
Payables	(3,229)	(3,386)	157	-5%	
Royalties payables	(10,132)	(11,295)	1,163	-10%	Decrease in mechanical and digital royalties payable
Interest bearing liabilities - Current	(108)	(268)	160	-60%	Lease liabilities paid
Employee Benefits - Current	(3,004)	(2,680)	(324)	12%	Growth in Personnel salaries and accruals
Other Liabilities	(121)	(102)	(19)	18%	
Unearned Income	(187)	(162)	(24)	15%	
- Total current liabilities	(16,781)	(17,894)	1,113	-6%	
Other Payables	(3,870)	(5,821)	1,951	-34%	
Related parties payable	(0)	(0)	0	-89%	
Royalties payable - Non current	(425)	(582)	157	-27%	
Interest bearing liabilities - Non Current	(78)	(125)	47	-37%	
Employee Benefits - Non Current	(322)	(346)	24	-7%	
Donations still to be distributed	(0)	0	(0)	0%	
- Total non-current liabilities	(4,695)	(6,875)	2,180	-32%	
<b>- TOTAL LIABILITIES</b>	<b>(21,476)</b>	<b>(24,769)</b>	<b>3,293</b>	<b>-13%</b>	
<b>- NET ASSETS</b>	<b>15,924</b>	<b>11,777</b>	<b>4,147</b>	<b>35%</b>	
+ Surplus/Deficit	(4,174)	(1,505)	(2,669)	177%	
Retained surplus	(5,777)	(4,051)	(1,726)	43%	
Common control reserve	(5,972)	(6,221)	249	-4%	
Settled Sum	(0)	(0)	0	-4%	
<b>- TOTAL ACCUMULATED FUNDS</b>	<b>(15,924)</b>	<b>(11,777)</b>	<b>(4,147)</b>	<b>-35%</b>	
Liquidity Ratio	1.32	1.34			
Working capital	5,409	6,046			





Hillsong Global and related entities  
Statement of Financial Position  
As at 31 December 2020

	Hillsong College Ltd	Hillsong International Ltd	Hillsong International Foundation	Hillsong Channel LLC	Hillsong Music and Resources LLC	Hillsong Publishing LLC	Hillsong Global LLC	Hillsong Events LLC	Hillsong Foundation LLC	Hillsong College LLC	HC Property Holdings LLC	Elimination	2020	2019
Cash	1,024	360	0	721	3,006	-	221	129	0	139	-	-	5,601	9,352
Restricted Cash	584	1,366	-	-	-	766	1,327	-	492	175	-	-	4,709	451
Receivables - Current	449	916	-	64	-	49	395	5	112	74	-	-	2,064	4,038
Royalties Receivables	-	3,880	-	-	2,621	2,582	-	-	-	-	-	-	9,083	9,275
Inventories	11	1,102	-	-	-	-	-	-	-	-	-	-	1,113	1,026
Other assets - prepayments	122	392	-	20	40	2	90	41	-	27	-	-	733	824
- Total Current Assets	2,191	8,016	0	805	5,667	3,399	2,033	174	604	415	-	-	23,303	24,966
Other debtors - Non Current	-	1,696	-	-	-	-	-	-	-	-	-	-	1,696	2,929
Receivables - Non Current	969	1,506	1	-	72	-	1,273	94	-	476	-	-	4,391	2,052
Related parties receivable	0	1,818	-	1,691	2,755	1,191	2,257	2,044	-	(0)	239	(11,995)	0	0
Property, plant and equipment	340	5,731	-	1,001	577	-	83	-	-	223	2,976	-	10,931	8,537
Accumulated Depreciation	(189)	(1,488)	-	(732)	(163)	-	(12)	-	-	(70)	(268)	-	(2,922)	(1,943)
- Total non-current assets	1,120	9,263	1	1,960	3,242	1,191	3,601	2,138	-	629	2,946	(11,995)	14,096	11,579
- TOTAL ASSETS	3,311	17,279	2	2,765	8,909	4,590	5,634	2,312	604	1,044	2,946	(11,995)	37,400	36,545
Payables	(750)	(1,109)	-	(101)	(54)	(585)	(420)	(11)	-	(199)	-	-	(3,229)	(3,386)
Royalties payables	-	(6,592)	-	-	(402)	(3,138)	-	-	-	-	-	-	(10,132)	(11,295)
Interest bearing liabilities - Current	(7)	-	-	-	-	-	-	-	-	(101)	-	-	(108)	(268)
Employee Benefits - Current	(717)	(2,203)	-	(48)	(5)	-	-	-	-	(31)	-	-	(3,004)	(2,680)
Other Liabilities	-	-	-	-	(6)	-	-	(115)	-	-	-	-	(121)	(102)
Unearned Income	-	(187)	-	-	-	-	(0)	-	-	-	-	-	(187)	(162)
- Total current liabilities	(1,474)	(10,090)	-	(149)	(467)	(3,723)	(420)	(126)	-	(331)	-	-	(16,781)	(17,894)
Other Payables	(789)	(3,093)	-	-	(1,749)	(14)	-	-	-	-	(68)	1,843	(3,870)	(5,821)
Related parties payable	(142)	(3,206)	-	(1,748)	(267)	-	(3,610)	(646)	-	(534)	-	10,152	(0)	(0)
Royalties payable - Non current	-	(409)	-	-	-	(16)	-	-	-	-	-	-	(425)	(582)
Interest bearing liabilities - Non Current	-	-	-	-	-	-	-	-	-	(78)	-	-	(78)	(125)
Employee Benefits - Non Current	(85)	(237)	-	-	-	-	-	-	-	-	-	-	(322)	(346)
Donations still to be distributed	-	-	-	-	-	-	-	-	(0)	-	-	-	(0)	0
- Total non-current liabilities	(1,016)	(6,945)	-	(1,748)	(2,016)	(30)	(3,610)	(646)	(0)	(612)	(68)	11,995	(4,695)	(6,875)
- TOTAL LIABILITIES	(2,490)	(17,035)	-	(1,897)	(2,483)	(3,752)	(4,030)	(772)	(0)	(943)	(64)	11,995	(21,476)	(24,769)
NET ASSETS	(179)	214	2	868	6,426	837	1,604	1,540	604	101	2,070	-	15,924	11,777
+ Surplus/Deficit	(518)	(59)	(1)	(7)	(2,624)	(232)	(91)	(20)	(604)	(55)	36	(0)	(4,174)	(1,505)
Retained surplus	(183)	5,668	(1)	(861)	(3,802)	(605)	(1,513)	(1,520)	-	(46)	(2,914)	-	(5,777)	(4,051)
Common control reserve	(119)	(5,853)	-	-	-	-	-	-	-	-	-	-	(5,972)	(6,221)
Settled Sum	-	-	(0)	-	-	-	-	-	-	-	-	-	(0)	(0)
- TOTAL ACCUMULATED FUNDS	(627)	(244)	(1)	(868)	(6,426)	(837)	(1,604)	(1,540)	(604)	(101)	(2,070)	(0)	(14,924)	(11,777)
Liquidity Ratio	1.48	0.69	-	5.39	12.13	0.91	4.84	1.38	-	1.25	-	-	1.32	1.34
Working capital	705	(3,177)	0	656	5,200	(324)	1,613	48	604	84	-	-	5,409	6,046





Hillsong Global and related entities  
Statement of Comprehensive Income  
For the year ended 31 December 2020  
in USD ('000)

	2020	2019	Inc/Dec	Percentage	Commentary
+ - Other donations	13,237	21,281	(8,043)	-38%	Decrease in Tours (\$5,907) and US Conference (\$146K) due to postponed Tours and Conferences in USA in 2020; Decrease in Global Support (\$686K) and Church Planting (\$382K); Decrease in HS Family Contribution Income (\$271K), Decrease in Compassion giving through Channel (\$290K); Decrease in TBN Airtime (\$489K); Increase in Channel Advertising Income \$132K.
+ - Other revenue	5,900	5,550	350	6%	Decrease in Conference Other Income (\$127K) for US Conference; This is offset by Other Income and Donation Income received in College \$142K.
+ - Training and resource revenue	1,748	27,337	(25,590)	-94%	Decrease in Resource and ticket sale (\$24,349K) in Tours due to postponed Tours in 2020. Decrease in HMA Resource sale (\$776K); Resource centre (\$391K). Increase in Hillsong Network membership \$10K.
+ - College Fees	9,885	11,635	(1,750)	-15%	Decrease in College fees VET (\$2,136K). Increase in College fees VET Online \$175K, HED \$516K, HED Online \$27K; Phoenix \$554K. Decrease in Non-tuition fee for College (\$80K).
+ - Music Royalties	22,004	20,019	1,985	10%	Increase in Youtube USA \$788k Income & Youtube Asia \$170k; Mech Royalties CCLI \$710k; Mech Royalties USA/Canada \$234k
+ - Government Funding	5,414	-	5,414	0%	Hillsong Global received Government funding as a result of the Australia Government Jobkeeper & US Paycheck funding initiatives due to COVID-19 in 2020.
<b>TOTAL REVENUE</b>	<b>28,189</b>	<b>86,718</b>	<b>(28,189)</b>	<b>-32%</b>	
+ - Mission and overseas aid expenses	(5,693)	(7,849)	2,156	-27%	Decrease in Travel & Accommodation expenses \$1,566k; Increase in Personnel Expenses (274k) Decrease in Tour expenses due to Tours postponed in 2020 \$978k
+ - Resource and royalties expenses	(16,033)	(18,253)	2,220	-12%	Decrease in Tours expenses \$269k; Decrease in HMR expenses across Cost of Sales, Opex and Album Production Costs 1,406k; Decrease in Channel expenses \$137k
+ - College expenses	(10,892)	(12,706)	1,815	-14%	Decrease College Opex \$205K; Shared Services & RM \$560K; Internal Rent \$55K; Inc AlphaC Commission on HED (\$146K); Decrease in students utilising College accommodation \$777K. Graduation Dinner \$98K;
+ - Administrative	(12,360)	(13,229)	869	-7%	Decrease in favourable FX rate on US/AU revenue (\$448k); Decrease in bad debt provision raised on Global Support income \$460k; Savings in Travel & Accommodation \$266k; Retreats \$160k
+ - Selling, marketing and general expenses	(1,119)	(1,030)	(88)	9%	Increase in College (\$64K); Increase in HMR (\$34K). Increase in Publishing (\$45K); Decrease in Channel \$26K
+ - Ministry and program expenses	(7,773)	(29,017)	21,244	-73%	Decrease in Tours Expense due to postponed Tours in 2020 - United \$13,901K; Worship \$9,710K; Y&F \$626K; Tours Admin \$3,322K. Increase in Channel programs (\$400K).
+ - Distribution of designated donation	(351)	(1,799)	1,447	-80%	Decrease in Donations to Global Church Planting due to timing of payment made in 2021.
+ - US Conference expenses	(3)	(943)	939	-100%	Decrease in expense due to postponed US Hillsong Conference.
<b>- TOTAL EXPENSES</b>	<b>(54,223)</b>	<b>(86,815)</b>	<b>30,661</b>	<b>-36%</b>	
<b>+ Surplus/(Loss) from operations</b>	<b>1,065</b>	<b>(1,543)</b>	<b>2,411</b>	<b>152%</b>	
Financial Income	217	67	150	224%	Interest income on Connecticut Loan
Financial Expenses	(8)	(105)	97	-92%	Interest expense on Australia Church Loan
<b>+ Surplus/(Loss) available for Church and Ministry projects</b>	<b>1,174</b>	<b>(1,205)</b>	<b>2,009</b>	<b>177%</b>	

Hillsong Global and related entities  
Statement of Comprehensive Income  
For the year ended 31 December 2020  
in USD ('000)

	Hillsong College Ltd	Hillsong International Ltd	Hillsong International Foundation	Hillsong Channel LLC	Hillsong Music and Resources LLC	Hillsong Publishing LLC	Hillsong Global LLC	Hillsong Events LLC	Hillsong Foundation LLC	Hillsong College LLC	HC Property Holdings LLC	Total before Elimination	Elimination	Aggregated Profit & Loss
+ - Other donations	1,025	4,850	1	5,327	-	-	7,235	650	712	506	20	20,325	(7,088)	13,237
+ - Other revenue	160	11,135	-	19	111	-	55	1,046	-	16	-	12,541	(6,641)	5,900
+ - Training and resource revenue	16	1,016	-	-	-	-	111	605	-	-	-	1,748	-	1,748
+ - College Fees	8,627	-	-	-	-	-	-	-	-	1,258	-	9,885	-	9,885
+ - Music Royalties	-	9,393	-	-	11,173	7,261	-	-	-	-	-	27,826	(5,822)	22,004
+ - Government Funding	1,581	3,358	-	179	53	-	-	243	-	-	-	5,414	-	5,414
<b>-- TOTAL REVENUE</b>	<b>11,410</b>	<b>29,763</b>	<b>1</b>	<b>5,525</b>	<b>11,336</b>	<b>7,261</b>	<b>7,400</b>	<b>2,544</b>	<b>712</b>	<b>1,779</b>	<b>20</b>	<b>77,740</b>	<b>(19,552)</b>	<b>58,188</b>
+ - Mission and overseas aid expenses	-	(5,693)	-	-	-	-	-	-	-	-	-	(5,693)	-	(5,693)
+ - Resource and royalties expenses	-	(12,420)	-	(996)	(3,198)	(6,933)	-	(4)	-	-	-	(23,550)	7,517	(16,033)
+ - College expenses	(10,892)	-	-	-	-	-	-	-	-	-	-	(10,892)	-	(10,892)
+ - Administrative	-	(11,785)	-	-	-	-	(575)	-	-	-	-	(12,360)	-	(12,360)
+ - Selling, marketing and general expenses	-	-	-	(1,656)	(556)	(96)	-	-	-	(88)	(17)	(2,413)	1,294	(1,119)
+ - Ministry and program expenses	-	-	-	(2,866)	(4,959)	-	(6,488)	(2,517)	(8)	(1,636)	(39)	(18,514)	10,741	(7,773)
+ - Distribution of designated donation	-	-	-	-	-	-	(251)	-	(100)	-	-	(351)	-	(351)
+ - US Conference expenses	-	-	-	-	-	-	-	(3)	-	-	-	(3)	-	(3)
<b>-- TOTAL EXPENSES</b>	<b>(10,892)</b>	<b>(29,897)</b>	<b>-</b>	<b>(5,518)</b>	<b>(8,713)</b>	<b>(7,028)</b>	<b>(7,314)</b>	<b>(2,524)</b>	<b>(108)</b>	<b>(1,724)</b>	<b>(56)</b>	<b>(74,775)</b>	<b>19,552</b>	<b>(54,223)</b>
<b>- Surplus/(Loss) from operations</b>	<b>518</b>	<b>(145)</b>	<b>1</b>	<b>7</b>	<b>2,624</b>	<b>232</b>	<b>86</b>	<b>20</b>	<b>604</b>	<b>55</b>	<b>(36)</b>	<b>3,965</b>	<b>0</b>	<b>3,965</b>
Financial Income	-	212	-	-	-	-	5	-	-	-	-	217	-	217
Financial Expenses	-	(8)	-	-	-	-	-	-	-	-	-	(8)	-	(8)
<b>+ Surplus/(Loss) available for Church and Ministry projects</b>	<b>518</b>	<b>59</b>	<b>1</b>	<b>7</b>	<b>2,624</b>	<b>232</b>	<b>91</b>	<b>20</b>	<b>604</b>	<b>55</b>	<b>(36)</b>	<b>4,174</b>	<b>0</b>	<b>4,174</b>

**Hillsong Church USA Affiliates**  
**Annual Financial Report**  
**For the Year Ended 31 December, 2020**

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## Independent auditor's report to the Management of Hillsong Church USA Affiliates

### Opinion

We have audited the financial report, being a special purpose financial report, of Hillsong Church USA Affiliates (the Group), which comprises the combined statements of financial position as at 31 December 2020, the combined statements of financial activities, combined statements of cash flows for the year then ended, notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial report is prepared, in all material respects, in accordance with the accounting policies described in Note 1 of the financial report.

### Basis for opinion

We conducted our audit in accordance with International Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Group in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (the Code) that are relevant to our audit of the financial report. We have also fulfilled our other ethical responsibilities in accordance with the Code.

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

### Emphasis of matter – basis of accounting and restriction on distribution

We draw attention to Note 1 to the financial statements which describes the basis of accounting. The financial report is prepared to assist the Group to meet the requirements of Management. As a result the financial report may not be suitable for another purpose. Our report is intended solely for the Management of the Group (collectively the Recipients) and should not be distributed to parties other than the Recipients. Our opinion is not modified in respect of this matter.

### Responsibilities of the Management for the financial report

The Management of the Group are responsible for the preparation of the financial report in accordance with their financial reporting requirements and for such internal control as the Management determine is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error.

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

### Auditor's responsibilities for the audit of the financial report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the International Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material

if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

As part of an audit in accordance with the International Auditing Standards, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management.
- Conclude on the appropriateness of Management'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 Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial report. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

We communicate with the Management regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.



Ernst & Young  
Sydney  
19 July 2021

**HILLSONG CHURCH USA AFFILIATES***Combined Statements of Financial Position**For The Year Ended, 2020*

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<b>Assets</b>		<b>December 31,</b>	
		<b>2020</b>	<b>2019</b>
<b>Current assets:</b>			
Cash		6,976,536	5,714,687
Accounts receivable, net		698,858	908,206
Royalties receivable		5,203,269	4,688,730
Prepaid expenses and other current assets		218,235	59,103
		<hr/>	<hr/>
Total current assets		13,096,898	11,370,726
		<hr/>	<hr/>
Property and equipment, net (Note 2)		3,614,893	3,672,748
Due from related parties (Note 5)		5,290,124	3,603,112
		<hr/>	<hr/>
Total Assets		22,001,915	18,646,586
		<hr/>	<hr/>
<b>Liabilities and Net Assets</b>			
<b>Current liabilities:</b>			
Accounts payable		1,370,457	587,502
Royalties payable		3,539,984	4,205,037
Accrued liabilities		205,037	392,016
Lease liabilities		101,104	-
		<hr/>	<hr/>
Total current liabilities		5,216,582	5,184,555
		<hr/>	<hr/>
Due to related parties (Note 5)		1,833,194	2,094,118
Accrued liabilities		-	106,791
Lease liabilities		78,437	-
Other payables		16,074	-
		<hr/>	<hr/>
Total Liabilities		7,144,287	7,385,464
		<hr/>	<hr/>
<b>Net assets:</b>			
Net assets without donor restrictions		14,702,538	11,110,930
Net assets with donor restrictions		155,090	150,192
		<hr/>	<hr/>
Total net assets		14,857,628	11,261,122
		<hr/>	<hr/>
Total Liabilities and Net Assets		22,001,915	18,646,586
		<hr/>	<hr/>

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See notes to combined financial statements

HILLSONG CHURCH USA AFFILIATES

Combined Statements of Financial Activities

For The Year Ended, 2020

	Net Assets Without Donor Restrictions	Net Assets With Donor Restrictions	2020 Total	2019 Total
Revenues, support, and gains (losses):				
Royalties	18,433,758	-	18,433,758	17,254,425
Resource income	715,566	-	715,566	25,027,464
Registration income	-	-	-	546,156
College income	1,257,510	-	1,257,510	461,860
Ministry support income	2,518,734	-	2,518,734	3,271,384
Donations	2,753,833	340,152	3,093,985	7,647,219
Contributions	1,748,364	-	1,748,364	1,285,547
Other income and gains (losses)	641,222	-	641,222	320,293
Total revenues, support, and gains (losses)	28,068,987	340,152	28,409,139	55,814,348
Expenses:				
Royalties and resource	(9,810,365)	-	(9,810,365)	(11,515,975)
Cost of sales	(999,969)	-	(999,969)	(1,474,376)
Ministries and other programs	(10,660,203)	(351,254)	(11,011,457)	(35,846,015)
Conferences	(3,354)	-	(3,354)	(942,777)
Selling, marketing, and general	(2,987,488)	-	(2,987,488)	(4,591,065)
Total expenses	(24,461,379)	(351,254)	(24,812,633)	(54,370,208)
Change in net assets:	3,607,608	(11,102)	3,596,506	1,444,140
Net assets, beginning of year	11,110,930	150,192	11,261,122	9,816,982
Movement in net assets	(16,000)	16,000	-	-
Net assets, end of year	14,702,538	155,090	14,857,628	11,261,122

See notes to combined financial statements



HILLSONG CHURCH USA AFFILIATES

Combined Statements of Cash Flows

For The Year Ended, 2020

Increase (Decrease) in Cash	For the Years ended December 31,	
	2020	2019
<b>Cash flows from operating activities:</b>		
Change in net assets	3,596,506	1,444,140
<b>Adjustments to reconcile change in net assets to net cash provided by operating activities:</b>		
Depreciation and amortization	358,529	299,844
Bad debt expense	-	15,803
<b>Changes in assets and liabilities:</b>		
Accounts receivable	196,354	(401,575)
Royalties receivable	(514,539)	(523,820)
Prepaid expenses and other current assets	(146,138)	66,868
Due from related parties	(1,687,012)	1,269,835
Accounts payable	782,955	44,343
Royalties payable	(672,024)	640,183
Accrued liabilities	(114,229)	149,156
Due to related parties	(237,879)	1,755,678
	<hr/>	<hr/>
Net cash provided by operating activities	1,562,523	4,760,455
<b>Cash flows from investing activities:</b>		
Purchase of property and equipment	(300,674)	(526,855)
	<hr/>	<hr/>
Net cash used by investing activities	(300,674)	(526,855)
	<hr/>	<hr/>
Net increase in cash:	1,261,849	4,233,600
Cash, beginning of year	5,714,687	1,481,087
	<hr/>	<hr/>
Cash, end of year	6,976,536	5,714,687
	<hr/> <hr/>	<hr/> <hr/>



Note 1 - Description of organization and summary of significant accounting policies:

The accompanying combined financial statements of Hillsong Church USA Affiliates include the accounts of Hillsong Channel, LLC (Channel); Hillsong Music & Resources, LLC (HMR); Hillsong Publishing, LLC (Publishing); Hillsong Events, LLC (Events); Hillsong Property Holdings, LLC (Property); Hillsong Global, LLC (Global); Hillsong College LLC; and Hillsong Foundation, LLC (Foundation) (collectively, the Organization). Each entity is a single-member LLC of Hillsong Church USA, Inc. (Hillsong Church USA), which is a subsidiary of Hillsong Church, Inc., a global Christian organization with churches and music and media operations around the world (Hillsong).

Channel operates a television and streaming channel which showcases content produced by Hillsong. HMR and Publishing hold licenses for the distribution and publishing of Hillsong music. Events manages Hillsong conferences and tours across the U.S. Property owns office and studio space for Hillsong's use. Global receives contributions and donations from Hillsong affiliates and partner churches and oversees global operations. Foundation facilitates charitable giving and donations to other organizations.

Management believes the presentation of combined financial statements to be the most meaningful. All material intercompany accounts and transactions have been eliminated in combination.

Basis of presentation

The Organization applies accounting policies as described below to reflect the principles of the Financial Accounting Standards Board (FASB) Codification (Codification). The Codification is the single official source of authoritative accounting principles generally accepted in the United States of America (U.S. GAAP) recognized by the FASB to be applied by nongovernmental entities, and all of the Codification's content carries the same level of authority.

The combined financial statements are presented in U.S. Dollars, which is the Organization's functional currency.

Use of estimates in the preparation of combined financial statements

The preparation of combined financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the combined financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Note 1 - Description of organization and summary of significant accounting policies - continued:

Revenue recognition

The Organization earns lease and mechanical royalties for the Hillsong music it is licensed to distribute and publish. Lease royalties are received from distributors of Hillsong's albums and songs. Mechanical royalties are received as a result of the Organization owning the words and music to the songs produced. Royalties are earned when content is distributed through digital streaming platforms or physical album sales.

Resource income includes sales of merchandise at events and is recognized at the point of sale. The Organization does not maintain inventory of merchandise, and merchandise is expensed as cost of sales after the event such merchandise was purchased for. Resource income also includes ticket sales income from tours while registration income includes ticket sales from conferences, both of which are recognized when the event occurs.

Ministry support income includes airtime, video on demand subscriptions, Team Box subscriptions, advertising income, and donations received in exchange for support of a global child welfare organization. Ministry support income is recognized as services are provided.

Donation income is recognized when contributions are made, which may be when cash is received or unconditional promises to give are made. Gifts of cash and other assets are reported as restricted support if they are received with donor stipulations that limit the use of the donated amounts. When the purpose restriction is satisfied, net assets with donor restrictions are released to net assets without donor restrictions in the combined statements of activities.

Contributions from U.S. Hillsong Churches and worldwide Hillsong Family Network churches represent a portion of their tithes and are recognized monthly in exchange for the Organization's support.

Other income and gains (losses) are recognized when earned or when foreign exchange gains or losses are incurred.

Accounts and royalties receivable

Accounts and royalties receivable consists of trade receivables from customers due under normal trade terms and are reported net of any anticipated losses due to uncollectible accounts. Management individually reviews all receivable balances that exceed payment terms and, based on an assessment of current creditworthiness, estimates the portion, if any, of the balance that will not be collected. Management provides for probable uncollectible amounts through a provision for bad debt based on its assessment of the current status of individual accounts. Balances that are still outstanding after management has used reasonable collection efforts are written off through a charge to the valuation allowance and a credit to accounts or royalties receivable.

HILLSONG CHURCH USA AFFILIATES

*Notes to Combined Financial Statements (continued)*

*For The Year Ended, 2020*

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Note 1 - Description of organization and summary of significant accounting policies - continued:

Property and equipment, net

Purchased property and equipment are recorded at cost. Expenditures for repairs and maintenance are charged to expense as incurred, and additions and improvements that significantly extend the lives of assets are capitalized. Depreciation is computed using the straight-line method over the estimated useful lives of the assets, which range from 3 to 50 years.

Income taxes

The affiliates of Hillsong Church USA included in these combined financial statements are not subject to U.S. federal or state income taxes. As limited liability companies, the sole member, Hillsong Church USA, reports the affiliates' taxable income or loss on its return. Hillsong Church USA is a not-for-profit corporation and is exempt from U.S. federal income tax under Section 501(c)(3) of the Internal Revenue Code.

Advertising expenses

Advertising costs are expensed as incurred.

Subsequent events

All subsequent events, if any, requiring recognition as of, 2020, have been incorporated into these combined financial statements.

HILLSONG CHURCH USA AFFILIATES

Notes to Combined Financial Statements (continued)

For The Year Ended, 2020

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Note 2 – Property and equipment:

Property and equipment consisted of the following at December 31:

	2020	2019
Furniture and fittings	335,801	326,431
Audio visual equipment	953,769	828,325
Machinery and equipment	215,377	212,269
Computer equipment	142,465	116,267
Leasehold improvements	468,722	332,169
Building and improvements	972,725	972,725
Land	1,682,963	1,682,963
Land improvements	16,284	16,284
Vehicle	71,658	71,658
	<u>4,859,764</u>	<u>4,559,091</u>
Less: Accumulated depreciation and amortization	<u>(1,244,872)</u>	<u>(886,343)</u>
Net property and equipment	3,614,892	3,672,748

Note 3 – Lease obligations:

The Organization has entered into operating lease arrangements for office space with expiration dates of December 31, 2021 and 2023. The Organization entered into an operating lease for office space in Costa Mesa, California, with an effective date of January 1, 2020 and an expiration date of December 31, 2023. Including the current office space lease arrangements, the future minimum lease payments under the operating lease agreements are as follows:

<u>Year Ending December 31,</u>	
2021	225,270
2022	178,764
2023	<u>171,066</u>
	575,100

## HILLSONG CHURCH USA AFFILIATES

Notes to Combined Financial Statements (continued)

For The Year Ended, 2020

### Note 4 – Functional expenses:

The table below presents expenses by their nature and their function for the year ended December 31, 2020:

	Programs	Management and General	Fundraising	Total
Advertising and promotions			319,543	319,543
Airtime and production	999,960			999,960
Cost of sales	1,193,654			1,193,654
Depreciation and amortization	319,593	38,936		358,529
Donations	1,340,337			1,340,337
Employee and volunteer costs	4,083,470			4,083,470
Insurance, professional fees and contract labour	250,805	7,042,337		7,293,142
Ministry support	107,496			107,496
Other expenses	-	1,739,138		1,739,138
Royalties	7,230,934			7,230,934
Travel, meals and entertainment	146,430			146,430
Total	15,672,679	8,820,411	319,543	24,812,633

The combined financial statements report certain categories of expenses that are attributable to both programs and management and general functions. Therefore, these expenses require allocation on a reasonable basis that is consistently applied. Depreciation and amortization are allocated according to the portion of the Organization's property used for programs and management and general functions. Other operating expenses are allocated based on the nature of the expense.

### Note 5 – Transactions with related parties:

The Organization makes annual donations to affiliates of Hillsong in support of the global mission of Hillsong and shared services. During the years ended December 31 2020, the Organization made donations of \$7,288,022, which are recorded in ministry and other programs expenses in the combined statements of activities.

Contributions from U.S. Hillsong Churches and worldwide Hillsong Family Network churches during the years ended December 31, 2020 was \$1,748,364, of which \$394,507 is receivable at December 31 2020, and is recorded as receivables in the combined statements of financial position.

The Organization pays royalties to affiliates of Hillsong. During the years ended December 31 2020, the Organization incurred expenses due to the affiliates of \$6,645,145, which are recorded in royalties and resource expenses in the combined statements of activities.



Note 5 – Transactions with related parties (continued):

Remaining amounts due from and due to related parties recorded in the combined statements of financial position are for general cash transfers among entities and other operating cash flows. Where amounts are not receivable or payable within 12 months based on the terms of the related party agreements, these are recorded as non-current receivables or payables.

Note 6 - Liquidity and availability of net assets:

As part of the Organization's liquidity management, the Organization structures its financial assets to be available as its general expenditures, liabilities, and other obligations come due. As of December 31, 2020, financial assets available to meet cash needs for general expenditures within the next year include:

Cash	6,976,536
Accounts receivable	698,858
Royalties receivable	<u>5,203,269</u>
	12,878,663

Note 7 - Concentrations of risk:

The Organization maintains its cash in bank deposits which, at times, may exceed federally-insured limits. The Organization has not experienced any losses in such accounts.

During the year ended December 31 2020, the Organization had revenues from one customer comprising 39% of total revenue, support, and gains (losses), respectively. Additionally, the operations of the Organization are dependent upon the worldwide Hillsong brand and relationships. These relationships create a concentration of risk.

The Organization earns revenue from substantially all major regions of the world, including Australia, Africa, Asia, Europe, North America, Latin America, and South America. This foreign activity could cause a disruption of sales and product supply due to political instability, civil unrest, economic instability, changes in government policies, and other risks. The Organization transacts business in multiple currencies other than the U.S. Dollar, creating a risk related to foreign currency exchanges.

Note 8 - Subsequent events:

Subsequent to December 2020, there have not been other significant events occurring after balance date which may affect either the Organization's operation or the results of those operations.

SUPPLEMENTAL INFORMATION

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HILLSONG CHURCH USA AFFILIATES

Combined Statement of Financial Position

For The Year Ended, 2020

	Combined	Elimination	Hillsong Channel LLC	Hillsong Music and Resources LLC	Hillsong Publishing LLC	Hillsong Global LLC	Hillsong Events LLC	Hillsong Foundation LLC	HC Property Holdings LLC	Hillsong College LLC
<b>Current assets:</b>										
Cash	6,976,536	-	720,912	3,006,418	766,172	1,548,158	128,583	492,463	-	313,830
Accounts receivable, net	698,858	-	64,014	-	48,523	395,478	5,000	111,514	-	74,329
Royalties receivable	5,203,269	-	-	2,620,920	2,582,349	-	-	-	-	-
Prepaid expenses and other current assets	218,235	-	20,175	39,708	1,613	89,660	40,532	-	-	26,547
<b>Total current assets</b>	<b>13,096,898</b>	<b>-</b>	<b>805,101</b>	<b>5,667,046</b>	<b>3,398,657</b>	<b>2,033,296</b>	<b>174,115</b>	<b>603,977</b>	<b>-</b>	<b>414,706</b>
Due from related parties	5,290,124	(6,801,890)	1,690,842	2,827,482	1,191,172	3,530,007	2,137,902	-	238,668	475,941
Property and equipment, net	3,614,893	-	269,337	414,195	-	70,769	-	-	2,707,182	153,410
<b>Total Assets</b>	<b>22,001,915</b>	<b>(6,801,890)</b>	<b>2,765,280</b>	<b>8,908,723</b>	<b>4,589,829</b>	<b>5,634,072</b>	<b>2,312,017</b>	<b>603,977</b>	<b>2,945,850</b>	<b>1,044,057</b>
<b>Current liabilities:</b>										
Accounts payable	(1,370,457)	-	(101,210)	(54,498)	(584,849)	(420,158)	(10,925)	-	-	(198,817)
Royalties payable	(3,539,984)	-	-	(402,108)	(3,137,876)	-	-	-	-	-
Lease liabilities	(101,104)	-	-	-	-	-	-	-	-	(101,104)
Accrued liabilities	(205,037)	-	(48,240)	(10,723)	-	-	(115,061)	-	-	(31,013)
<b>Total current liabilities</b>	<b>(5,216,582)</b>	<b>-</b>	<b>(149,450)</b>	<b>(467,329)</b>	<b>(3,722,725)</b>	<b>(420,158)</b>	<b>(125,986)</b>	<b>-</b>	<b>-</b>	<b>(330,934)</b>
Due to related parties	(1,833,194)	6,801,890	(1,747,540)	(2,016,134)	(13,657)	(3,610,012)	(645,962)	-	(68,155)	(533,624)
Other payables	(16,074)	-	-	-	(16,074)	-	-	-	-	-
Lease liabilities	(78,437)	-	-	-	-	-	-	-	-	(78,437)
<b>Total liabilities</b>	<b>(7,144,287)</b>	<b>6,801,890</b>	<b>(1,896,990)</b>	<b>(2,483,463)</b>	<b>(3,752,456)</b>	<b>(4,030,170)</b>	<b>(771,948)</b>	<b>-</b>	<b>(68,155)</b>	<b>(942,995)</b>
<b>Net assets without donor restrictions</b>	<b>(14,702,538)</b>	<b>-</b>	<b>(868,290)</b>	<b>(6,425,260)</b>	<b>(837,373)</b>	<b>(1,507,884)</b>	<b>(1,540,069)</b>	<b>(544,905)</b>	<b>(2,877,695)</b>	<b>(101,062)</b>
<b>Net assets with donor restrictions</b>	<b>(155,090)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(96,018)</b>	<b>-</b>	<b>(59,072)</b>	<b>-</b>	<b>-</b>
<b>Total net assets</b>	<b>(14,857,628)</b>	<b>-</b>	<b>(868,290)</b>	<b>(6,425,260)</b>	<b>(837,373)</b>	<b>(1,603,902)</b>	<b>(1,540,069)</b>	<b>(603,977)</b>	<b>(2,877,695)</b>	<b>(101,062)</b>
<b>Total Liabilities and Net Assets</b>	<b>(22,001,915)</b>	<b>6,801,890</b>	<b>(2,765,280)</b>	<b>(8,908,723)</b>	<b>(4,589,829)</b>	<b>(5,634,072)</b>	<b>(2,312,017)</b>	<b>(603,977)</b>	<b>(2,945,850)</b>	<b>(1,044,057)</b>

HILLSONG CHURCH USA AFFILIATES

Combined Statement of Activities

For The Year Ended, 2020

	Combined	Elimination	Hillsong Channel LLC	Hillsong Music and Resources LLC	Hillsong Publishing LLC	Hillsong Global LLC	Hillsong Events LLC	Hillsong Foundation LLC	HC Property Holdings LLC	Hillsong College LLC
<b>Revenues, support, and gains:</b>										
Donations	3,093,985	(7,088,023)	2,807,843	-	-	5,486,352	650,000	712,306	20,000	505,507
Distributions of restricted donation and net assets	(351,254)	-	-	-	-	(251,254)	-	(100,000)	-	-
Resource income	715,566	-	-	-	-	110,687	604,879	-	-	-
Royalties	18,433,758	-	-	11,173,116	7,260,642	-	-	-	-	-
Other income and gains (losses)	641,222	(1,085,402)	198,551	163,340	-	60,039	1,289,137	-	-	15,557
College income	1,257,510	-	-	-	-	-	-	-	-	1,257,510
Contributions	1,748,364	-	-	-	-	1,748,364	-	-	-	-
Ministry support income	2,518,734	-	2,518,734	-	-	-	-	-	-	-
<b>Total revenues, support, and gains</b>	<b>28,057,885</b>	<b>(8,173,425)</b>	<b>5,525,128</b>	<b>11,336,456</b>	<b>7,260,642</b>	<b>7,154,188</b>	<b>2,544,016</b>	<b>612,306</b>	<b>20,000</b>	<b>1,778,574</b>
<b>Expenses:</b>										
Royalties and resource	(9,810,365)	320,004	-	(3,197,867)	(6,932,502)	-	-	-	-	-
Cost of sales	(999,969)	-	(995,976)	-	-	-	(3,993)	-	-	-
Ministries and other programs	(10,660,203)	7,853,421	(2,866,368)	(4,959,000)	-	(6,488,145)	(2,516,572)	(8,329)	(38,936)	(1,636,274)
Conferences	(3,354)	-	-	-	-	-	(3,354)	-	-	-
Selling, marketing and general	(2,987,488)	-	(1,655,867)	(555,973)	(95,972)	(574,924)	-	-	(17,180)	(87,572)
<b>Total expenses</b>	<b>(24,461,379)</b>	<b>8,173,425</b>	<b>(5,518,211)</b>	<b>(8,712,840)</b>	<b>(7,028,474)</b>	<b>(7,063,069)</b>	<b>(2,523,919)</b>	<b>(8,329)</b>	<b>(56,116)</b>	<b>(1,723,846)</b>
<b>Change in net assets</b>	<b>3,596,506</b>	<b>-</b>	<b>6,917</b>	<b>2,623,616</b>	<b>232,168</b>	<b>91,119</b>	<b>20,097</b>	<b>603,977</b>	<b>(36,116)</b>	<b>54,728</b>

**2020 PARTNER'S SHARE OF INVESTMENT IN PASSTHROUGH ENTITIES**

Note: The amounts on this schedule are provided for informational purposes only. These amounts are already included on Schedule K-1.

Partner's Name <b>LAFAYETTE PROPERTY HOLDINGS LLC</b>	Partner's Identification number <b>82-1961478</b>
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Name of Passthrough Entity	Employer Identification No.	Type of Entity	Final K-1
A LAFAYETTE DEVELOPMENT OWNERS, LLC	47-4223978	PASSIVE	
B			
C			
D			

		Passthrough Entities			
		A	B	C	D
Income (Loss)	Ordinary business income (loss)				
	Net rental real estate income (loss)	-308,065.			
	Other net rental income (loss)				
	Guaranteed payments				
	Interest	1.			
	Ordinary dividends				
	Qualified dividends				
	Dividend equivalents				
	Royalties				
	Net short-term capital gain (loss)				
	Net long-term capital gain (loss)				
	Collectibles (28%) gain (loss)				
	Unrecaptured section 1250 gain				
	Net section 1231 gain (loss)				
Other income (loss)					
Deductions	Section 179 deduction				
	Charitable contributions				
	Investment interest expense				
	Section 59(e)(2) expense: Intangible Drilling costs				
	Section 59(e)(2) expense: Dry Hole expense				
	Other section 59(e)(2) expenses				
	Excess business interest expenses				
Other deductions					
Self-Employment	Net earnings (loss) from self-employment				
	Gross farming or fishing income				
	Gross nonfarm income				
Credits	Low-income housing credit:				
	(A) Section 42(j)(5): Pre-2008				
	(B) Other: Pre-2008				
	(C) Section 42(j)(5): Post-2007				
	(D) Other: Post-2007				
	Qualified rehabilitation expenditures related to rental real estate act.				
	Other rental real estate credits				
	Other rental credits				
	Work opportunity credit				
	Biofuel producer credit				
	Disabled access credit				
	Empowerment zone employment credit				
	Credit for increasing research activities				
	Credit for employer Soc. Sec. tax paid on certain employee tips				
	Orphan drug credit				
	Enhanced oil recovery credit				
	Indian employment credit				
Small employer pension plan startup costs credit					
Credit for employer-provided childcare					
Alternative motor vehicle credit					
Other credits					

**Statement A—QBI Pass-through Entity Reporting (Schedule K-1, Box 20, Code Z)**

Partnership's name: CBSK 363 LLC	Partnership's EIN: 82-1619799
Partner's name: LAFAYETTE PROPERTY HOLDINGS LLC	Partner's identifying number: 82-1961478

	CBSK 363 LLC	LAFAYETTE DEVELOPMENT OWNERS, LLC	
Partner's share of:	<input type="checkbox"/> PTP <input type="checkbox"/> Aggregated <input type="checkbox"/> SSTB	<input type="checkbox"/> PTP <input type="checkbox"/> Aggregated <input type="checkbox"/> SSTB	<input type="checkbox"/> PTP <input type="checkbox"/> Aggregated <input type="checkbox"/> SSTB

**QBI or qualified PTP items subject to partner-specific determinations:**

	Ordinary business income (loss)			
	Rental income (loss) .....	-475.	-308,065.	
	Royalty income (loss) .....			
	Section 1231 gain (loss) .....			
	Other income (loss) .....			
	Section 179 deduction .....			
	Other deductions .....			
<b>W-2 wages</b> .....			10,221.	
<b>UBIA of qualified property</b> .....			3,244,615.	
<b>Section 199A dividends</b>				

Partner's share of:	<input type="checkbox"/> PTP <input type="checkbox"/> Aggregated <input type="checkbox"/> SSTB	<input type="checkbox"/> PTP <input type="checkbox"/> Aggregated <input type="checkbox"/> SSTB	<input type="checkbox"/> PTP <input type="checkbox"/> Aggregated <input type="checkbox"/> SSTB

**QBI or qualified PTP items subject to partner-specific determinations:**

	Ordinary business income (loss)			
	Rental income (loss) .....			
	Royalty income (loss) .....			
	Section 1231 gain (loss) .....			
	Other income (loss) .....			
	Section 179 deduction .....			
	Other deductions .....			
<b>W-2 wages</b> .....				
<b>UBIA of qualified property</b> .....				



2020 PARTNER'S SHARE OF INVESTMENT IN PASSTHROUGH ENTITIES

Note: The amounts on this schedule are provided for informational purposes only. These amounts are already included on Schedule K-1.

Table with Partner's Name (LAFAYETTE PROPERTY HOLDINGS LLC) and Partner's identification number (82-1961478).

Table with columns: Name of Passthrough Entity, Employer Identification No., Type of Entity, Final K-1. Row A: LAFAYETTE DEVELOPMENT OWNERS, LLC, 47-4223978, PASSIVE.

Main table for Passthrough Entities with columns A, B, C, D. Rows include Alternative Minimum Tax (AMT) items, Tax-exempt Inc & Non-deductible Exp, and Other Information.

PARTNER 2: LAFAYETTE PROPERTY HOLDINGS LLC 82-1961478



Department of Taxation and Finance

# New York Partner's Schedule K-1

# IT-204-IP

Tax Law – Article 22 (Personal Income Tax)

Final K-1

Amended K-1

For calendar year 2020 or tax year beginning  and ending

Partners: Before completing your income tax return, see Form IT-204-IP-I, *Partner's Instructions for Form IT-204-IP* (available at [www.tax.ny.gov](http://www.tax.ny.gov)).

## Partnership's information (see instructions)

Partnership's name (as shown on Form IT-204) CBSK 363 LLC	Partnership's EIN 821619799
--	--------------------------------

A Mark an **X** in the box if either applies to your entity  Publicly traded partnership  Portfolio investment partnership

B Tax shelter registration number, if any  B

C Business allocation percentage  C  %

## Partner's information (see instructions)

Partner's name LAFAYETTE PROPERTY HOLDINGS LLC			Partner's identifying number 821961478		
Partner's address 32 AVENUE OF THE AMERICAS					
City NEW YORK		State NY	ZIP code 10013		

D The partner is a (mark an **X** in the appropriate box)  General partner or LLC member-manager  Limited partner or other LLC member

E What is the tax filing status of the partner? (Mark an **X** in the appropriate box, if known.)  Individual  Estate/trust  Partnership

F If the partner is a disregarded entity or grantor trust, enter the tax ID of the entity or individual reporting the income, if known  F

G Did the partner sell its entire interest during the tax year?  Yes  No

H Partner's share of profit, loss, and capital

	Beginning	Ending
1) Profit H1	16.6670 %	16.6670 %
2) Loss H2	16.6670 %	16.6670 %
3) Capital H3	16.6670 %	16.6670 %

I Partner's share of liabilities at the end of the year

1) Nonrecourse I1	446.
2) Qualified nonrecourse financing I2	
3) Recourse I3	2550005.

J Partner's capital account analysis

1) Beginning capital account J1	578381.
2) Capital contributed during the year - cash J2	117563.
3) Capital contributed during the year - property J3	
4) Current year increase (decrease) J4	-1145.
5) Withdrawals and distributions - cash J5	
6) Withdrawals and distributions - property J6	
7) Ending capital account J7	581402.

8) Method of accounting (mark an **X** in the appropriate box)  
 Tax basis  GAAP  Book  Other (submit explanation)

K Resident status (mark an **X** in all boxes that apply; see instructions)

<input type="checkbox"/> NYS full-year resident	<input type="checkbox"/> Yonkers full-year resident	<input type="checkbox"/> NYC full-year resident
<input type="checkbox"/> NYS part-year resident	<input type="checkbox"/> Yonkers part-year resident	<input type="checkbox"/> NYC part-year resident
<input type="checkbox"/> NYS nonresident	<input type="checkbox"/> Yonkers nonresident	

L If the partner was included in a group return, enter the special NYS Identification number, if known  L



**Partner's credit information (continued)**

33	This line intentionally left blank	33	
34	This line intentionally left blank	34	
35	This line intentionally left blank	35	

**QEZE tax reduction credit (Form IT-604)**

36	QEZE employment increase factor	36	
37	QEZE zone allocation factor	37	
38	QEZE benefit period factor	38	

**Excelsior jobs program tax credit (Form IT-607)**

39	Excelsior jobs tax credit component	39	
40	Excelsior investment tax credit component	40	
41	Excelsior research and development tax credit component	41	
42	Excelsior real property tax credit component	42	

**Farmers' school tax credit (Form IT-217)**

43	Acres of qualified agricultural property	43	
44	Acres of qualified conservation property	44	
45	Eligible school district property taxes paid	45	
46	Acres of qualified agricultural property converted to nonqualified use	46	

**Other flow-through credit bases and information**

Credit bases

	Code	Amount		Code	Amount
47a			47d		
47b			47e		
47c			47f		

Credit information

	Code	Information		Code	Information
47g			47j		
47h			47k		
47i			47l		

**Part 2 – Flow-through credits, addbacks, and recaptures**

48	Long-term care insurance credit (Form IT-249)	48	
49	Investment credit (including employment incentive credit and historic barn rehabilitation credit; Form IT-212)	49	
50	Research and development – investment credit (Form IT-212)	50	
51	Other flow-through credits		

	Code	Amount		Code	Amount
51a			51e		
51b			51f		
51c			51g		
51d			51h		

**52 Addbacks of credits and recaptures**

	Code	Amount		Code	Amount
52a			52d		
52b			52e		
52c			52f		



118004201032



Partner's credit information (continued)

Part 3 – START-UP NY tax elimination credit information (Form IT-638)

53	START-UP NY business certificate number (Form DTF-74) . . . . .	53	
54	Year of START-UP NY business tax benefit period . . . . .	54	
55	START-UP NY area allocation factor . . . . .	55	

Partner's share of New York adjustments due to decoupling from the IRC (see instructions)

	A – Total amount	B – New York State allocated amount
1 Total of New York additions . . . . .	1	
2 Total of New York subtractions . . . . .	2	



**FORM IT-204-IP, PAGE 2, LINE 19  
OTHER ITEMS REPORTED SEPARATELY**

INVESTMENT INCOME.....		\$	1.
	TOTAL FEDERAL AMOUNT - COLUMN B	\$	1.

**SUPPLEMENTAL INFORMATION  
ITEMS REPORTED TO SPECIFIC PARTNERS**

INCOME ON BOOKS NOT ON K-1:

BOOK TO TAX CONVERSION	\$115,995
PRIOR PERIOD ADJUSTMENT	79,437
UNREALIZED ADJUSTMENT	(1,435)

TOTAL INCOME ON BOOKS NOT ON K-1	\$193,997
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Hillsong Stewardship Fund, Inc.

Property Report for **OC GLOBAL PROPERTY HOLDINGS, LLC**

Current Situation:	Entity is currently inactive.
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Hillsong Stewardship Fund, Inc.

Property Report for **PHX PROPERTY HOLDINGS, LLC**



Property Address:	655 East University Drive, Mesa, Arizona 85203 Hillsong Church, Phoenix – Mesa Campus
Year Built:	1950, 1980, 1990, 2001, & 2002
Building Size:	123,671 SF
Purchase Price:	N/A
Carrying Book Value:	\$9,362,646 (as at 31 December 2020)
Market Value:	\$18,550,000 (as of 4 December 2018)
Overview:	The Mesa Campus is used as Hillsong Phoenix's administration building, Hillsong College Phoenix educational facilities, social justice facilities in support of foster care & adoption initiatives, auditorium for weekend services, and other pastoral care services and activities.



Property Address:	400 West Monroe Street, Phoenix, Arizona 85003 Hillsong Church, Phoenix – Downtown Campus
Year Built:	1927
Building Size:	65,800 SF
Purchase Price:	N/A
Carrying Book Value:	\$9,362,646 (as at 31 December 2020)
Market Value:	\$14,200,000 (as of 4 December 2018)
Overview:	The Downtown Campus is used as Hillsong Phoenix's administration building, auditorium for weekend services, and other children services and activities.



Property Address:	12344 North 96th Place, Scottsdale, Arizona 85260 Hillsong Phoenix – Scottsdale Campus
Year Built:	1996, 2006 & 2010
Building Size:	29,813 SF
Purchase Price:	N/A
Carrying Book Value:	\$9,362,646 (as at 31 December 2020)
Market Value:	\$10,000,000 (as of 4 December 2018)
Overview:	The Scottsdale Campus is used as Hillsong Phoenix's administration building, Café Theology (Hillsong Channel) filming backdrop, and auditorium for weekend services.

Current Situation:	<ul style="list-style-type: none"> <li>- No changes to Loan Covenant since 2015.</li> <li>- Lease Agreement with Hillsong College, Phoenix still ongoing.</li> <li>- <u>Phoenix Cell Tower</u></li> </ul> <p>Hillsong Phoenix have been working on an opportunity with AP Wireless Investments I, LLC. (APWII).</p> <p>They have a current lease on a communications tower that is on top of their Scottsdale building. AP Wireless have offered them \$300,000USD to buy out this lease.</p> <p>This represents a valuable cash injection at a time when it is needed. They have previously been receiving \$18,000USD per year for this lease.</p> <p>The contract has been negotiated with council and we are satisfied with the terms.</p>
Any additional info:	<p>See attached</p> <ul style="list-style-type: none"> <li>- 31 December 2020 Audited Financial Statement (Appendix 4)</li> </ul>

**Hillsong Phoenix, LLC and Affiliates**

Combined Financial Statements,  
Supplemental Combining Information, and  
Independent Auditor's Report

**December 31, 2020**

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## **Independent Auditor's Report**

To the Board of Directors  
Hillsong Phoenix, LLC and Affiliates  
Mesa, Arizona

We have audited the accompanying combined financial statements of Hillsong Phoenix, LLC and Affiliates (the Church), which comprise the combined statement of financial position as of December 31, 2020, the related combined statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the combined financial statements.

### **Management's Responsibility for the Financial Statements**

Management is responsible for the preparation and fair presentation of these combined financial statements in accordance with accounting principles generally accepted in the United States of America. This includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

### **Auditor's Responsibility**

Our responsibility is to express an opinion on these combined financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the combined financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the combined financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the combined financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the combined financial statements 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. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

### **Opinion**

In our opinion, the combined financial statements referred to above present fairly, in all material respects, the financial position of Hillsong Phoenix, LLC and Affiliates as of December 31, 2020, and the changes in their net assets and their cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.



### **Report on Supplementary Information**

Our audit was conducted for the purpose of forming an opinion on the combined financial statements as a whole. The supplemental combining information is presented for purposes of additional analysis and is not a required part of the combined financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the combined financial statements. The information has been subjected to the auditing procedures applied in the audit of the combined financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the combined financial statements or to the combined financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the combined financial statements as a whole.

*Stanfield + O'Dell, P.C.*

Tulsa, Oklahoma  
May 5, 2021

Hillsong Phoenix, LLC and Affiliates

**Combined Statement of Financial Position**

December 31, 2020

**Assets**

Current assets	
Cash and cash equivalents	\$ 2,261,743
Restricted cash - debt service	666,727
Other assets	1,412
Total current assets	<u>2,929,882</u>
Property and equipment, net	
Land and improvements	9,403,371
Buildings and improvements	23,380,460
Furniture, fixtures and equipment	3,348,978
Vehicles	31,266
	<u>36,164,075</u>
Less accumulated depreciation	<u>(17,385,683)</u>
Net property and equipment	<u>18,778,392</u>
Total assets	<u>\$ 21,708,274</u>

**Liabilities and net assets**

Current liabilities	
Accounts payable	\$ 110,381
Accrued liabilities	344,759
Current portion of notes payable	517,369
Paycheck Protection Program loan	514,200
Fair value of interest rate swap agreements	1,120,678
Total current liabilities	<u>2,607,387</u>
Long-term liabilities	
Notes payable, net of current portion, and net of unamortized debt issuance costs of \$55,794	<u>13,845,417</u>
Total liabilities	16,452,804
Net assets without donor restriction	<u>5,255,470</u>
Total liabilities and net assets	<u>\$ 21,708,274</u>

The accompanying notes are an integral part of these financial statements.

Hillsong Phoenix, LLC and Affiliates

**Combined Statement of Activities**

Year Ended December 31, 2020

**Changes in net assets without donor restrictions**

Revenue

Tithes and offerings	\$ 4,953,419
Rental income	262,745
Other income	172,139
Net assets released from restrictions	<u>1,297,571</u>
Total revenue	<u>6,685,874</u>

Expenses

Program:

Church activities	4,254,302
Missions and outreach	1,681,967
Cost of religious materials	<u>20,201</u>
Total program	5,956,470

Support:

General and administrative	596,962
Fund-raising	<u>103,263</u>
Total expenses	<u>6,656,695</u>

Other income (expense)

Unrealized loss on interest rate swap agreements	<u>(682,135)</u>
--	------------------

**Decrease in net assets without donor restrictions** (652,956)

**Changes in net assets with donor restrictions**

Contributions	1,297,571
Net assets released from restrictions	<u>(1,297,571)</u>

**Change in net assets with donor restrictions** -

**Decrease in net assets** (652,956)

**Net assets**

Beginning of year	<u>5,908,426</u>
End of year	<u>\$ 5,255,470</u>

The accompanying notes are an integral part of these financial statements.

Hillsong Phoenix, LLC and Affiliates

**Combined Statement of Functional Expenses**

Year Ended December 31, 2020

	Church activities	Missions and outreach	Cost of religious materials	Total program	General and administrative	Fund-raising	Total
Staffing	\$ 1,658,559	\$ 637,908	\$ -	\$ 2,296,467	\$ 255,163	\$ -	\$ 2,551,630
Depreciation	904,662	113,083	-	1,017,745	113,083	-	1,130,828
Ministry	194,413	141,391	17,674	353,478	-	-	353,478
Interest	479,807	137,088	-	616,895	68,544	-	685,439
Office expenses	345,830	43,229	-	389,059	21,614	21,614	432,287
Outreach projects	-	474,300	-	474,300	-	-	474,300
Repairs and maintenance	244,655	30,582	-	275,237	30,582	-	305,819
Utilities	214,015	61,147	-	275,162	30,574	-	305,736
Leadership development	37,904	10,108	2,527	50,539	-	-	50,539
Facilities	85,909	10,739	-	96,648	10,739	-	107,387
Banking and merchant fees	-	-	-	-	54,433	81,649	136,082
Insurance	50,574	14,450	-	65,024	7,225	-	72,249
Professional fees	37,541	7,508	-	45,049	5,005	-	50,054
Conferences and events	433	434	-	867	-	-	867
<b>Total expenses</b>	<b>\$ 4,254,302</b>	<b>\$ 1,681,967</b>	<b>\$ 20,201</b>	<b>\$ 5,956,470</b>	<b>\$ 596,962</b>	<b>\$ 103,263</b>	<b>\$ 6,656,695</b>

The accompanying notes are an integral part of these financial statements.

Hillsong Phoenix, LLC and Affiliates

**Combined Statement of Cash Flows**

Year Ended December 31, 2020

<b>Cash flows from operating activities</b>	
Decrease in net assets	\$ (652,956)
Adjustments to reconcile decrease in net assets to net cash provided by operating activities	
Depreciation expense	1,130,828
Amortization of debt issuance costs	12,485
Unrealized loss on interest rate swap agreements	682,135
Contributions restricted for long-term purposes	(159,775)
Changes in assets and liabilities:	
Other assets	58,188
Accounts payable	(132,233)
Accrued liabilities	156,233
<b>Net cash provided by operating activities</b>	<u>1,094,905</u>
<b>Cash flows used in investing activities</b>	
Capital expenditures	<u>(272,777)</u>
<b>Cash flows from financing activities</b>	
Proceeds from Paycheck Protection Program	514,200
Contributions restricted for long-term purposes	159,775
Proceeds from note payable	577,895
Principal payments on note payable	(451,390)
<b>Net cash provided by financing activities</b>	<u>800,480</u>
<b>Increase in cash and cash equivalents</b>	1,622,608
<b>Cash and cash equivalents</b>	
Beginning of year	1,305,862
End of year	<u>\$ 2,928,470</u>
Cash and cash equivalents is comprised of the following:	
Cash and cash equivalents	\$ 2,261,743
Restricted cash - debt service	666,727
Cash and cash equivalents at end of year	<u>\$ 2,928,470</u>

The accompanying notes are an integral part of these financial statements.



**Notes to Combined Financial Statements**

December 31, 2020

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**Note A – Organization and Summary of Significant Accounting Policies**

*1. Organization*

CitiChurch International, Inc. (the Church) was incorporated in 1999 under the laws of the State of Arizona as a nonprofit corporation. The mission of the Church is to "love people to life" by sharing the Gospel and serving the needs of the community. The mission, vision, and values of the Church continue to expand whenever Kingdom opportunities present themselves through church planting, regional campus development, and church mergers.

During 2012, the Church merged with Word of Grace Ministries, Inc. (located in Mesa, Arizona). CitiChurch International, Inc. became the successor of all the assets, liabilities, and operations of both organizations. Prior to finalization of the legal merging of the two organizations, the organizations had been operating as one Church, under common management and control. Also in 2012, the Church purchased a historic Church building in Downtown Phoenix. Consequently, the Church operates through three locations: Scottsdale, Mesa, and Phoenix, embracing one mission and purpose.

In February 2016, the Church formally became a member church of the Hillsong Church, which is based in Sydney, Australia. As such, the Church changed its name from CitiChurch International, Inc. (d/b/a City of Grace) to CitiChurch International, Inc. (d/b/a Hillsong Phoenix).

In January 2018, the Church legally changed its name to Hillsong Phoenix, LLC. Hillsong Phoenix, LLC is a single member LLC that is part of a larger structure and is included as a part of Hillsong Church, Inc.

Hillsong Las Vegas was officially launched in 2020. Plans for a campus in Tucson are being made for the future.

In 2020, Hillsong Phoenix, LLC formed Hillsong Las Vegas, LLC and Hillsong PHX Ventures, LLC, in which Hillsong Phoenix, LLC is the single member. These entities were created to function as extensions of the Church and to serve different organizational initiatives. Financial activity in these entities is included in Hillsong Phoenix, LLC's combined financial statements. All significant intercompany accounts and transactions have been eliminated.

On April 1, 2019, the Church transferred its fixed assets to a related entity under Hillsong Church named Phoenix Property Holdings, LLC. The Church transferred fixed assets of approximately \$32,000,000, excluding accumulated depreciation, debt of approximately \$13,500,000 related to those assets, along with cash of approximately \$100,000, and net assets of approximately \$6,500,000. The Church continues to use the property but is now leasing the property from that entity. The lease payments are \$83,896 per month through June 2025, which is the mortgage note's maturity date as described in Note D. During 2020, the Church transferred assets of \$876,488 to Phoenix Property Holdings, LLC, which was comprised of cash restricted for debt service totaling \$753,336 and fixed assets totaling \$123,152. The appraised market value of the Mesa, Downtown and Scottsdale campuses was approximately \$44,000,000 as of December 2018.

**Notes to Combined Financial Statements**

December 31, 2020

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**Note A – Organization and Summary of Significant Accounting Policies – Continued**

*1. Organization – Continued*

Because the Church and the Holdings LLC (also referred to herein as “the Church” on a combined basis) are operationally integrated and under common executive management, combined statements are presented. The Church prepares its combined financial statements under accounting principles generally accepted in the United States of America. The activity between the entities has been eliminated on a combined basis.

*2. Basis of Accounting*

The financial statements are presented on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States (GAAP). Under the accrual basis of accounting, revenues are recorded when earned rather than when received, and expenses are recorded when an obligation is incurred rather than when paid.

*3. Basis of Presentation*

Net assets, revenues, gains, and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, net assets and changes therein are classified and reported as follows:

*Net Assets without Donor Restrictions* – Net assets available for use in general operations and not subject to donor-imposed restrictions.

*Net Assets with Donor Restrictions* – Net assets subject to donor-imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Gifts of long-lived assets and gifts of cash restricted for the acquisition of long-lived assets are recognized as revenue when the assets are placed in service. Donor-imposed restrictions are released when a restriction expires, that is, when the stipulated time has elapsed, when the stipulated purpose for which the resource was restricted has been fulfilled, or both.

*4. Revenue Recognition*

Revenue is recognized when earned. Program service fees and sales are recognized when services are provided or goods are delivered. Registration and sales revenue are recognized at the time the service or goods are provided and the revenues are earned based on satisfaction of the Church’s related performance obligation.

**Notes to Combined Financial Statements**

December 31, 2020

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**Note A – Organization and Summary of Significant Accounting Policies – Continued**

*4. Revenue Recognition – Continued*

In the prior year, the Church has adopted ASU 2014-09, *Revenue from Contracts with Customers*, and applies the following steps when recognizing revenue under ASU 2014-09: (1) identify the contract(s) with a customer; (2) identify the performance obligations in the contract; (3) determine the transaction price; (4) allocate the transaction price to the performance obligations in the contract; and (5) recognize revenue when (or as) the entity satisfies a performance obligation. This ASU also requires additional disclosures related to the nature, amount, timing, and uncertainty of revenue and cash flows from customer contracts. The revenues subject to this recognition policy include ministry and program fees, bookstore sales, and other income.

*5. Contributions*

Contributions are recognized when an unconditional gift or promise to give is received. Conditional promises to give are not recognized until conditions on which they depend have been substantially met.

The Church reports information regarding its financial position and activities according to two classes of net assets: net assets without donor restrictions and net assets with donor restrictions. Gifts and contributions received with donor stipulations that limit the use of the asset are reported as with donor restrictions. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose of the contribution is accomplished, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of activities as net assets released from restrictions.

*6. Contributed Services and Materials*

In addition to receiving cash contributions, the Church occasionally receives in-kind contributions from donors. It is the policy of the Church to record the fair value of qualifying in-kind donations as assets in its financial statements, and similarly to increase contributions by a like amount.

A number of volunteers donate significant amounts of time to the Church's programs and supporting services. Contributions of donated services that create or enhance nonfinancial assets or that require specialized skills, are provided by individuals possessing these skills, and would typically need to be purchased if not provided by donation, are recorded at their fair values in the period received. For the year ended December 31, 2020, there were no amounts recorded for contributed services or materials.

*7. Use of Estimates*

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities, if any, at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

**Notes to Combined Financial Statements**

December 31, 2020

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**Note A – Organization and Summary of Significant Accounting Policies – Continued**

*8. Cash and Cash Equivalents*

For purposes of the statement of cash flows, the Church considers highly-liquid debt instruments purchased with a maturity of three months or less to be cash equivalents. Amounts on deposit with financial institutions, from time to time, may exceed the amount insured by Federal Deposit Insurance Corporation (FDIC). Management does not believe these concentrations represent a significant financial risk to the Church.

*9. Restricted Cash*

Restricted cash consists of cash held as debt service and remodeling reserves. The debt service reserve was funded with \$500,000 of proceeds from the Church's bank note payable and required monthly deposits of \$20,833 starting October 1, 2015, until the balance reached \$750,000. The balance at December 31, 2020, was \$666,727. Withdrawals from the reserve require written approval from the bank.

*10. Receivables, Credit Policies, and Other Assets*

Accounts receivable, included in other assets, consist primarily of noninterest-bearing amounts. The Church determines the allowance for uncollectible accounts receivable based on historical experience, an assessment of economic conditions, and a review of subsequent collections. At December 31, 2020, no allowance was deemed necessary.

*11. Supplemental Cash Flow Disclosures*

Total interest paid was \$668,561 for the year ended December 31, 2020.

*12. Fixed Assets and Depreciation*

Land, buildings and equipment are carried at cost or, for donated assets, at the fair value at the date of donation. Significant acquisitions and improvements with a cost of more than \$2,000 and a useful life of more than one year are capitalized. Maintenance and repairs are expensed as incurred. Depreciation is computed using the straight-line method over the estimated useful lives of the assets, between 3 and 10 years for equipment, vehicles and furniture and 10 to 30 years for buildings.

The Church periodically reviews the carrying amount of capital assets whenever events or circumstances provide evidence which suggests that the carrying amount may not be recoverable. If this review indicates that capital assets may not be recoverable, the Church reviews the expected undiscounted future net operating cash flows from the use of these assets. If such assets are considered impaired, the impairment in value is recognized as a charge in the statement of activities. The impairment charge is the difference between the carrying amount of the capital asset and its fair value. The Church does not believe there is any indication that the carrying value of its capital assets has been impaired during the year ended December 31, 2020.

**Notes to Combined Financial Statements**

December 31, 2020

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**Note A – Organization and Summary of Significant Accounting Policies – Continued**

*13. Debt Issuance Costs*

In accordance with Financial Accounting Standards Board Accounting Standards Update No. 2015-03, *Simplifying the Presentation of Debt Issuance Costs* (ASU 2015-03), debt issuance costs are presented in the statement of financial position as a deduction from the carrying amount of the related debt liability instead of as an asset, and the related amortization is presented as interest expense.

Debt issuance costs of \$95,054 are being amortized on a straight-line basis over the life of the respective loan, which is ten years. Accumulated amortization of these costs was \$39,260 at December 31, 2020. Total amortization expense charged to operations in 2020 was \$12,485.

*14. Advertising*

The Church charges advertising costs to operations in the year the expense is incurred. Advertising expense recorded in Church activities for the year ended December 31, 2020, was approximately \$5,000.

*15. Income Taxes*

The Church is exempt from federal and state income taxes under Section 501(c)(3) of the Internal Revenue Code.

*16. Functional Expenses*

The cost of providing various programs and other activities of the Church has been summarized on a functional basis in the statement of activities. Accordingly, certain costs have been allocated among programs and supporting services benefited. The expenses that are allocated include office and occupancy, which are allocated based on use or square footage; as well as salaries and benefits, which are allocated on the basis of estimates of time and effort or employee count.

Expenses by their natural classification are presented in the statement of functional expenses.

*17. Interest Rate Swap Agreements*

The Church accounts for its two interest rate swap agreements in accordance with ASC 815, *Derivatives and Hedging*. The Church makes limited use of derivative instruments for the purpose of managing interest rate risk. Two interest rate swap agreements are used to convert the Church's variable rate debt to a fixed rate (see Notes C and D). Generally accepted accounting principles require a derivative instrument, such as an interest rate swap agreement, to be recognized at fair value as either an asset or a liability in the statements of financial position. The corresponding increase or decrease in value is reported in the statements of activities as a separate component below support and other revenue and expenses.



**Notes to Combined Financial Statements**

December 31, 2020

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**Note A – Organization and Summary of Significant Accounting Policies – Continued**

*18. Subsequent Events*

Subsequent events have been evaluated through May 5, 2021, the date the financial statements were available to be issued.

Also see Note D regarding additional draw and conversion of a note payable.

As a result of the spread of COVID-19 virus, economic uncertainties have arisen, which could impact the Church's contributions, support, and other revenue. The potential financial impact and duration of this occurrence cannot be reasonably estimated at this time.

**Note B – Liquidity and Availability**

The following table reflects the Church's financial assets as of December 31, 2020, reduced by amounts that are not available to meet general expenditures within one year of the statement of financial position date. Amounts not available for general expenditure within one year may include net assets with donor restrictions.

The financial assets available to meet cash needs for general expenditures within one year, reduced by net assets with donor restrictions or restricted cash, if any, are as follows:

Cash and cash equivalents	\$ 2,261,743
Restricted cash - debt service	<u>666,727</u>
Total financial assets	2,928,470
Less Restricted cash - debt service	666,727
Financial assets available to meet cash needs for general expenditures within one year	<u><u>\$ 2,261,743</u></u>

The Church manages its liquidity and reserves following three guiding principles: Operating within a prudent range of financial soundness and stability, maintaining adequate liquid assets to fund near-term operating needs, and maintaining sufficient reserves to provide reasonable assurance that long-term obligations will be discharged. During the year ended December 31, 2020, the level of liquidity and reserves was managed within accordingly.

**Notes to Combined Financial Statements**

December 31, 2020

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**Note C – Fair Value Measurements**

The Church follows ASC 820, *Fair Value Measurements and Disclosures*, for all financial assets and liabilities measured at fair value on a recurring basis. The statement defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The statement also establishes a framework for measuring fair value and provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value.

The fair value hierarchy is as follows:

Level 1:

- Unadjusted quoted prices for identical assets or liabilities in active markets that the Church has the ability to access.

Level 2:

- Quoted prices in active markets for similar assets and liabilities.
- Quoted prices for identical or similar assets or liabilities in inactive markets.
- Inputs other than quoted prices that are observable for the asset or liability.
- Inputs that are derived principally from or corroborated by observable market data by correlation or other means.

Level 3:

- Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The following is a listing of assets required to be measured at fair value on a recurring basis and where they are classified within the hierarchy as of December 31, 2020:

The Church's interest rate swap agreements are considered Level 2 measurements, as they are indirectly valued using known public data such as interest rates published by recognized financial institutions.

The preceding methods described may not be indicative of net realizable value or reflective of future fair values. Furthermore, although the Church believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

**Notes to Combined Financial Statements**

December 31, 2020

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**Note D – Notes Payable**

On June 1, 2015, the Church consolidated its debt under a \$14,500,000 bank note payable. Proceeds from the note were used to redeem outstanding bonds, payoff the Mesa property note and capital leases, and fund the debt service and remodel reserves. The note matures in June 2025 and carries a variable interest rate of 2.45% plus the LIBOR index rate. Also on June 1, 2015, the Church signed an interest rate swap agreement with the bank locking in the variable rate at 2.23% to June 2025, thus making the overall rate 4.68%. The note is secured by all assets. Payments on the note were interest only through June 2016, and then the payments are based upon a 25-year amortization with a balloon payment at the end of the note term. The balance due at December 31, 2020, is \$12,907,773.

On April 1, 2019, the Church entered into a note agreement for \$1,000,000 for capital improvements. Payments for the first twelve months are interest only, calculated at a variable rate equal to the 1 month LIBOR rate (1.75% at December 31, 2019) plus 2.50%, which was 4.25% per annum at December 31, 2019. On April 23, 2019, the Church signed an interest rate swap agreement with the bank locking in the variable rate at 2.65% to June 2025, thus making the overall rate 5.15%. The note is secured by all assets. Subsequent payments on the note will consist of principal and interest amortized over 62 months and will mature on June 1, 2025. The balance due at December 31, 2020, was \$932,912.

On July 3, 2020, the Church entered into a note agreement for \$715,000. Proceeds from this note agreement were used for debt service for both loans previously mentioned. The note matures on June 1, 2025, and carries a variable interest rate equal to the 1-month LIBOR rate plus 2.450%, which was 3.75% per annum at December 31, 2020. The note contains a conversion provision whereby the variable interest rate became fixed at 3.75% as of the conversion date, which was February 1, 2021. Payments on the note are interest only through maturity with a balloon payment at the end of the note term. The outstanding balance at December 31, 2020, was \$577,895. Subsequent to year-end, the Church drew an additional \$137,105 increasing the balance to \$715,000.

Annual scheduled principal payments on the Church's notes payable as of December 31, 2020, are as follows: \$517,369 in 2021; \$542,294 in 2022; \$568,637 in 2023; \$637,477 in 2024; and \$12,152,803 in 2025.

The Church is subject to financial and non-financial covenants, including maintaining a "Debt Service Coverage Ratio" of not less than 1.10 to 1.00, and believes it was in compliance with all such required covenants as of and for the year ended December 31, 2020.

The estimated fair value of the interest rate swap agreement as of December 31, 2020, is presented as a \$1,120,678 liability in the statement of financial position. Valuation of the liability amount at December 31, 2020, was provided by the counterparty. An unrealized loss on the interest rate swap agreement of \$682,135 was recognized during 2020.

**Notes to Combined Financial Statements**

December 31, 2020

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**Note E – Paycheck Protection Program loan**

On March 27, 2020, the Coronavirus Aid, Relief and Economic Security (CARES) Act was signed into law providing certain economic aid packages for small businesses. The Church qualified as a small business under CARES and submitted an application for approval for funding under the Paycheck Protection Program (PPP). The application was approved and funds in the amount of \$514,200 were disbursed to the Church in April of 2020. Interest accrues at 1.0% per annum. The note may be prepaid by the Church at any time prior to maturity with no prepayment penalties. Funds from the loan may only be used for payroll costs, costs used to continue group health care benefits, mortgage payments, rent, utilities, and interest on other debt obligations incurred before February 15, 2020. Under the terms of the PPP, certain amounts of the loan may be forgiven if they are used for qualifying expenses as described in the CARES Act. The Church has applied for full forgiveness and believes it has used these funds for the expenses qualifying for forgiveness under the CARES Act and therefore has presented the loan as a current liability.

**Note F – Net Assets Released from Restrictions**

During the year ended December 31, 2020, \$1,297,571 in donor imposed net asset restrictions were release by incurring expenses in satisfaction of the restricted purposes or by the occurrence of other events specified buy the donors, as follows:

For operating purposes:	\$ 1,010,568
For capital purposes:	<u>287,003</u>
	<u>\$ 1,297,571</u>

**Note G – Operating Lease**

The Church leases real property to a cellular phone company with required monthly payments to the Church of \$979 through March 2020 and \$1,493 monthly through October 2025. The lease is operating on a five-year extension that also allows for four additional and successive five-year terms. Rent shall be increased by 10% for each extension over the preceding term. Total rental income for this lease for the year ended December 31, 2020, was approximately \$13,000. Future rental payments to be received under this lease are as follows: \$17,916 annually for 2021 through 2024 and \$14,930 in 2025.

**Notes to Combined Financial Statements**

**December 31, 2020**

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**Note H – Commitments**

The Church leases equipment under an operating lease. The following is a summary of future minimum payments as of December 31, 2020:

2021	\$ 7,957
2022	10,610
2023	10,610
2024	<u>5,305</u>
Total future minimum payments	<u>\$ 34,482</u>

Rental expense for the year ended December 31, 2020, was \$17,733.

The Church leases facilities under an operating lease. Leases are month to month and have no required future minimum payments. Facilities rental payments for the year ended December 31, 2020, were \$56,132.

**Note I – Related Party Transactions**

During the year ended December 31, 2020, the Church received lease income of approximately \$251,000 from Hillsong College, which has a common parent entity, and occupies space in the Church's Mesa location.

During the year ended December 31, 2020, the Church paid \$93,727 to related party organizations which have a common parent entity. At December 31, 2020, the Church has accounts payable to a related party in the amount of \$283,390 for fees.

\* \* \* \* \*



## **Supplementary Schedules**

Hillsong Stewardship Fund, Inc.

Property Report for **LAFAYETTE PROPERTY HOLDINGS, LLC**



Property Address:	363 LAFAYETTE STREET, NEW YORK, NY 10012, USA
Year Built:	2017
Building Size:	38,000 SF
Hillsong Invested Equity	\$1,000,000
Carrying Book Value:	N/A
Market Value:	N/A
Overview:	<p>Hillsong Church's investment and leasing opportunity for the building project located at the cross streets of Lafayette and Bond Streets in (Midtown-South) Manhattan, a borough of New York City. The investment opportunity and the leasing opportunity two different business transactions, but they both benefit the church mutually.</p> <p>LAFAYETTE PROPERTY HOLDINGS, LLC operates the investment opportunity gave Hillsong Global 16.67% interest in the partnership with 363 CBSK LLC. Hillsong Church's interest shares in the annual profit and loss ("PnL") of the partnership, and would also in any future sale's proceeds.</p>
Current Situation:	<p>Update on 363 Lafayette Street investment opportunity is that the building is fully leased, including the 2 commercial storefronts on the street level. ON footwear and HeyWear!, an eye exam and eyeglass shop. There is a billboard that should be constructed on the south side of the building that should also generate revenue for the investment. The owners of the building had disclosed in both April 2021 and August 2021 that the building should be in the black by the end of the year.</p>
Any additional info:	<p>See attached</p> <ul style="list-style-type: none"> <li>- Schedule K-1 from Partnership's 2020 tax return (Appendix 3)</li> </ul>

CBSK 363 LLC  
161 CHRYSTIE STREET, 2ND FLOOR  
NEW YORK, NY 10002  
(212) 505-5270

September 3, 2021

LAFAYETTE PROPERTY HOLDINGS LLC  
32 AVENUE OF THE AMERICAS  
NEW YORK, NY 10013

RE: CBSK 363 LLC  
82-1619799  
Schedule K-1 from Partnership's 2020 tax return

Dear LAFAYETTE PROPERTY HOLDINGS LLC

Enclosed is your 2020 Schedule K-1 (Form 1065) Partner's Share of Income, Deductions, Credits, Etc. from CBSK 363 LLC. This information reflects the amounts you need to complete your income tax return. The amounts shown are your distributive share of partnership tax items to be reported on your tax return, and may not correspond to actual distributions you have received during the year. This information is included in the Partnership's 2020 Federal Return of Partnership Income that was filed with the Internal Revenue Service.

If you have any questions concerning this information, please contact us immediately.

Sincerely,

CBSK 363 LLC

Enclosure(s)

	Accompanying this briefing note is a report which showcases the opportunity, as well as an overview of the financial details as prepared by Ben Habeck, who is our US CFO, and is assisting Kyle with the purchase.
Current Situation:	Awaiting Board member of Hillsong Church, Inc., to approve Hillsong KC to proceed with the purchase and take on \$5m debt to allow for the purchase and intended improvements.
Any additional info:	See attached - Property Acquisition Presentation (Appendix 5)



Hillsong Phoenix, LLC and Affiliates

**Combining Statement of Financial Position**

December 31, 2020

	Hillsong Phoenix, LLC	PHX Property Holdings, LLC	Total
<b>Assets</b>			
Current assets			
Cash and cash equivalents	\$ 2,259,075	\$ 2,668	\$ 2,261,743
Restricted cash - debt service	-	666,727	666,727
Other assets	1,412	-	1,412
Total current assets	2,260,487	669,395	2,929,882
Property and equipment, net			
Land and improvements	-	9,403,371	9,403,371
Buildings and improvements	-	23,380,460	23,380,460
Furniture, fixtures and equipment	3,348,978	-	3,348,978
Vehicles	31,266	-	31,266
	3,380,244	32,783,831	36,164,075
Less accumulated depreciation	(2,781,971)	(14,603,712)	(17,385,683)
Net property and equipment	598,273	18,180,119	18,778,392
Total assets	\$ 2,858,760	\$ 18,849,514	\$ 21,708,274
<b>Liabilities and net assets</b>			
Current liabilities			
Accounts payable	\$ 110,381	\$ -	\$ 110,381
Accrued liabilities	283,389	61,370	344,759
Current portion of note payable	-	517,369	517,369
Paycheck Protection Program loan	514,200	-	514,200
Fair value of interest rate swap agreement	-	1,120,678	1,120,678
Total current liabilities	907,970	1,699,417	2,607,387
Long-term liabilities			
Note payable, net of current portion, and net of unamortized debt issuance costs of \$55,794	-	13,845,417	13,845,417
Total liabilities	907,970	15,544,834	16,452,804
Net assets without donor restriction	1,950,790	3,304,680	5,255,470
Total liabilities and net assets	\$ 2,858,760	\$ 18,849,514	\$ 21,708,274



Hillsong Phoenix, LLC and Affiliates

**Combining Statement of Activities**

Year Ended December 31, 2020

	Hillsong Phoenix, LLC	PHX Property Holdings, LLC	Eliminations	Total
<b>Changes in net assets without donor restrictions</b>				
Revenue				
Tithes and offerings	\$ 4,953,419	\$ -	\$ -	\$ 4,953,419
Rental income	262,745	356,826	(356,826)	262,745
Other income	171,452	687	-	172,139
Net assets released from restrictions	612,132	685,439	-	1,297,571
<b>Total revenue</b>	<b>5,999,748</b>	<b>1,042,952</b>	<b>(356,826)</b>	<b>6,685,874</b>
Expenses				
Program:				
Church activities	3,349,550	1,190,214	(285,462)	4,254,302
Missions and outreach	1,491,760	225,889	(35,682)	1,681,967
Cost of religious materials	20,201	-	-	20,201
<b>Total program</b>	<b>4,861,511</b>	<b>1,416,103</b>	<b>(321,144)</b>	<b>5,956,470</b>
Support:				
General and administrative	475,299	157,345	(35,682)	596,962
Fund-raising	103,263	-	-	103,263
<b>Total expenses</b>	<b>5,440,073</b>	<b>1,573,448</b>	<b>(356,826)</b>	<b>6,656,695</b>
Other income (expenses)				
Unrealized loss on interest rate swap agreement	-	(682,135)	-	(682,135)
<b>Increase (decrease) in net assets without donor restrictions</b>	<b>\$ 559,675</b>	<b>\$ (1,212,631)</b>	<b>\$ -</b>	<b>\$ (652,956)</b>

Hillsong Phoenix, LLC and Affiliates

**Combining Statement of Activities – Continued**

Year Ended December 31, 2020

	Hillsong Phoenix, LLC	PHX Property Holdings, LLC	Eliminations	Total
<b>Changes in net assets with donor restrictions</b>				
Contributions	\$ 1,297,571	\$ -	\$ -	\$ 1,297,571
Net assets released from restrictions	(612,132)	(685,439)	-	(1,297,571)
<b>Change in net assets with donor restrictions</b>	<b>685,439</b>	<b>(685,439)</b>	<b>-</b>	<b>-</b>
<b>Increase (decrease) in net assets</b>	<b>1,245,114</b>	<b>(1,898,070)</b>	<b>-</b>	<b>(652,956)</b>
<b>Net assets</b>				
Beginning of year	1,582,164	4,326,262	-	5,908,426
Transfer of net assets (See Note A.1)	(876,488)	876,488	-	-
End of year	\$ 1,950,790	\$ 3,304,680	\$ -	\$ 5,255,470

Hillsong Stewardship Fund, Inc.  
 Property Report for **KC PROPERTY HOLDINGS, LLC**



Property Address:	13615 & 13617 Washington St, Kansas City, MO 64145, USA State Line Point Shopping Center
Year Built:	N/A
Building Size:	71,374 SF
Proposed Purchase Price:	\$2,000,000
Carrying Book Value:	N/A
Market Value:	\$13,000,000
Overview:	<p>Hillsong Kansas City has been given the opportunity to purchase a property consisting of 71,374 square feet and 7 acres that will be suitable for an 833-chair auditorium, lobby and children's facilities.</p> <p>The property has been valued at \$13m USD and is being offered to the church for \$2m by a Christian who lives in the area. The seller is interested in the building being used for church use and will be gaining a tax benefit from the discounted sale as well.</p> <p>Consent is being sort from the Global Board for Hillsong Kansas City to proceed with the purchase and to borrow up to \$5m in total which will allow \$3m for improvements.</p> <p>Hillsong KC is able to obtain and service the debt without requiring the assistance of Hillsong Global.</p> <p>Hillsong KC will be moving their Plaza location into this building, savings in rent will provide half of the cashflow required and Kyle is anticipating growth over the next 12 months which will enable the remainder of the outgoings to be met.</p> <p>We are currently setting up an entity in which the asset will be purchased. This Limited Liability Company will sit under the Stewardship Fund which is consistent with the other real estate holdings in the US.</p>

Schedule K-1  
(Form 1065)

Department of the Treasury  
Internal Revenue Service

2020

For calendar year 2020, or tax year

beginning / / 2020 ending / /

Final K-1

Amended K-1

651119  
OMB No. 1545-0123

Partner's Share of Income, Deductions, Credits, etc.

See separate instructions.

Part I Information About the Partnership

**A** Partnership's employer identification number  
82-1619799

**B** Partnership's name, address, city, state, and ZIP code  
CBSK 363 LLC  
161 CHRYSTIE STREET, 2ND FLOOR  
NEW YORK, NY 10002

**C** IRS Center where partnership filed return ▶ E-FILE

**D**  Check if this is a publicly traded partnership (PTP)

Part II Information About the Partner

**E** Partner's SSN or TIN (Do not use TIN of a disregarded entity. See instructions.)  
82-1961478

**F** Name, address, city, state, and ZIP code for partner entered in E. See instructions.  
LAFAYETTE PROPERTY HOLDINGS LLC  
32 AVENUE OF THE AMERICAS  
NEW YORK, NY 10013

**G**  General partner or LLC member-manager  Limited partner or other LLC member

**H1**  Domestic partner  Foreign partner

**H2**  If the partner is a disregarded entity (DE), enter the partner's:  
TIN \_\_\_\_\_ Name \_\_\_\_\_

**I1** What type of entity is this partner? PARTNERSHIP

**I2** If this partner is a retirement plan (IRA/SEP/Keogh/etc.), check here

**J** Partner's share of profit, loss, and capital (see instructions):

	Beginning	Ending
Profit	16.667 %	16.667 %
Loss	16.667 %	16.667 %
Capital	16.667 %	16.667 %

Check if decrease is due to sale or exchange of partnership interest

**K** Partner's share of liabilities:

	Beginning	Ending
Nonrecourse	\$ 429.	\$ 446.
Qualifying nonrecourse financing	\$	\$
Recourse	\$ 2,550,050.	\$ 2,550,005.

Check this box if Item K includes liability amounts from lower tier partnerships.

**L** Partner's Capital Account Analysis

Beginning capital account	\$ 578,381.
Capital contributed during the year	\$ 117,563.
Current year net income (loss)	\$ -114,542.
Other increase (decrease) (attach explanation)	\$
Withdrawals & distributions	\$
Ending capital account	\$ 581,402.

**M** Did the partner contribute property with a built-in gain or loss?  
 Yes  No If "Yes," attach statement. See instructions.

**N** Partner's Share of Net Unrecognized Section 704(c) Gain or (Loss)

Beginning	\$
Ending	\$

Part III Partner's Share of Current Year Income, Deductions, Credits, and Other Items

1	Ordinary business income (loss)	15	Credits
2	Net rental real estate income (loss)		
*		-308,540.	
3	Other net rental income (loss)	16	Foreign transactions
4a	Guaranteed payments for services		
4b	Guaranteed payments for capital		
4c	Total guaranteed payments		
5	Interest income	1.	
6a	Ordinary dividends		
6b	Qualified dividends		
6c	Dividend equivalents	17	Alternative minimum tax (AMT) items
		A	-10.
7	Royalties		
8	Net short-term capital gain (loss)		
9a	Net long-term capital gain (loss)	18	Tax-exempt income and nondeductible expenses
9b	Collectibles (28%) gain (loss)		
9c	Unrecaptured section 1250 gain		
10	Net section 1231 gain (loss)		
11	Other income (loss)	19	Distributions
12	Section 179 deduction	20	Other information
		A	1.
13	Other deductions	Z*	STMT
14	Self-employment earnings (loss)		
21	<input type="checkbox"/> More than one activity for at-risk purposes*		
22	<input type="checkbox"/> More than one activity for passive activity purposes*		
*See attached statement for additional information.			

For IRS Use Only

**BOX 2  
RENTAL REAL ESTATE ACTIVITIES**

PROPERTY TYPE AND ADDRESS	GROSS INCOME	NET EXPENSES	NET INCOME	PASSIVE NONPASS	SEC. 1231 TOTAL
TYPE: 4 - COMMERCIAL 357 LAFAYETTE STREET NEW YORK, NY 10012					
PASSTHROUGH RENTAL REAL ESTATE		475.	\$ -475.	PASSIVE	
			-308,065.		
		TOTAL	\$ -308,540.		

**SUPPLEMENTAL INFORMATION**

## INCOME ON BOOKS NOT ON K-1:

BOOK TO TAX CONVERSION	\$115,995
PRIOR PERIOD ADJUSTMENT	79,437
UNREALIZED ADJUSTMENT	(1,435)
TOTAL INCOME ON BOOKS NOT ON K-1	\$193,997



M Was Form IT-2658-E filed with the partnership?  Yes  No

N NYS estimated tax paid on behalf of partner (from Form IT-2658-NYS)

	Date	Amount
1) First installment	N1	
2) Second installment	N2	
3) Third installment	N3	
4) Fourth installment	N4	
Total NYS estimated tax paid on behalf of partner (add lines N1 through N4)	N	

O Estimated MCTMT paid on behalf of partner (from Form IT-2658-MTA)

	Date	Amount
1) First installment	O1	
2) Second installment	O2	
3) Third installment	O3	
4) Fourth installment	O4	
Total estimated MCTMT paid on behalf of partner (add lines O1 through O4)	O	

P Was the partnership required to report any nonqualified deferred compensation, as required by IRC § 457A, on its 2020 federal return? (see instructions)  Yes  No

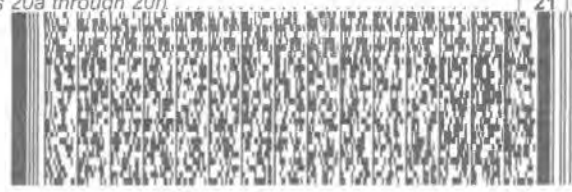
**Partner's share of income, deductions, etc.**

A – Partner's distributive share items	B – Federal K-1 amount	C – New York State amount
1 Ordinary business income (loss)	1	1
2 Net rental real estate income (loss)	2 -308540.	2 -308540.
3 Other net rental income (loss)	3	3
4 Guaranteed payments	4	4
5 Interest income	5 1.	5 1.
6 Ordinary dividends	6	6
7 Royalties	7	7
8 Net short-term capital gain (loss)	8	8
9 Net long-term capital gain (loss)	9	9
10 Net section 1231 gain (loss)	10	10
11 Other income (loss) Identify:	11	11
12 Section 179 deduction	12	12
13 Other deductions Identify:	13	13
14 This line intentionally left blank	14	14
15 Net earnings (loss) from self-employment	15	15
16 Tax-exempt income and nondeductible expenses	16	16
17 Distributions – cash and marketable securities	17	17
18 Distributions – other property	18	18
19 Other items not included above that are required to be reported separately to partners. Identify: SEE SUPPLEMENTAL INFO.	19 1.	19 1.

**Partner's share of New York modifications (see instructions)**

20 New York State additions

Number	A – Total amount	B – New York State allocated amount
20a EA –		
20b EA –		
20c EA –		
20d EA –		
20e EA –		
20f EA –		
21 Total addition modifications (total of column A, lines 20a through 20f)		21





**Partner's share of New York modifications (continued)**

**22 New York State subtractions**

	Number	A — Total amount	B — New York State allocated amount
22a	ES — 213	4196.	4196.
22b	ES —		
22c	ES —		
22d	ES —		
22e	ES —		
22f	ES —		

23 Total subtraction modifications (total of column A, lines 22a through 22f) ..... **23** 4196.

**24 Additions to itemized deductions**

	Letter	Amount
24a		
24b		
24c		
24d		
24e		
24f		

25 Total additions to itemized deductions (add lines 24a through 24f) ..... **25**

**26 Subtractions from itemized deductions**

	Letter	Amount
26a		
26b		
26c		
26d		
26e		
26f		

27 Total subtractions from itemized deductions (add lines 26a through 26f) ..... **27**

28 This line intentionally left blank. .... **28**

**Partner's other information**

29a	Partner's share of New York source gross income .....	<b>29a</b>	520863.
29b	MCTD allocation percentage (see instructions) .....	<b>29b</b>	%
29c	Partner's share of receipts from the sale of goods by manufacturing .....	<b>29c</b>	
29d	Partner's share of New York adjusted basis of qualified manufacturing property .....	<b>29d</b>	

**Partner's credit information**

**Part 1 — Flow-through credit bases and information**

Brownfield redevelopment tax credit (Form IT-611, IT-611.1, or IT-611.2)

		A — Form IT-611	B — Form IT-611.1	C — Form IT-611.2
30	Site preparation credit component .....	<b>30</b>		
31	Tangible property credit component .....	<b>31</b>		
32	On-site groundwater remediation credit component .....	<b>32</b>		



**Hillsong Church**  
*Campus Preservation Planning™ Q&A*

1. *How can a holding company like Hillsong Stewardship Fund, Inc. (“HSF Legacy”) help protect the assets of the church?*

**Basic Theory:** Asset protection in the United States involved uses “operating” companies to conduct hazardous activities and “holding” companies to hold key assets but conduct no activities.

**Assumptions for Answering the Question:**

a) The “Structure for Hillsong Global” (Global Structure Organization chart as of March 15, 2017) provided to us on June 29, 2017 indicates that HSF Legacy is being considered to serve as the owner of three limited liability companies which in turn will own property in Arizona.

b) In this context, HSF Legacy is equivalent to a “Legacy Fund,” as it’s referred to in our *Campus Preservation Planning™* program. Thus we refer to a company that serves as the sole member of numerous single member limited liability holding companies (“LLC Holding Companies”) as “HSF Legacy.” (It is shown on the Structure for Hillsong Global in the lower right hand corner as Hillsong Stewardship Fund, Inc.)

c) This structure protects those Arizona properties by holding legal title to them in separate LLC Holding Companies which each, in turn, lease the properties to an operating company that will operate as a church at that location.

d) The Structure for Hillsong Global appears to show Hillsong South West, Inc. (“HSW Church”) as an operating company that either conducts church operations or owns LLCs which do so.

e) This arrangement provides a “corporate liability shield” in the event a significant judgment is entered against the operating company.

**Discussion:** Under standard principles of liability, if a judgment is entered against a company and insurance proceeds fail to fully cover the loss, all non-exempt assets of that company may be seized and sold to satisfy the judgment. For example, if HSW Church, hypothetically, owned multiple parcels of real estate and used those properties to conduct its operations in a single business entity, then in the event of a catastrophic loss which exceeds applicable insurance, all or part of its real estate holdings are at risk of seizure. Cash reserves held in that corporation could also be seized to satisfy the judgment. It is the equivalent of putting too many eggs in one basket.

**Holding Company:** By contrast, if HSW Church’s real property and cash reserves are moved to HSF Legacy, then there is a “corporate firewall” protecting those assets from being seized if a judgment is entered against HSW Church. HSF Legacy takes no risks, has no employees, and owns an interest in the LLC Holding Companies as their sole member.

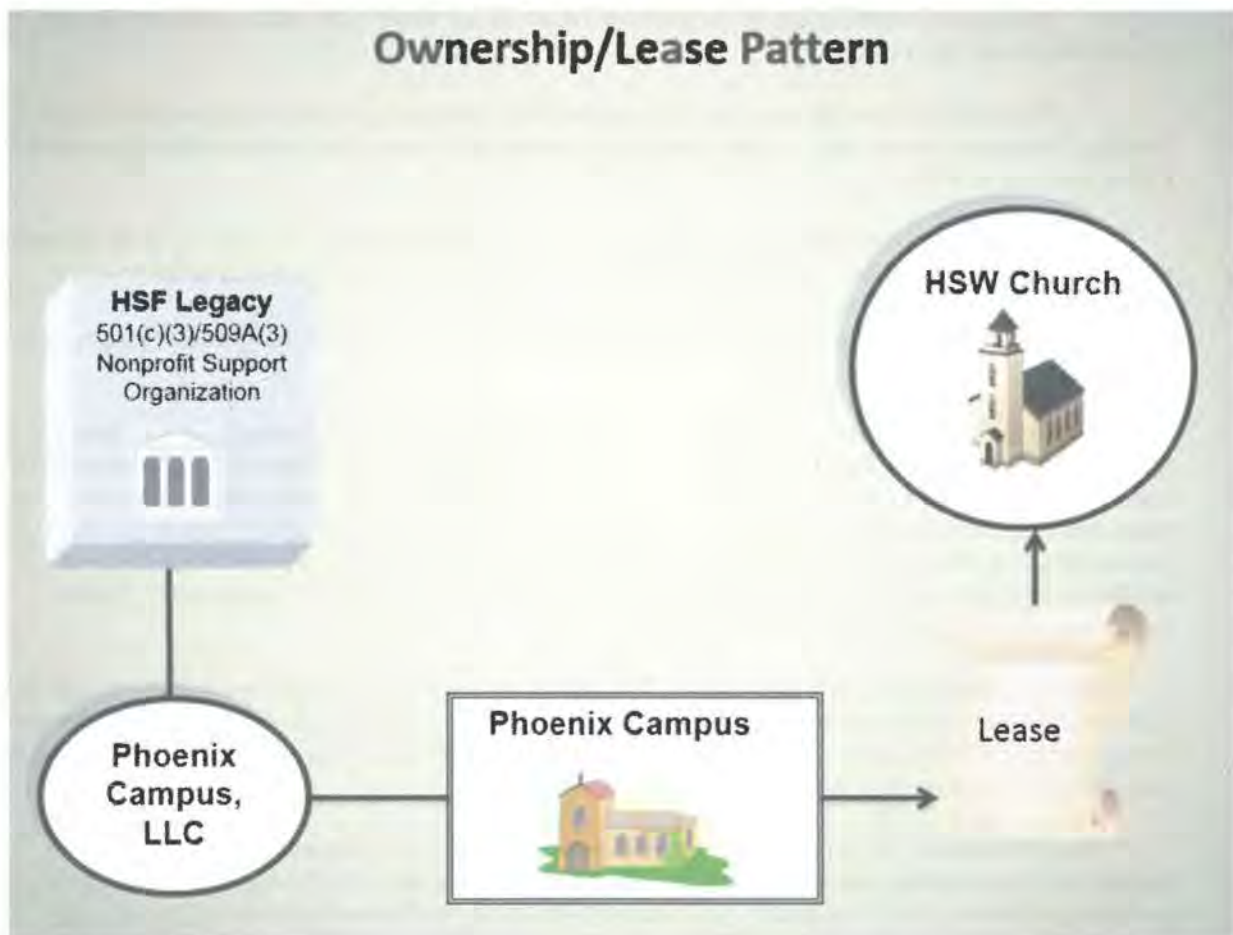
**Real Protection:** If proper accounting protocols are followed, if corporate formalities such as holding and documenting annual directors’ meetings are followed, and if HSF Legacy avoids litigation producing activities, then it is unlikely that someone would have sufficient legal basis to successfully pierce the corporate veil that protects HSF Legacy from the activities of HSW Church (the operating entity) and from liabilities arising from the activities of its LLC Holding Companies.

This LLC Holding Company structure neither protects the Hillsong organization from being “sued” nor guarantees that the church organization will never lose a lawsuit. Nor is this structure intended to avoid responsibility for legitimate claims. Instead, this structure is part of an enterprise risk management culture that includes appropriate liability insurance and risk prevention policies. In combination, the structure maximizes the probability of protecting these assets against a catastrophic loss which exceeds applicable insurance policy limits so that they can continue to be used for the Lord’s purposes.

2. Please explain the flow of funds and lease agreements that support this structure?

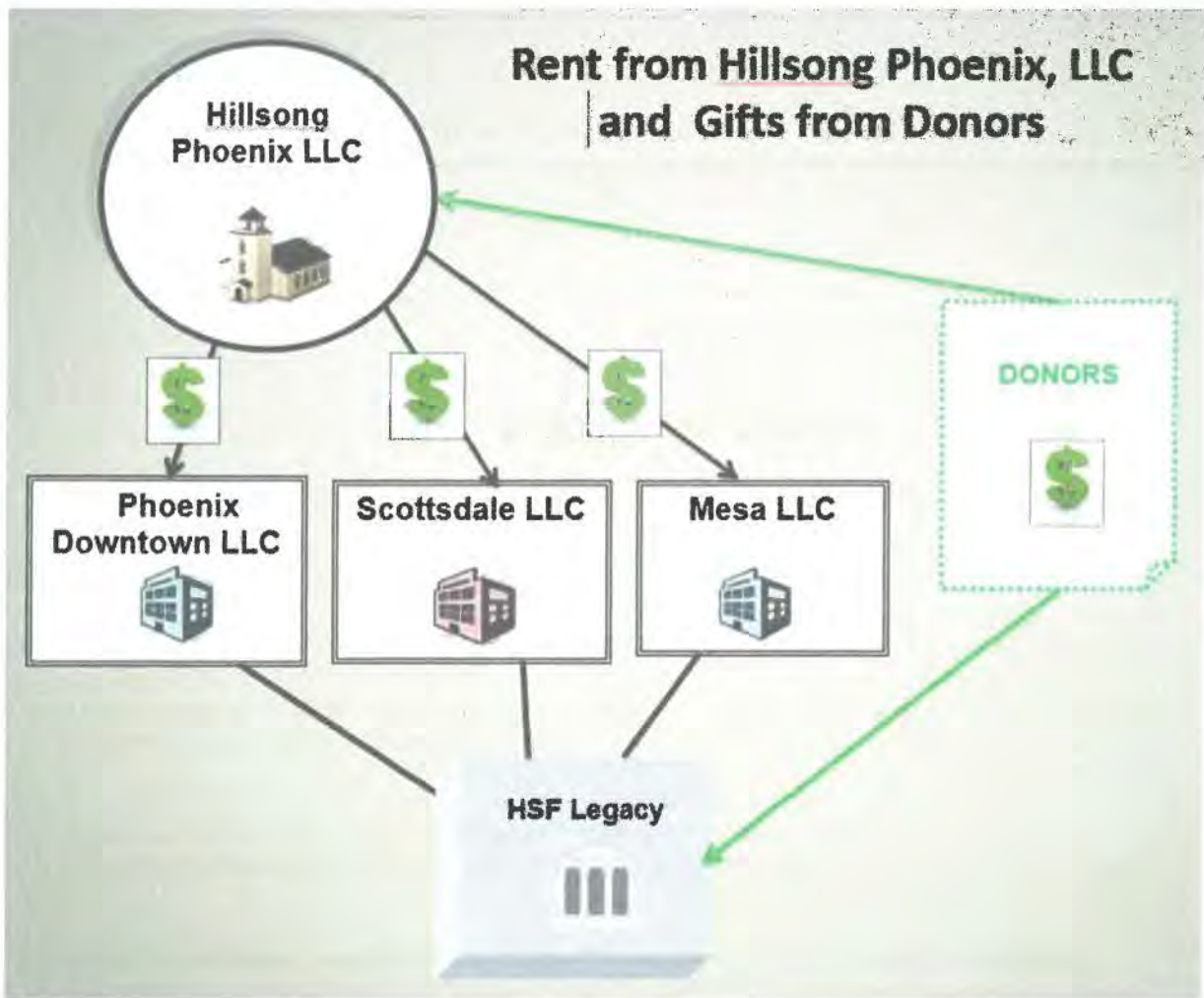
In short, each LLC Holding Company that owns real estate would enter into a written lease agreement with the Hillsong church or its subsidiary. Specifically, HSW Church (or an operating subsidiary) will lease the church facility from the LLC Holding Company that holds title to it.

The general structure is illustrated here:



As the owner of real property, each LLC Holding Company will receive rent from its tenant – in this case HSW Church and from its operating subsidiaries such as Hillsong Phoenix, LLC. The LLC Holding Company periodically distributes the net results of its operations to HSF Legacy, its sole member, where the funds can be managed for the benefit of Hillsong’s extended family of companies, along with long-term endowments. HSF Legacy, per its mission, uses those funds, along with its other assets, solely to support the church.





3. How do the Stewardship Fund and the church operating entity interact?

HSF Legacy is an IRC 501(c)(3) charitable corporation which also qualifies as a “support organization” under IRC 509(a)(3); its exclusive legally authorized purpose is to financially support the Hillsong family of companies. Even though HSF Legacy exists solely to support Hillsong, however, HSF Legacy must be operated with a separate checking account as a distinct, arm’s length company. An important element of the restructuring is to maintain clear separation between these companies. The directors of the HSW Church, for example, should not be involved in the day-to-day activities either of HSF Legacy or of its LLC Holding Companies. This structure has been carefully designed to follow state laws to maintain the integrity of the corporate shield by operating at arms-length and not co-mingling funds.

HSF Legacy will have its own board of trustees, hold its own board meetings, keep separate accounting records, and so forth. According to Arizona’s interlocking-directorate doctrine, no more than 25% of HSF Legacy directors should concurrently sit as HSW Church directors. For added protection, we recommend that no more than 20% of the HSF Legacy board crossover with HSW Church’s board.

HSF Legacy's board of trustees, however may include former Hillsong directors, former employees and other trusted individuals to keep the interests of the church in mind.

The articles of incorporation, bylaws, and Internal Revenue Service rules all contain important protections for the "supported" company. Thus, the specific written consent of "supported" church is required to:

- Appoint the initial trustees of HSF Legacy,
- Replace trustees of HSF Legacy,
- Remove trustees of HSF Legacy,
- Amend the Articles of Incorporation of HSF Legacy, or
- Amend the bylaws of HSF Legacy.

4. *What levels of governance and compliance are required to maintain the integrity of this property structure?*

Each separate entity – that is, HSW Church, HSF Legacy, and each LLC Holding Company – will operate with its own checking account. Although ultimately they all benefit the Hillsong's global mission, in order to maintain the liability shield discussed above, they should be thought of, and operated, as independent entities. That means that the governance and compliance procedures that would be observed for a totally unrelated business should be observed. Each entity will have its own board (or managers for the LLCs), hold its own board meetings, keep separate minute books, keep a separate checking account, etc.

We loosely refer to this concept as the doctrine of observing corporate formalities, i.e., each corporation has its own books and records, its own checkbook, and uses only its funds to pay expenses legitimately related to its corporate purpose.

Most of the *Campus Preservation Planning*<sup>™</sup> projects which we have completed use Generally Accepted Accounting Principles ("GAAP"). If GAAP is used, then a combined financial statement will typically be required. This allows a unified presentation of year-to-year operating results combining the results of operation of all of the operating companies and of the LLC holding companies. The Arizona Supreme Court specifically held that using this form of accounting is not a strike against preservation of the corporate shield between the companies.

If these formalities and accounting protocols are observed, then it is unlikely that a court would "pierce the corporate veil" and look to the assets of one or more companies to satisfy a judgment entered against one of the other companies.

5. *Can you confirm that individual LLC's holding property in Phoenix will be exempt from property taxes?*

In our experience, the LLC Holding Company is not subject to property taxes so long as its sole member is a tax-exempt entity, such as HSF Legacy.

In California, however, it will most likely be necessary for the holding company to have some (limited) but active ministry function in order to qualify for a property tax exemption. This limited activity will be designed to minimize risk of loss since this is supposed to be a holding company in general.

6. *What transactions usually occur with an LLC dedicated to the ownership of property?*

The LLC Holding Company has no real business purpose other than to hold property and lease it to the operating church. Generally, in single tenant commercial leases, the tenant is responsible for all repair, replacement, and maintenance of the land and buildings. The lease will clearly obligate the operating entity tenant to perform these tasks.

7. *What other information should we know about this structure that helps support and protect assets, such as Deeds or Liens?*

A deed is the legal document used to transfer real property from the present owner to HSF Legacy, and then from HSF Legacy to the LLC Holding Company.

The deed transferring the property from HSF Legacy to the LLC Holding Company will include deed restrictions limiting the use of the property in accordance with Hillsong's unique Christian theology as expressed in a statement of faith or similar document. The lease from the LLC Holding Company to HSW Church would contain similar use restrictions. This provides protection against a hostile party attempting to take over the church's rights as tenant under the lease and using the property for another purpose.

A "use restriction" is a technical term for language in a lease that defines the uses to which the leased property can be put. Here, the "use restrictions" in the tenant lease would be virtually the same as the "deed restrictions" that burden the property as held by the LLC Holding Company. That is to say, since a deed restriction limits the use of the property to worship in accordance with your statement of faith, the landlord LLC Holding Company must honor that restriction by limiting the use of the property by its tenant in accordance with your statement of faith. The use restriction in the lease is needed to comply with the deed restriction in the deed.

The use restrictions can be changed from time to time, or changed to allow for subleases to third parties, but only with the consent of both the landlord (the LLC Holding Company) and the tenant (HSW Church), and if the proposed use would violate the deed restriction, then HSF Legacy as well.

8. *Note Regarding use of Hillsong Church Inc. (Hillsong Global) and Hillsong Church USA, Inc. as "Holding Companies" per the depiction in the "Structure for Hillsong Global" (organization chart as of March 17, 2017).*

Based on further explanation from Kylee Tranter, we understand that Hillsong Church Inc. and Hillsong Church USA are holding companies, and do not conduct activities likely to cause them to be sued. Hillsong Church USA, Inc. owns LLCs which in turn own assets (Hillsong Channel, Music, Shiloh Ministries, Hillsong Music, etc.), including Hillsong Stewardship Fund Inc.

If related companies are using intellectual property and trademarks (collectively, "IP"), there should be a written agreement by which the owner of the IP licenses its use to the other companies. If a hostile party attempted to pierce the corporate veil between the IP owner and the IP user and seize the IP rights, then our defense would be enhanced if the IP license requires payment for its use. If a fee is charged, then the owner of the IP should have a checking account for its legitimate costs and expenses.

In the United States, one charitable organization can make a donation to another charitable organization. Thus, the owner of the IP could license its use to another charitable organization without requiring a fee. (However, a charitable organization that owns IP cannot allow a for-profit company to



use the IP without a fee.) It is better cosmetically (i.e. “looks better to a jury”) if a fee is charged for use of the IP even if it’s not the full fair market value.

This structure provides significant protection to the IP and trademarks owned by those two companies, along with any other assets which those companies own.

9. **What are the factors considered when assessing the suitability of using individual LLCs for individual property ownership?**

Since Arizona LLCs do not have a board of directors, do not have annual filing fees, do not require annual minutes, and are disregarded for tax purposes, they are essentially maintenance-free.

Under the *Campus Preservation Planning*<sup>TM</sup> program, each significant parcel of real property will be transferred to a separate LLC Holding Company (with HSF Legacy being the sole member of each LLC). The rule of thumb is to avoid putting (or leaving) more equity in a single LLC than you are willing to lose in a single catastrophic event. Most real estate attorneys routinely recommend one property per LLC Holding Company. Each LLC Holding Company should have its own checking account.

Part of the rationale for this structure is the fact that HSF Legacy will not be involved in hazardous activities. Its primary purpose is to hold the long-term funds, i.e., those which will not be spent within one calendar year.

There are, of course, certain inherent risks to being a land owner. Those risks will reside with the LLC Holding Company. The point of the structure is to contain losses to the property owned by the LLC Holding Company that incurs the loss. It is possible that a catastrophic event could cause the loss of all of the equity in the property owned by that one LLC Holding Company. However, liability for that loss should be contained by the LLC Holding Company because there is a corporate shield separating HSF Legacy and HSW Church from the LLC Holding Company.

10. **Can Hillsong Church Inc. and/or Hillsong Church USA be sued for “negligent governance” in the US?**

**Assumptions for Answering the Question:** These two corporations apparently do not deal directly with third parties, but do govern the activities of their subsidiaries in their respective roles as sole member of limited liability companies. Given that Hillsong Church, Inc. is the global parent (i.e., the member of several subsidiaries), if it makes a decision that harms a subsidiary organization (such as “appointing a corrupt lead pastor” or “requiring membership contributions from a subsidiary which cause an operating entity to become insolvent”), can Hillsong Church, Inc. be held liable for resulting damages?

**“Negligent Governance”:** There is no specific cause of action for negligent governance. Some of the actions described in the above paragraph may, however, come close to that concept.

As long as an organization’s directors use common sense, so to speak, in making their decisions, the corporate “Business Judgment Rule” will largely protect the directors such that the vast majority of nonprofit corporation directors will never be involved in situations resulting in personal liability due to their actions. Nevertheless, it is important that each corporation have “Directors and Officers” liability insurance that will pay for attorneys to defend a lawsuit seeking personal damages, and pay damages up to the specified limit. For a companies with significant assets, a Directors and Officers insurance policy should provide at least \$5 million in coverage, and possibly more.

**Can the officers and directors of Hillsong Church, Inc. as the parent organization that is the member of a subsidiary limited liability company be held liable?** Generally no, as long as the corporate formalities and the Business Judgment Rule are followed. It takes a relatively unusual set of facts to justify a case for personal liability.

Many, if not most, of the theories for liability pertaining to holding companies and their subsidiaries were spawned in the “for profit” corporate world where shareholders had been harmed. It is relatively rare for these theories to apply in the nonprofit world as long as the Internal Revenue Service rules are scrupulously observed. Having a skilled nonprofit audit firm on your team is a must in this regard.

**Basic Theory:** In general, neither the officers nor directors of a nonprofit corporation may be personally liable for the debts of the corporation because they are protected by a “corporate shield” which requires the party seeking a judgment to prove that in the interest of justice this shield should be pierced.

However, directors and officers may be held personally liable if it can be proven that their action is the proximate cause of financial loss by acting in violation of these principles. For example:

1. Illegal Acts: Taking an illegal action in the name of the company, such as:
  - violating the securities laws in the name of the company by approving the sale of unregistered securities,
  - misrepresenting facts in a securities transaction,
  - making unauthorized guarantees in the sale of the securities,
  - wrongfully discharging an employee in violation of public policy,
  - authorizing or permitting infringement of copyrights of others,
  - approving destruction of documents in violation of the Sarbanes Oxley Act,
  - violating Section 1107 Retaliation Against Whistle blowers reporting a federal crime,
  - approving use of dangerous cribs in corporation’s nursery, or
  - approving corporate actions that violate the U.S. or State Constitution.
2. Loans to Insiders: Approving a loan of corporate funds to a fellow director or officer of the corporation and then failing to collect the debt in violation of bylaws or state law.
3. Contract: Taking actions on behalf of the Corporation which exceed the scope of authority granted to him or her by the board or the Bylaws, or signing documents in his or her personal capacity without reflecting the proper corporate form.
4. Trust: Violating the terms of an express trust from a donor to the Corporation.
5. Breach of fiduciary duty of Loyalty:
  - approving an unfair contract between the Corporation and an “interested person,”
  - failing to disclose conflicts of interest,
  - failing to follow the conflict of interest policy, or
  - failing to follow the Whistle Blower Policy.
6. Breach Duty of Care: Breaching the fiduciary duty of care by:
  - failing to attend board meetings,
  - failing to question irregularities,
  - failing to record a formal dissent to questionable actions by the board, or
  - allowing or creating a “deepening insolvency.”

7. Negligence/Gross Negligence: Being negligent or grossly negligent in failing to exercise due care in:
  - supervising church hiring and firing practices,
  - copyright infringement,
  - allowing dangerous cribs in corporation's nursery, or
  - operation of church vehicles.
  
8. Employment: Failing to supervise management resulting in:
  - wrongfully discharging an employee in violation of public policy,
  - violating a law governing employees, or
  - violating their Constitutional rights.
  
9. Destroying Corporate Shield: Gross failure to follow corporate formalities by:
  - failing to keep minutes of corporate meetings,
  - failing to follow bylaws and articles,
  - allowing co-mingling of corporate and personal funds, or
  - failing to make annual filings as required by state or federal law.
  
10. Violating IRS Laws:
  - failing to supervise or to confirm supervision of collection of payroll withholding taxes in violation of Section 6672 of the Internal Revenue Code,
  - approving excess salaries,
  - approving unreasonable expenditures, or
  - failing to file form 990 or other IRS or state filings.

#### **11. Can Arizona LLC's own property in CA and NY as a 501c3 Asset Holding Entity?**

NY and CA are two of the more difficult states, but if you decide to proceed with the model it appears that we can work out the details with the possible assistance of local counsel on an issue or two. For example, whether a title company will raise any issues if you want the LLC to obtain title insurance in connection with taking title to the church property, and whether owning a church or leasing real property requires that the LLC have a local permit, application, etc. Also, if there is a mortgage lender involved, then we may have to domesticate the LLC by doing some filings with the state government.

Here is the California Statute:

CCC §17708.03(a) states that a foreign limited liability company that enters into repeated and successive transactions of business in this state, other than in interstate or foreign commerce, is considered to be transacting intrastate business in this state within the meaning of this article. CCC §17708.03(c)(5) states that without excluding other activities that may not be considered to be transacting intrastate business in this state within the meaning of this article, a foreign limited liability company shall not be considered to be transacting intrastate business in this state merely because its subsidiary transacts intrastate business in this state, or merely because of its status as any one or more of the following: (5) A member or manager of a foreign limited liability company transacting intrastate business.

The consequences of doing business without authority is that a foreign limited liability company transacting intrastate business in this state shall not maintain an action or proceeding in CA unless it has a certificate of registration to transact intrastate business in this state. However, the failure of any foreign entity to have a certificate of registration to transact intrastate business in this state does not prevent the foreign limited liability company from defending an action or proceeding in this state.

Here is the New York Statute:

The list of activities that may not constitute doing business in NY per NY LLCL §803(a) does not include a 501(c)(3) corporation serving as the single member in an LLC using the LLC to hold title to church property and then lease it to the church. Based on a Dept. of State, Office of General Counsel legal memorandum regarding "Doing Business" in NY, for the qualification requirement to apply, the local or intrastate contacts with New York must be permanent, continuous, and regular. It follows that if an organization is not doing business that subjects it to jurisdiction or taxation, it is not doing business that requires qualification. Conversely, by qualifying an organization concedes that it is subject to jurisdiction and taxation. If the activity is vital and essential to the organization's business, it will have to qualify. If the activity is merely incidental to that business, it will not. *NY CPLR §302(a) Acts which are the basis of jurisdiction*, states that the court may exercise personal jurisdiction over any non-domiciliary who in person or through an agent owns, uses or possesses any real property situated within the state.

The consequence of doing business without authority is that the LLC may not affirmatively use New York courts until it obtains authority and pays all arrears in fees, penalties, and taxes. However, the failure of any foreign entity to obtain proper authority does not affect the validity of any of its contracts or acts or prevent it from defending any New York action, suit, or special proceeding.



## Hillsong Church: Briefing Note



BN Number	STEW 19.002
Topic	Purpose and previous activities of Hillsong Stewardship Fund, Inc.
Entity	Hillsong Stewardship Fund, Inc.
Date	30 October 2019
Prepared for	The Hillsong Stewardship Fund, Inc., Board of Directors
Prepared by	Kylee Tranter
Approved by	Peter Ridley
Attachment(s)	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No

### Purpose

The purpose of this Briefing note is to reiterate the purpose and previous activities of the Hillsong Stewardship Fund, Inc., and the asset holding structure.

### Background

Hillsong Stewardship Fund, Inc., is a Texas corporation established on the 15 December 2017.

The entity was established after extensive legal advice regarding the best way to provide centralised governance for assets.

The Stewardship Fund is now the sole corporate member of five property holding limited liability companies and management propose the commencement of quarterly updates regarding activities and performance.

The previous activities of the Stewardship Fund include:

April 2018	Assumption of sole membership interest in Lafayette Property Holdings, LLC., and HC Property Holdings, LLC.
Aug 2018	Establishment of OC Global Property Holdings, LLC., and CT property Holdings, LLC.
Oct 2018	Approval of PHX Property Holdings LLC Operating Agreement
Oct 2018	Approval of property ownership (503th Street) transfer from HC Property Holdings to OC Global Property Holdings
Mar 2019	Approval of PHX Property Holdings Manager (Jason Lliteras) to obtain funding and execute renovation loan documents, for the Phoenix campus renovations and preparation for College.
Apr 2019	Phoenix Loan – further specificity and privacy and consent documents approved for the Bank of Arizona relating to the March 2019 loan.



**Current Situation**

A relatively standard agenda (as per the meeting today) can provide a framework for governance of these entities along with anything further that the Board of Directors may feel appropriate. Reports have been prepared where possible in order to provide a starting picture and will continue to be developed for Board meetings in 2020.

**Conclusion**

It is requested that the Board review the information available to date for discussion at the upcoming Board meeting.

## Hillsong Church: Briefing Note



BN Number	STEW 19.004
Topic	CT Property Holdings, LLC. Property Reports
Entity	Hillsong Stewardship Fund, Inc. as the sole corporate member of CT Property Holdings, LLC.
Date	30 October 2019
Prepared for	The Hillsong Stewardship Fund, Inc., Board of Directors
Prepared by	Kylee Tranter
Approved by	Peter Ridley
Attachment(s)	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No

### **Purpose**

To provide Property Reports regarding CT Property Holdings, LLC. Peter Ridley and George Aghajanian are the Managers (responsible people) for this entity.

### **Conclusion**

It is requested that the Board review the property reports ahead of discussion at the upcoming Board Meeting.

## Stamford Connecticut (In Progress)



### Overview

Hillsong Global purchased a former Jewish Synagogue and training facility to be leased to the Hillsong Connecticut congregation.

### Financial Summary

Purchase Price	\$1m
Development Costs	\$8.5m
All in Costs	\$9.5m
Funding	
Hillsong Capital Contribution	\$2,375m
Debt Funded	\$7.125m
Rental Yield: Year 5	\$856k
Estimated Value: Year 5	\$12,5m
Capital Profit	\$3m

### Investment Outcome

Capital Contribution	\$2.375m
Profit on Investment	\$3m
Return on Investment	126%

### Ministry Outcome

Permanent Facilities for our Connecticut Congregation who otherwise couldn't afford them. This was achieved by leveraging the church's collective financial strength.

## Financial Position and Cash Flow - CT Property Holdings, LLC

- 2019 Q3

### Detailed Balance Sheet

USD Actual (\$'000)	CT Property Holdings, LLC UA
Cash at Bank	3
Receivables - Current	-
Inventories	-
Other assets - prepayments	-
<b>Current Assets</b>	<b>3</b>
Receivables - Non Current	-
Property, plant and equipment	1,183
<b>Non Current Assets</b>	<b>1,183</b>
<b>Total Assets</b>	<b>1,185</b>
Payables	-
Employee Benefits - Current	-
<b>Current Liabilities</b>	<b>-</b>
Payables - Non Current	(1,185)
Employee Benefits - Non Current	-
<b>Non Current Liabilities</b>	<b>(1,185)</b>
<b>Total Liabilities</b>	<b>(1,185)</b>
<b>Net Assets</b>	<b>0</b>
Current Surplus	-
Retained surplus	-
Common control reserve	-
Settled Sum	-
<b>Equity</b>	<b>-</b>

### Liquidity Ratio

\$,000 Actual (\$'000)	Australia
Current Assets	3
Current Liabilities	-
<b>Liquidity Ratio</b>	<b>0.00</b>

Comments

### Financial Performance

USD Actual (\$'000)	CT Property Holdings, LLC UA
Donations	-
Other Income	-
<b>TOTAL REVENUE</b>	<b>-</b>
Property Expenses	-
Administration Expenses	-
<b>TOTAL EXPENSES</b>	<b>-</b>
<b>Surplus/ (Deficit) from operations</b>	<b>-</b>
Financial Income	-
Financial Expense	-
<b>Surplus/ (Deficit) available for Church &amp; Ministry</b>	<b>-</b>
<b>Total Comprehensive (Loss)/Income for the period</b>	<b>-</b>

### Statement of Cash Flow

\$,000	Actual Sep-19
Cash receipts in the course of operations	-
Cash payments in the course of operations	1
Interest received	-
Interest paid	-
<b>Net cashflows from operating activities</b>	<b>1</b>
Payments for property plant and equipment	(182)
Proceeds from property plant and equipment	-
Purchase of other financial assets	-
<b>Net cashflows from investing activities</b>	<b>(182)</b>
Loans to related parties	-
Repayments from related parties	-
Loans from related parties	184
Repayments to related parties	-
<b>Net cashflows from financing activities</b>	<b>184</b>
<b>Net increase/decrease in cash held</b>	<b>3</b>
Cash at the beginning of the financial year	-
<b>Cash at the end of the financial quarter</b>	<b>3</b>



## **132 Prospect St**

### **Project Pro Formas & Financial Projections**

**Confidentially Prepared by:**

**Saxum Real Estate**

132 Prospect St

Dashboard

Manual Input
Formula
Value from another Tab

Property Summary	
Property Name	132 Prospect St
Property Address	132 Prospect St
City, State	Stamford, CT
Property Type	Community Facility
Rentable SF	34,630sf

Valuation Information	
Analysis Start Date	6/1/2018
Reporting Start Date	8/1/2018
Analysis End Date	7/31/2023
Reporting End Date	7/31/2019

Valuation Economic	
Target Hold Period (Years)	5 Years
Target Hold Period (Months)	Month 60
Purchase Price:	\$ 1,000,000
Terminal Cap Rate:	6.50%
Cost of Sale:	3.50%
Return on Cost:	8.75%

Cash Flow Assumptions	Year	Month/ Begin	Months End
CF Shortfall Reserve	\$ 340,000	1	26
Interest Reserve	\$ 585,000	3	36

Acquisition Summary	psf	psf
Purchase Price	\$ 1,000,000	\$ 28.88
Legal	50,000	1.44
Stamp Acquisition Fee	130,000	3.75
Escrow/Title/Recordation	10,000	0.58
Property Condition Report	8,000	0.23
Environmental	5,500	0.16
ALTA Survey	3,500	0.16
Hazmat	14,000	0.40
Closing Credit	(100,000)	(2.89)
<b>Subtotal Buyer Closing Costs</b>	<b>133,000</b>	<b>3.84</b>
Financing Costs		
Loan Origination Fee	25,616	1.03
Lender Legal Fees	10,000	0.29
Appraisal	4,350	0.13
Borrower Legal Fees	10,000	0.29
Misc. Lender Fees	1,500	0.04
Upfront Lender Reserves		
Capitalized Interest	985,000	16.69
<b>Subtotal Financing Costs</b>	<b>646,616</b>	<b>18.67</b>
Owner Reserves & Capital Costs		
Owner Reserves		
Cash Flow Shortfall Reserve	340,000	9.82
<b>Subtotal Owner Reserves</b>	<b>340,000</b>	<b>9.82</b>
Capital Costs		
Hard Costs		
Hard Costs from Budget	5,103,137	164.69
Owner Contingency	8.77% 500,000	14.44
<b>Subtotal Hard Costs</b>	<b>6,203,147</b>	<b>179.13</b>
Soft Costs		
Architect	315,000	9.10
Site Civil	30,000	0.87
Asbestos Testing & Inspections	35,000	1.01
Theater Consultant	40,000	1.16
Graphics/Marketing/Renderings	65,000	1.88
Project Mgmt - JBS	308,000	8.89
Legal	10,000	0.29
Testing & Inspections	30,000	0.87
3rd Party Audits	24,991	0.72
DOB & DOT Permits & FEES	40,000	1.16
Insurance	750,000	21.43
Soft Cost Contingency	10% 109,246	3.15
<b>Subtotal Soft Costs</b>	<b>1,177,237</b>	<b>33.99</b>
<b>Subtotal Owner Reserves &amp; Capital Costs</b>	<b>7,720,384</b>	<b>222.94</b>
<b>Total All-In Costs</b>	<b>9,500,000</b>	<b>274.33</b>
Less Total Debt	7,123,172	205.69
<b>Required Equity</b>	<b>\$ 2,376,827</b>	<b>\$ 68.63</b>

Debt Summary	
Acquisition LTV	75.00%
Total Acquisition Loan	\$ 750,000
Base Building Construction	6,373,172 102.74%
<b>Total Debt</b>	<b>\$ 7,123,172</b>
Project LTC	75.0%
Acquisition Loan Amount	\$ 750,000
Interest Rate	5.50%
Interest Only Period (months)	36
Amortization Period	25 Years
Amortization Begins	Month 37
Construction Budget	\$ 6,373,172
Construction Start (month)	14
Construction Duration (month)	12
Monthly Payments (full Amort)	\$ 44,068
Annual Payment (full amort)	\$ 528,817

Disposition Summary		psf / %
Sales in Year	\$	
<b>Sale Proceeds</b>	<b>\$ 12,540,026</b>	<b>362.11</b>
Less Closing Costs:		
Sales Commission	(250,801)	2.70%
Transfer Tax	(137,940)	1.10%
Closing Costs	(50,160)	0.40%
<b>Total Cost of Sale</b>	<b>(438,901)</b>	<b>3.50%</b>
Net Exit Value	12,101,125	349.44
Less O/S Loan Balance	(7,759,534)	(224.07)
<b>Net Cash (before splits)</b>	<b>\$ 4,341,591</b>	<b>\$ 125.37</b>



132 Prospect St  
Assumptions

Annual Report  
12/31/2019  
132 Prospect St, New York, NY 10017

		Rent Roll				Monthly Rent		Annual		Lease Start	Reimbursements
Description	Count	Unit SF	Total Square Feet	Monthly Rent	Annual Rent	\$/ft	\$/ft	\$/ft	\$/ft	(Month)	
Tenant											
Hilsong	1	34,630	34,630	69,260	831,120	2.00	2.00	24.00	24.00	08/20	Net
<b>Total Project</b>	<b>1</b>	<b>34,630</b>	<b>34,630</b>	<b>69,260</b>	<b>831,120</b>						

Breakdown Lease by Schedule

Line Item	Expense		
	Annual Expense	Expense \$/sqft	Expense Level %
Taxes	\$ -	\$ -	-
Insurance	12,000	0.35	
Natural Gas	4,000	0.12	
Electric	11,000	0.32	
Water/Sewer	3,000	0.09	
Alarm Monitoring	3,000	0.09	
General	24,000	0.70	
Landscaping	1,000	0.03	
Repairs & Maintenance	1,000	0.03	
Property Management	40,000	1.16	100
Miscellaneous	40,000	1.16	
<b>Total Operating Expenses</b>	<b>\$ 102,000</b>	<b>\$ 2.95</b>	

General Assumptions			
Expense Growth Rt:	2.00%		
General Vacancy <sup>(1)</sup> :	5.00%	Year:	5
Annual Reserves:	\$ 8,658	(\$122.00/)	

(1) General Vacancy only applied to pro forma exit year given single-tenant

Lease Roll	
Tenant:	Hilsong New York City
Square Feet:	34,630
Rental Rate:	\$ 24.00
Annual Increase:	2.00%
Free Rent:	12 Months Free + 6 Months at Half Rent
Reimbursements:	Net
Term:	20 Years
Lease Commencement:	Upon transaction close
Rent Commencement:	Upon CO: Anticipated August 2020

Acquisition/Refinancing	
Total Loan:	\$ 7,123,172
Acquisition Loan:	\$ 750,000
Construction Facility:	6,373,172
Term (months):	36
Rate:	5.50%
Type:	Interest Only

Permanent Financing	
Year:	4
Cap Rate:	7.50%
Loan-to-Value:	70.00%
Total Loan:	\$ 7,989,834
Rate:	5.00%
Net Refinance Proceeds:	\$ 1,317,661

Exit Valuation	
Year:	5
Cap Rate:	6.50%
Total Value:	\$ 12,540,026
Cost of Sale:	3.50%
Net Exit Value:	\$ 12,101,125

## 132 Prospect St

### Cash Flows Annual

Year Ending July 31	Year 1 2019	Year 2 2020	Year 3 2021	Year 4 2022	Year 5 2023
<b>Revenue</b>					
Rental Revenue	\$ -	\$ -	\$ -	\$ 632,690	\$ 856,054
Expense Reimbursement	-	-	155,589	184,009	196,117
General Vacancy (On Sale)	-	-	-	-	-
<b>Total Revenue</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 155,589</b>	<b>\$ 816,699</b>	<b>\$ 1,052,171</b>
<b>Expenses</b>					
	<b>\$/PSF</b>				
Taxes:	\$ -	\$ -	\$ -	\$ -	\$ -
Insurance:	0.35	12,000	12,240	12,485	12,989
Natural Gas:	0.25	8,658	8,831	9,007	9,371
Electric:	1.50	51,945	52,984	54,044	56,227
Water/Sewer:	0.14	5,000	5,100	5,202	5,306
Alarm Monitoring:	0.14	5,000	5,100	5,202	5,306
Janitorial:	0.75	25,973	26,492	27,022	27,562
Landscaping:	0.25	8,658	8,831	9,007	9,371
Repairs & Maintenance:	0.50	17,315	17,661	18,015	18,375
Property Management:	-	-	-	-	25,308
Miscellaneous:	0.43	15,000	15,300	15,606	15,918
<b>Total Expenses</b>	<b>4.32</b>	<b>\$ 149,548</b>	<b>\$ 152,538</b>	<b>\$ 155,589</b>	<b>\$ 184,009</b>
<b>Net Operating Income</b>		<b>\$ (149,548)</b>	<b>\$ (152,538)</b>	<b>\$ -</b>	<b>\$ 632,690</b>
<b>Capital Expenditures</b>					
Capital Reserves	-	-	8,658	8,658	8,658
CF Shortfall Reserve	(156,923)	(156,923)	(26,154)	-	-
<b>Total Capital Expenditures</b>	<b>\$ (156,923)</b>	<b>\$ (156,923)</b>	<b>\$ (17,496)</b>	<b>\$ 8,658</b>	<b>\$ 8,658</b>
<b>Other Expenses/Reserves</b>					
Asset Mgmt Fee BOP	-	-	-	-	-
Asset Mgmt Fee Paid	-	-	-	-	-
Asset Mgmt Fee EOP	-	-	-	-	-
<b>Total Asset Management Fees</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
<b>Cash Flow Before Debt Service</b>	<b>\$ 7,376</b>	<b>\$ 4,385</b>	<b>\$ 17,496</b>	<b>\$ 624,033</b>	<b>\$ 847,396</b>

IRR Analysis	Year 1	Year 2	Year 3	Year 4	Year 5
Net Cash Flow Before Debt Service	7,376	4,385	17,496	624,033	847,396
Year of Sale	5				
Residual Value at Cap Rate	6.50%				
Cost of Sale	-	-	-	-	12,540,026
	(438,901)				
<b>Net Cash Flow Before Debt Service</b>	<b>(8,853,384)</b>	<b>\$ 7,376</b>	<b>\$ 4,385</b>	<b>\$ 17,496</b>	<b>\$ 624,033</b>
		0.1%	0.0%	0.2%	7.0%
<b>Unleveraged IRR</b>	<b>9.1%</b>				
Net Cash Flow Before Debt Service	7,376	4,385	17,496	624,033	847,396
<b>Net Cash Flow</b>	<b>\$ 7,376</b>	<b>\$ 4,385</b>	<b>\$ 17,496</b>	<b>\$ 624,033</b>	<b>\$ 847,396</b>
<b>Debt Service</b>					
<b>Acquisition Loan</b>					
Interest Reserve	41,358	176,033	390,317	-	-
Interest	(41,358)	(176,033)	(390,317)	-	-
Principal	-	-	-	-	-
Remaining Principle Balance	-	-	-	-	-
<b>Refinance</b>					
Refinance Proceeds	-	-	-	1,317,861	-
Interest	-	-	-	(402,456)	(396,632)
Principal	-	-	-	(112,238)	(118,062)
Residual Value Minus Costs	-	-	-	-	12,101,125
Remaining Principle Balance	-	-	-	-	(7,759,534)
<b>Net Cash Flow</b>	<b>\$ (2,376,827)</b>	<b>\$ 7,376</b>	<b>\$ 4,385</b>	<b>\$ 17,496</b>	<b>\$ 1,427,200</b>
	DSCR	.18x	.02x	.04x	1.21x
					1.65x

Leveraged IRR	22.17%
Total Proceeds	\$ 6,130,749
Capital Contribution	\$ 2,376,827
Profit	\$ 3,753,922
Equity Multiple	2.58x

## Hillsong Church: Briefing Note



BN Number	STEW 19.003
Topic	PHX Property Holdings, LLC. Property Reports
Entity	Hillsong Stewardship Fund, Inc. as the sole corporate member of PHX Property Holdings, LLC.
Date	30 October 2019
Prepared for	The Hillsong Stewardship Fund, Inc., Board of Directors
Prepared by	Kylee Tranter
Approved by	Peter Ridley
Attachment(s)	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No

### Purpose

To provide Property Reports regarding PHX Property Holdings, LLC., from Jason Llitas, the Manager (responsible person) of this entity.

### Conclusion

It is requested that the Board review the property reports ahead of discussion at the upcoming Board Meeting.



# Hillsong Phoenix

655 E. University Drive

Mesa, AZ 85203

Phone: 480.834.1822

E-Mail: [Jason.Llitas@Hillsong.com](mailto:Jason.Llitas@Hillsong.com)

Web: [www.hillsong.com/phoenix](http://www.hillsong.com/phoenix)

## memo

To: Board of Directors, Hillsong Stewardship Fund, Inc

From: Jason Llitas, Manager – PHX Property Holdings, LLC

CC: Ps Terry Crist, Lead Pastor

Date: October 21, 2019

Re: Asset Summary & General Operations of Hillsong Phoenix

**General Description:** PHX Property Holdings currently owns 3 campuses across the Phoenix metropolitan area. These assets comprise 218,400 square feet in 11 buildings across 24 acres. These assets range from our Spanish Colonial revival cathedral in Downtown Phoenix (developed in the late 1920's) to the more modern Generations Center in Scottsdale, our most recent ground-up build in 2012. Several of the venues have been upgraded through the last several years, and we continue to work through significant repairs, maintenance, and improvement projects as funding becomes available. The campuses also include 1,299 parking spaces to support a variety of weekday, weekend, and rental activity.

**Asset Value & Financing:** A recent appraisal was completed in connection with the \$1,000,000 project financing that closed in the Spring of 2019. Current market value was determined at \$44MM for all three campuses. Existing financing is comprised partly of purchase money and partly projects:

- Existing Mortgage: \$14,329,425
- Maturity: 06/02/25
- Rate: 4.68% primary mortgage, 4.9% on project financing
- Monthly Payment: \$96,311
- LTV Ratio: 31.9%
- Collateral: Scottsdale/Mesa/Phoenix campuses, Key Man policy on Ps Terry Crist
- Pre-payment: Potential cost based on then-current market conditions
- Covenants: Debt-service ratio maintenance of 1.10 or greater (tested quarterly)
- Reserves: Payment reserve of \$750,000 on deposit with Lender

**Master Lease:** The church (operating under Hillsong Phoenix, LLC) is the Tenant under the Master Lease Agreement beginning in 2019. The rental payments have been calculated based on the appropriate debt service payments for the primary mortgage and the project financing. Property tax exemptions were secured in Sept 2019 under the new legal structure. The Tenant is responsible for repairs, maintenance, and improvements on the assets and no replacement reserves have been included in the rental calculations at this time.

**Subleases:** Hillsong College USA entered into a sublease with the Tenant in 2019 in preparation for the August launch on the Mesa campus. These rent calculations (approx. \$14K per month) include operating costs on the office space, classrooms, various supporting facilities and venues, and College's portion of the debt service related to the projects financing (\$500K).

In Scottsdale, a lease with T-Mobile telecommunications is in place for approximately \$1,000 per month for rooftop space to accommodate a cell phone tower.

In Downtown Phoenix, our 135-space parking lot is rented to nearby venues and event-attendees for additional revenues on the evenings it is unused for church activities. This constitutes an approximate \$100K per year in revenue for the Phoenix campus.

Attachments: Campus Descriptions (3), Appraisals (3), Statement of Activities, Balance Sheet

# Hillsong Phoenix – Downtown Phoenix

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## CAMPUS DESCRIPTION

The Downtown Phoenix Campus consists of 7 parcels of land, containing in the aggregate approximately 2 acres, located within the 400 block of West Monroe Street, Phoenix, Arizona 85003. The 7 parcels are adjacent to each other, except that the parking lot is separated from the other parcels by North 5<sup>th</sup> Avenue.

The buildings on the Church Site represent 65,800 square feet of air-conditioned space, all built in 1927 and include: (*square footages are approximate*)

- 1) A 22,900 sqft First floor main auditorium, chapel and children's classrooms ("First Floor"). It hosts a 6,950 sqft main auditorium with platform stage, pew seating and a 2,270 sqft balcony at the rear – seating for approximately 1,000. The first floor configuration includes a lobby, community room, serving kitchen, 4 children's classrooms, elevator (accesses basement, 1<sup>st</sup> and 2<sup>nd</sup> floors), and the 1,920 sqft Norton Chapel with 650 sqft balcony, which seats approximately 250.
- 2) A 17,500 sqft Second Floor administration space and meeting rooms. ("Second Floor"). It hosts numerous offices that vary in size, office workroom, meeting rooms, restrooms, conference room, and two classrooms/large offices.
- 3) A 10,400 sqft Third Floor Gymnasium and classrooms. ("Gymnasium"). It hosts a 4,100 sqft gymnasium, dance studio, shower room, restrooms, and classroom and storage rooms that vary in size.
- 4) A 15,000 sqft Partial Basement ("Lower Level"). It hosts a dining/fellowship hall, non-operating commercial kitchen, storage rooms, mechanical room, and boiler room.

The facilities described in the preceding paragraph are located on the east side of 5<sup>th</sup> Avenue and are of masonry construction. The parking lot to the west of 5<sup>th</sup> Avenue consists of a paved lot with parking spaces for approximately 140 vehicles.



## Hillsong Church - Downtown Campus

400 West Monroe Street  
Phoenix, Arizona 85003

### APPRAISAL REPORT

Date of Report: December 14, 2018

Colliers File #: PHX180438

Client File #: 18-1192



PREPARED FOR  
Mary Engleman  
Vice President, Credit Administration  
BOKF, NA  
One Williams Center, 12 S  
Tulsa, OK 74172

PREPARED BY  
COLLIERS INTERNATIONAL  
VALUATION & ADVISORY SERVICES



# LETTER OF TRANSMITTAL

COLLIERS INTERNATIONAL  
VALUATION & ADVISORY SERVICES



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web www.colliers.com

December 14, 2018

Mary Engleman  
Vice President, Credit Administration  
**BOKF, NA**  
One Williams Center 12 S  
Tulsa, OK 74172

**RE: Hillsong Church - Downtown Campus**  
400 West Monroe Street  
Phoenix, Arizona 85003

Colliers File #: PHX180438  
Client File #: 18-1192

Ms. Engleman:

Pursuant with our engagement, the above captioned property was appraised utilizing best practice appraisal principles for this property type. This appraisal report satisfies the scope of work and requirements agreed upon by BOKF, NA and Colliers International Valuation & Advisory Services.

This appraisal is presented in an Appraisal Report format as defined by *USPAP* Standards Rule 2-2. This format provides a summary description of the appraisal process, subject and market data and valuation analyses.

The purpose of this appraisal is to develop an opinion of the As-Is Market Value of the subject property's fee simple interest. At the request of the client we have also completed an Insurable Replacement Cost Estimate and a Land Value. The following table conveys the final opinion of market value of the subject property that is developed within this appraisal report.

VALUE TYPE	INTEREST APPRAISED	DATE OF VALUE	VALUE
As-Is Market Value	Fee Simple	December 4, 2018	\$14,200,000
<b>OTHER CONCLUSIONS AS OF DECEMBER 4, 2018</b>			
Insurable Replacement Cost			\$11,930,000
Land Value			\$7,760,000

The subject is a Special Purpose (Religious Facility) property totaling 65,800 SF of NRA located on a 1.98-acre site at 400 West Monroe Street in Phoenix, Arizona. The three-story building improvements were built in 1927, are in average condition, and have a remaining economic life of 25 years based on our estimate. The improvements consist of a historical church building and parking lot in downtown Phoenix. No major signs of



deferred maintenance items were present during the on-site inspection. The property is currently being operated by the Hillsong Church (national organization). The subject property has a single-tenant design that is currently owner-occupied, and has a current occupancy level of 100.0%.

The analyses, opinions and conclusions communicated within this appraisal report were developed based upon the requirements and guidelines of the current Uniform Standards of Professional Appraisal Practice (USPAP), the requirements of the Code of Professional Ethics and the Standards of Professional Appraisal Practice of the Appraisal Institute. The report is intended to conform to the Financial Institutions Reform, Recovery and Enforcement Act (FIRREA) standards and the appraisal guidelines of BOKF, NA.

The report, in its entirety, including all assumptions and limiting conditions, is an integral part of, and inseparable from, this letter. *USPAP* defines an Extraordinary Assumption as, "an assumption, directly related to a specific assignment, as of the effective date of the assignment results, which, if found to be false, could alter the appraiser's opinions or conclusions". *USPAP* defines a Hypothetical Condition as, "that which is contrary to what is known by the appraiser to exist on the effective date of the assignment results, but is used for the purpose of analysis".

The Extraordinary Assumptions and/or Hypothetical Conditions that were made during the appraisal process to arrive at our opinion of value are fully discussed below. We advise the client to consider these issues carefully given the intended use of this appraisal, as their use might have affected the assignment results.

## **EXTRAORDINARY ASSUMPTIONS**

No Extraordinary Assumptions were made for this assignment.

## **HYPOTHETICAL CONDITIONS**

No Hypothetical Conditions were made for this assignment.

## **RELIANCE LANGUAGE**

The Appraisal is for the sole use of the Client; however, Client may provide only complete, final copies of the Appraisal report in its entirety (but not component parts) to third parties who shall review such reports in connection with loan underwriting or securitization efforts. Colliers International Valuation & Advisory Services is not required to explain or testify as to appraisal results other than to respond to the Client for routine and customary questions. Please note that our consent to allow the Appraisal prepared by Colliers International Valuation & Advisory Services or portions of such Appraisal, to become part of or be referenced in any public offering, the granting of such consent will be at our sole and absolute discretion and, if given, will be on condition that Colliers International Valuation & Advisory Services will be provided with an Indemnification Agreement and/or Non-Reliance letter, in a form and content satisfactory to Colliers International Valuation & Advisory Services, by a party satisfactory to Colliers International Valuation & Advisory Services. Colliers International Valuation & Advisory Services does consent to your submission of the reports to rating agencies, loan participants or your auditors in its entirety (but not component parts) without the need to provide Colliers International Valuation & Advisory Services with an Indemnification Agreement and/or Non-Reliance letter.

Colliers International Valuation & Advisory Services hereby expressly grants to Client the right to copy the Appraisal and distribute it to other parties in the transaction for which the Appraisal has been prepared, including employees of Client, other lenders in the transaction, and the borrower, if any.

Our opinion of value reflects current conditions and the likely actions of market participants as of the date of value. It is based on the available information gathered and provided to us, as presented in this report, and does not predict future performance. Changing market or property conditions can and likely will have an effect on the subject's value.

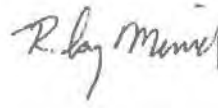
The signatures below indicates our assurance to the client that the development process and extent of analysis for this assignment adhere to the scope requirements and intended use of the appraisal. If you have any specific questions or concerns regarding the attached appraisal report, or if Colliers International Valuation & Advisory Services can be of additional assistance, please contact the individuals listed below.

Sincerely,

**COLLIERS INTERNATIONAL  
VALUATION & ADVISORY SERVICES**



TJ Gray, MAI  
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# Hillsong Phoenix – Mesa

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## CAMPUS DESCRIPTION

The Mesa Campus consists of 23 parcels of land, containing in the aggregate approximately 15 acres, located within the 300 block of North Hobson Street, Mesa, Arizona 85203. The 23 parcels are adjacent to each other, except that certain parking lots are separated from the other parcels by North Hobson Street.

The buildings on the Church Site represent 124,000 square feet of air-conditioned space and include: *(square footages are approximate)*

- 1) A 17,270 sqft auditorium and administrative office complex (“The Hub and Office Complex”) constructed in 1977 and refurbished in 1992. It hosts a 500-seat auditorium (renovated in 2019), lobby, snack bar, 12 administrative offices, reception area, and storage spaces.
- 2) A 6,065 sqft multipurpose chapel (“Chapel”) constructed in 1963. Built as a sanctuary, most of the floor space is used for special services including weddings and funerals with the balance of the space used for meeting rooms, a small kitchen, and storage.
- 3) A 26,744 sqft Hillsong College building (“Generations Center”) constructed in 1990 and 1991. The newly renovated building (2019), is a three-story structure containing classrooms, a student lounge, offices, practice rooms, kitchenette, large lecture space, restrooms, and a student library.
- 4) A 40,000 sqft worship center (“Worship Center”) constructed in 1997 and renovated in 2015. It contains a 2,000-seat auditorium, lobby, office spaces, dressing rooms, large community room, rehearsal spaces, resource center, and storage areas.
- 5) A 32,816 sqft children & family ministry building (“Family Life Center”) constructed in 2003. This three-story building consists of 24 children’s

classrooms and a large multi-purpose room, which can be configured to seat 600 in an auditorium setting or 400 in a banquet setting. Additional spaces include a kitchen suitable for catering, café area, lobby, maintenance offices, and storage space.

- 6) A 1,500 sqft single family residence converted to office space ("Grace House"). The building is located along University Drive and was built in the 1950's. The church is using this building to support foster care & adoption initiatives in partnership with the State of Arizona.
- 7) A 1,500 sqft single family residence converted to office space ("City Care"). The building is located along University Drive and was built in the 1950's. The church is using this building for Pastoral Care services and to support volunteer activity for campus and city-wide community transformation efforts.

The facilities described in the preceding paragraph are located on the east side of Hobson Street and are of masonry construction, in some cases with steel framing. The Church recently added roughly 57 spots in a parking lot expansion project, bringing the total of paved parking spaces to 907 vehicles.

## Willsong Church - Mesa Campus

655 East University Drive  
Mesa, Arizona 85203

### APPRAISAL REPORT

Date of Report: December 17, 2018

Colliers File #: PHX180439

Client File #: 18-1191



PREPARED FOR  
Mary Engleman  
Vice President, Credit Administration  
BOKF, NA  
One Williams Center, 12 S  
Tulsa, OK 74172

PREPARED BY  
COLLIERS INTERNATIONAL  
VALUATION & ADVISORY SERVICES



# LETTER OF TRANSMITTAL

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December 17, 2018

Mary Engleman  
Vice President, Credit Administration  
**BOKF, NA**  
One Williams Center 12 S  
Tulsa, OK 74172

**RE: Hillsong Church - Mesa Campus**  
655 East University Drive  
Mesa, Arizona 85203

Colliers File #: PHX180439  
Client File #: 18-1191

Ms. Engleman:

Pursuant with our engagement, the above captioned property was appraised utilizing best practice appraisal principles for this property type. This appraisal report satisfies the scope of work and requirements agreed upon by BOKF, NA and Colliers International Valuation & Advisory Services.

This appraisal is presented in an Appraisal Report format as defined by *USPAP* Standards Rule 2-2. This format provides a summary description of the appraisal process, subject and market data and valuation analyses.

The purpose of this appraisal is to develop opinions of the As-Is Market Value and Prospective Value Upon Completion of the subject property's fee simple interest. At the request of the client we have also completed an Insurable Replacement Cost Estimate and a Land Value. The following table conveys the final opinions of market value of the subject property that are developed within this appraisal report.

VALUE TYPE	INTEREST APPRAISED	DATE OF VALUE	VALUE
As-Is Market Value	Fee Simple	December 4, 2018	\$18,550,000
Prospective Value Upon Completion	Fee Simple	March 4, 2019	\$19,800,000
<b>OTHER CONCLUSIONS AS OF DECEMBER 4, 2018</b>			
Insurable Replacement Cost			\$15,520,000
Land Value			\$1,950,000

The subject is a Special Purpose (Religious and Educational Facility) property totaling 123,671 SF of NRA located on a 14.92-acre site at 655 East University Drive in Mesa, Arizona. The various building improvements were built in 1950, 1980, 1990, 2001, & 2002, are in average/good condition, and have a remaining economic



life of 40 years based on our estimate. The improvements consist of a mix of one and two-story church, classroom, and office/administrative buildings being operated by the Hillsong Church (national organization). The subject property has a single-tenant design that is currently owner-occupied, and has a current occupancy level of 100.0%. No major signs of deferred maintenance items were present during the on-site inspection.

As will be detailed in the following report, a two-story school/classroom building is being renovated at a cost of \$1,250,000 or \$10/SF (rounded). The renovation includes new flooring, paint, electrical, and mechanical upgrades. Based on discussions with the property contact, the owners plan to internally lease this space to a related entity and continue to operate it as a classroom building. The construction is anticipated to be completed by the first quarter of 2019.

The Prospective Value Upon Completion reflects the subject owner-occupied with the proposed renovations in place. The As-Is Value reflects the value of the subject as of the effective date of value. For purposes of this analysis, the subject will be described and valued based on the prospective condition with appropriate deductions made for the other values considering different points along the development timeline.

The analyses, opinions and conclusions communicated within this appraisal report were developed based upon the requirements and guidelines of the current Uniform Standards of Professional Appraisal Practice (USPAP), the requirements of the Code of Professional Ethics and the Standards of Professional Appraisal Practice of the Appraisal Institute. The report is intended to conform to the Financial Institutions Reform, Recovery and Enforcement Act (FIRREA) standards and the appraisal guidelines of BOKF, NA.

The report, in its entirety, including all assumptions and limiting conditions, is an integral part of, and inseparable from, this letter. *USPAP* defines an Extraordinary Assumption as, "an assumption, directly related to a specific assignment, as of the effective date of the assignment results, which, if found to be false, could alter the appraiser's opinions or conclusions". *USPAP* defines a Hypothetical Condition as, "that which is contrary to what is known by the appraiser to exist on the effective date of the assignment results, but is used for the purpose of analysis".

The Extraordinary Assumptions and/or Hypothetical Conditions that were made during the appraisal process to arrive at our opinions of value are fully discussed below. We advise the client to consider these issues carefully given the intended use of this appraisal, as their use might have affected the assignment results.

#### EXTRAORDINARY ASSUMPTIONS

It is an extraordinary assumption of this report that the proposed work will be completed in a professional, workmanlike manner. It is further assumed that no significant changes will take place between the effective current date and the effective future value date. Moreover, this appraisal assumes the construction cost estimates are reasonable. Any differences with regards to the foregoing may impact the assignment results. A copy of the cost budget is provided in the report addenda.

#### HYPOTHETICAL CONDITIONS

No Hypothetical Conditions were made for this assignment.

#### RELIANCE LANGUAGE

The Appraisal is for the sole use of the Client; however, Client may provide only complete, final copies of the Appraisal report in its entirety (but not component parts) to third parties who shall review such reports in connection with loan underwriting or securitization efforts. Colliers International Valuation & Advisory Services is not required to explain or testify as to appraisal results other than to respond to the Client for routine and customary questions. Please note that our consent to allow the Appraisal prepared by Colliers International Valuation & Advisory Services or portions of such Appraisal, to become part of or be referenced in any public



offering, the granting of such consent will be at our sole and absolute discretion and, if given, will be on condition that Colliers International Valuation & Advisory Services will be provided with an Indemnification Agreement and/or Non-Reliance letter, in a form and content satisfactory to Colliers International Valuation & Advisory Services, by a party satisfactory to Colliers International Valuation & Advisory Services. Colliers International Valuation & Advisory Services does consent to your submission of the reports to rating agencies, loan participants or your auditors in its entirety (but not component parts) without the need to provide Colliers International Valuation & Advisory Services with an Indemnification Agreement and/or Non-Reliance letter.

Colliers International Valuation & Advisory Services hereby expressly grants to Client the right to copy the Appraisal and distribute it to other parties in the transaction for which the Appraisal has been prepared, including employees of Client, other lenders in the transaction, and the borrower, if any.

Our opinion of value reflects current conditions and the likely actions of market participants as of the date of value. It is based on the available information gathered and provided to us, as presented in this report, and does not predict future performance. Changing market or property conditions can and likely will have an effect on the subject's value.

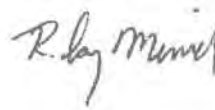
The signatures below indicates our assurance to the client that the development process and extent of analysis for this assignment adhere to the scope requirements and intended use of the appraisal. If you have any specific questions or concerns regarding the attached appraisal report, or if Colliers International Valuation & Advisory Services can be of additional assistance, please contact the individuals listed below.

Sincerely,

**COLLIERS INTERNATIONAL  
VALUATION & ADVISORY SERVICES**



TJ Gray, MAI  
Valuation Services Director  
Certified General Real Estate Appraiser  
State of Arizona License #31808  
+1 602 222 5056  
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Casey Merrill, MAI, ASA, FRICS  
Executive Managing Director | Southwest Region  
Certified General Real Estate Appraiser  
State of Arizona License #32071  
+1 213 417 3315  
casey.merrill@colliers.com

# Hillsong Phoenix – Scottsdale

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## CAMPUS DESCRIPTION

The Scottsdale Campus consists of one **parcel** of land, representing approximately 7 acres, located within the 9600 **block** of East Cactus Road, Scottsdale, Arizona 85260.

The buildings on the Church Site represent 28,600 **square** feet of air-conditioned space and include: *(square footages are approximate)*

- 1) A 3,434 sqft administrative building (“Administration Building”) was built in the 1970’s and last refurbished in 2017. This building houses 5 offices, reception area, and a café/meeting space.
- 2) An 18,622 sqft worship and children’s center (“Worship Center”), which was built in 2005 consisting of a 600-seat auditorium, meeting rooms, lobby, and resource center. In 2008, a 5,000 sqft addition incorporated new classrooms and worship space for children. In 2018, the lobby and main auditorium were renovated, adding new technology, stadium-style seating, and space for people to gather & connect.
- 3) A 6,588 sqft multipurpose student and adult ministry center was added to the campus in 2012 (“Generations Center”). This modern facility hosts a 200-seat auditorium, lobby, café, office, and storage space. The cafe also frequently serves as the backdrop for ‘Café Theology’ which airs on the Hillsong Channel.

The facilities described in the preceding paragraph are located on the north side of Cactus Road and are a combination of wood-frame and masonry construction, with some steel framing in the Generations Center. The Church Site provides paved parking spaces for approximately 252 vehicles.

## Hillsong Church - Scottsdale Campus

12344 North 96th Place  
Scottsdale, Arizona 85260

### APPRAISAL REPORT

Date of Report: December 14, 2018

Colliers File #: PHX180440

Client File #: 18-1193



PREPARED FOR  
Mary Engleman  
Vice President, Credit Administration  
BOKF, NA  
One Williams Center, 12 S  
Tulsa, OK 74172

PREPARED BY  
COLLIERS INTERNATIONAL  
VALUATION & ADVISORY SERVICES



# LETTER OF TRANSMITTAL

COLLIERS INTERNATIONAL  
VALUATION & ADVISORY SERVICES



2390 East Camelback Road, Suite 215  
Phoenix, AZ 85016 USA  
MAIN +1 602 222 5000  
FAX +1 602 222 5196  
WEB www.colliers.com

December 14, 2018

Mary Engleman  
Vice President, Credit Administration  
**BOKF, NA**  
One Williams Center 12 S  
Tulsa, OK 74172

**RE: Hillsong Church - Scottsdale Campus**  
12344 North 96th Place  
Scottsdale, Arizona 85260

Colliers File #: PHX180440  
Client File #: 18-1193

Ms. Engleman:

Pursuant with our engagement, the above captioned property was appraised utilizing best practice appraisal principles for this property type. This appraisal report satisfies the scope of work and requirements agreed upon by BOKF, NA and Colliers International Valuation & Advisory Services.

This appraisal is presented in an Appraisal Report format as defined by *USPAP* Standards Rule 2-2. This format provides a summary description of the appraisal process, subject and market data and valuation analyses.

The purpose of this appraisal is to develop an opinion of the As-Is Market Value of the subject property's fee simple interest. At the request of the client we have also completed an Insurable Replacement Cost Estimate and a Land Value. The following table conveys the final opinion of market value of the subject property that is developed within this appraisal report.

VALUE TYPE	INTEREST APPRAISED	DATE OF VALUE	VALUE
As-Is Market Value	Fee Simple	December 4, 2018	\$10,000,000
<b>OTHER CONCLUSIONS AS OF DECEMBER 4, 2018</b>			
Insurable Replacement Cost			\$5,150,000
Land Value			\$4,780,000

The subject is a Special Purpose (Religious Facility) property totaling 29,813 SF of NRA located on a 5.49-acre site at 12344 North 96th Place in Scottsdale, Arizona. The single-story building improvements were built in 1996, 2006, & 2010, are in good condition, and have a remaining economic life of 40 years based on our estimate. The improvements consist of a main church building (19,927 SF), fellowship hall (6,382 SF), and an



administrative office building (3,504) SF. The site is located at a signalized intersection at the northeast corner of Cactus Road and 96<sup>th</sup> Street and surrounded by single-family residential uses. No major signs of deferred maintenance items were present during the on-site inspection. The property is currently being operated by the Hillsong Church (national organization). The subject property has a single-tenant design that is currently owner-occupied, and has a current occupancy level of 100.0%.

The analyses, opinions and conclusions communicated within this appraisal report were developed based upon the requirements and guidelines of the current Uniform Standards of Professional Appraisal Practice (USPAP), the requirements of the Code of Professional Ethics and the Standards of Professional Appraisal Practice of the Appraisal Institute. The report is intended to conform to the Financial Institutions Reform, Recovery and Enforcement Act (FIRREA) standards and the appraisal guidelines of BOKF, NA.

The report, in its entirety, including all assumptions and limiting conditions, is an integral part of, and inseparable from, this letter. *USPAP* defines an Extraordinary Assumption as, "an assumption, directly related to a specific assignment, as of the effective date of the assignment results, which, if found to be false, could alter the appraiser's opinions or conclusions". *USPAP* defines a Hypothetical Condition as, "that which is contrary to what is known by the appraiser to exist on the effective date of the assignment results, but is used for the purpose of analysis".

The Extraordinary Assumptions and/or Hypothetical Conditions that were made during the appraisal process to arrive at our opinion of value are fully discussed below. We advise the client to consider these issues carefully given the intended use of this appraisal, as their use might have affected the assignment results.

#### **EXTRAORDINARY ASSUMPTIONS**

No Extraordinary Assumptions were made for this assignment.

#### **HYPOTHETICAL CONDITIONS**

No Hypothetical Conditions were made for this assignment.

#### **RELIANCE LANGUAGE**

The Appraisal is for the sole use of the Client; however, Client may provide only complete, final copies of the Appraisal report in its entirety (but not component parts) to third parties who shall review such reports in connection with loan underwriting or securitization efforts. Colliers International Valuation & Advisory Services is not required to explain or testify as to appraisal results other than to respond to the Client for routine and customary questions. Please note that our consent to allow the Appraisal prepared by Colliers International Valuation & Advisory Services or portions of such Appraisal, to become part of or be referenced in any public offering, the granting of such consent will be at our sole and absolute discretion and, if given, will be on condition that Colliers International Valuation & Advisory Services will be provided with an Indemnification Agreement and/or Non-Reliance letter, in a form and content satisfactory to Colliers International Valuation & Advisory Services, by a party satisfactory to Colliers International Valuation & Advisory Services. Colliers International Valuation & Advisory Services does consent to your submission of the reports to rating agencies, loan participants or your auditors in its entirety (but not component parts) without the need to provide Colliers International Valuation & Advisory Services with an Indemnification Agreement and/or Non-Reliance letter.

Colliers International Valuation & Advisory Services hereby expressly grants to Client the right to copy the Appraisal and distribute it to other parties in the transaction for which the Appraisal has been prepared, including employees of Client, other lenders in the transaction, and the borrower, if any.

Our opinion of value reflects current conditions and the likely actions of market participants as of the date of value. It is based on the available information gathered and provided to us, as presented in this report, and

does not predict future performance. Changing market or property conditions can and likely will have an effect on the subject's value.

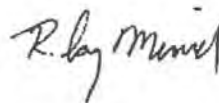
The signatures below indicates our assurance to the client that the development process and extent of analysis for this assignment adhere to the scope requirements and intended use of the appraisal. If you have any specific questions or concerns regarding the attached appraisal report, or if Colliers International Valuation & Advisory Services can be of additional assistance, please contact the individuals listed below.

Sincerely,

**COLLIERS INTERNATIONAL  
VALUATION & ADVISORY SERVICES**



TJ Gray, MAI  
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casey.merrill@colliers.com

PHX Property Holdings  
Statement of Financial Position  
As of September 30, 2019

**ASSETS**

<b>Current Assets</b>		
Checking/Savings		882,199.00
Other Current Assets		0.00
<b>Total Current Assets</b>		882,199.00
<b>Fixed Assets</b>		
Land		8,370,038.00
Buildings		24,175,742.00
Furn, Fix, Equip Vehicles		
<b>Total Fixed Assets</b>		32,545,780.00
<b>Total Acc Depreciation</b>		(13,490,853.00)
<b>Total Fixed Assets</b>		19,054,927.00
<b>Other Assets</b>		59,960.00
<b>TOTAL ASSETS</b>		19,997,086.00

**LIABILITIES & EQUITY**

<b>Liabilities</b>		
<b>Current Liabilities</b>		
Long Term Liabilities		14,329,425.00
<b>Total Liabilities</b>		14,329,425.00
<b>Equity</b>		
Unrestricted Net Assets		6,040,284.00
Net Income		(372,623.00)
<b>Total Equity</b>		5,667,661.00
<b>TOTAL LIABILITIES &amp; EQUITY</b>		19,997,086.00



PHX Property Holdings  
Statement of Activities  
January - September 2019

**REVENUES**

Tithes and Offerings	
Heart for the House	
Heart for the World	
Conferences and Events	
Misc Non Contribution Inc	<u>756,000.00</u>
Total Income	756,000.00

**EXPENSES**

City Care	
Leadership Dev/Travel	
Staffing	
Facilities	
Interest	490,169.00
Depreciation	638,454.00
Programming	
Conferences	
Administration	<u>                    </u>
Total Expenses	1,128,623.00
<b>Net Income</b>	<b>(372,623.00)</b>

For internal purposes only

## Hillsong Church: Briefing Note



BN Number	STEW 19.005
Topic	Lafayette Property Holdings, LLC. Property Reports
Entity	Hillsong Stewardship Fund, Inc. as the sole corporate member of Lafayette Property Holdings, LLC.
Date	30 October 2019
Prepared for	The Hillsong Stewardship Fund, Inc., Board of Directors
Prepared by	Kylee Tranter
Approved by	Peter Ridley
Attachment(s)	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No

### **Purpose**

To provide Property Reports regarding Lafayette Property Holdings, LLC., from John Cornelius the Manager (responsible person) for this entity.

### **Conclusion**

It is requested that the Board review the property reports ahead of discussion at the upcoming Board Meeting.





# **LAFAYETTE PROPERTY HOLDINGS, LLC**

10.24.19

# CONTENTS

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**PROPERTY OVERVIEW**

page 3

**INVESTMENT**

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**QUARTERLY FINANCIALS**

page 5

**FINANCIAL COVENANTS & COMPLIANCE**

page 17

# LAFAYETTE PROPERTY HOLDINGS, LLC

## 363 LAFAYETTE STREET

Hillson Church's investment and leasing opportunity for the building project located at the cross streets of Lafayette and Bond Streets in (Midtown-South) Manhattan, a borough of New York City. The investment opportunity and the leasing opportunity two different business transactions, but they both benefit the church mutually.

Located at the intersection of downtown's best neighborhoods, NoHo is an eclectic enclave adjacent to Soho, Nolita, and the village. Its distinctive historic district is home to some of Lower Manhattan's most prestigious residential addresses, along with its vibrant mix of boutiques, cafes, restaurants and bars

### PROPERTY SUMMARY

**ADDRESS**  
363 LAFAYETTE STREET  
NEW YORK, NY 10012

**BUILDING SF**  
38,000 SF

**NUMBER OF STORIES**  
10 FLOORS

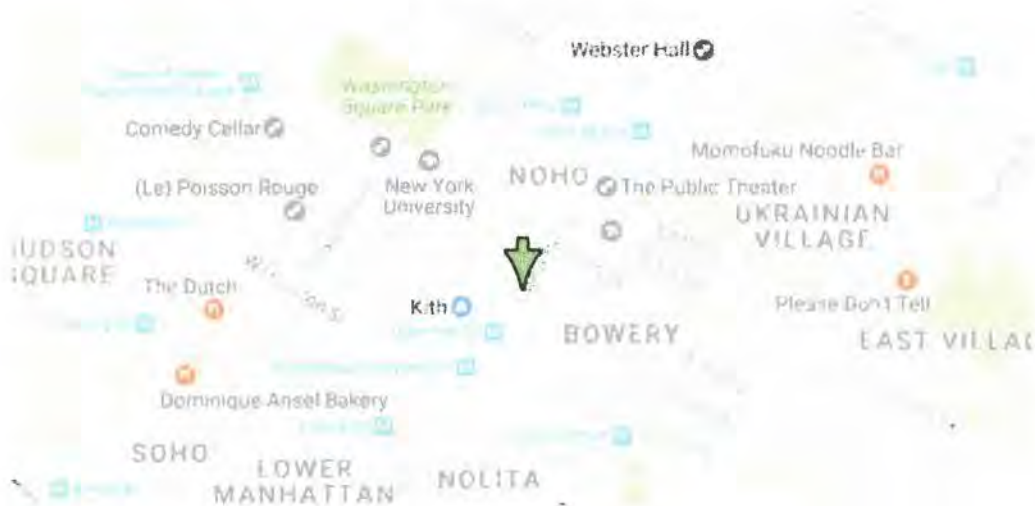
**YEAR BUILT**  
2017

**HILLSONG INVESTED EQUITY**  
\$1,000,000

**DEVELOPERS**  
SK DEVELOPMENT  
<https://www.skdevelopment.com/#/363-lafayette/>



### LOCATION MAP



# LAFAYETTE PROPERTY HOLDINGS, LLC

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## INVESTMENT

Hillsong Church invested \$1,000,000 or more into a building project at 363 Lafayette Street in New York, New York. The investment made through a holding company is managed and controlled by Hillsong Church's global board of directors.

The \$1,000,000 ("investment") contributed into '363 CBSK LLC' ("partnership"), and is a 16.67% interest in the partnership. The 16.67% capital investment was a joint venture with SK Development Group ("SK"). Hillsong Church's interest shares in the annual profit and loss ("PnL") of the partnership, and would also in any future sale's proceeds.

'363 CBSK LLC' is a partner in the developing owners' partnership, 'Lafayette Development Associates LLC.' 363 CBSK LLC owns a 60% share in Lafayette Development Associates LLC. Hillsong Church's interest would be a 10% share of Lafayette Development Associates LLC, by means of the pass-through partnership, 363 CBSK LLC.

- The PnL of the partnership, mostly composed of rental real estate and the management expenses of the building, is taxable income under the Unrelated Business Taxable Income ("UBTI") rules of the U.S. Internal Revenue Code ("I.R.C."), Code Section 512. <https://www.irs.gov/publications/p598/ch04.html>. The rental real estate income includes the commercial rental floors as well as the first-floor retail rental.
- The sales proceeds, above the return of capital and our cost basis, long term capital gain/(loss) and is not taxable to a not-for-profit entity, or an entity that holds a I.R.C. 501(c)(3) certification from the Internal Revenue Service, or an entity related to an entity with a certification. Income derived from passive investments, such as dividends, royalties, interest and capital gains is not subject to UBTI.

Equity & Financing: There is \$9,000,000 of equity in Lafayette Development Associates LLC and the remaining cost of the building project is being financed with Wells Fargo Bank. This "construction" loan was roughly \$14,000,000, and this financing was used to complete the construction of the building.

Upon completion of the construction, the building will be re-valued by the bank and an independent 3rd party. Based on specs of the building, historical projects of the developers and location of the property, the value has the potential to be \$35,000,000 - \$50,000,000. At the point of revaluation, Lafayette Development Associates engages in a "permanent" loan with the same or another bank for the value of the property. At this point, the partners in Lafayette Development Associates LLC and 363 CBSK LLC potentially receive their return of capital contributed (and potentially more).

Last month we received approval from the city to lease the retail. We will go for permanent financing and pull our million dollar investment/ equity out of the deal and keep our 16.6% ownership stake by Q3 2020. We can expect some returns and cash flow by then as well.

## LEASE OPPORTUNITY

The intrigue of the leased space at 363 Lafayette Street is that any payment of rent to the landlord, who is 363 CBSK LLC, is a payment to Hillsong Church since the church shares in the ownership of the building. Available space includes a 2nd and 3rd floor Community Facility space, and a rentable sub-cellar.

The proposed lease is for 20 years with a 5-year additional option. The 5-year option is at the landlord or the tenant's discretion. The 2nd and 3rd floor Community Facility space rent proposal is \$50 actual per sq. ft., which is a greater than 50% discount of the rates of the building. The 3rd Floor Commercial space rent proposal is \$50 per rentable sq. ft., and the sub-cellar space rent proposal is \$25 per square foot.

## QUARTERLY FINANCIALS

### NOTES

Attached is the 2018 partnership interest K-1 from Lafayette Property Holdings LLC by way of our investment interest in CBSK 363 LLC (otherwise 363 Lafayette Street building).

We do not receive monthly or quarterly statements just yet and as you can see with the building construction, the building has only recognized losses thus far.

The 2018 Schedule K-1 ending balance (bottom left of the page that I sent) is in tax basis and not a book basis.



CBSK 363 LLC  
161 CHRYSTIE STREET, 2ND FLOOR  
NEW YORK, NY 10002  
(212) 505-5270

July 2, 2019

LAFAYETTE PROPERTY HOLDINGS LLC  
32 AVENUE OF THE AMERICAS  
NEW YORK, NY 10013

RE: CBSK 363 LLC  
82-1619799  
Schedule K-1 from Partnership's 2018 tax return

Dear LAFAYETTE PROPERTY HOLDINGS LLC

Enclosed is your 2018 Schedule K-1 (Form 1065) Partner's Share of Income, Deductions, Credits, Etc. from CBSK 363 LLC. This information reflects the amounts you need to complete your income tax return. The amounts shown are your distributive share of partnership tax items to be reported on your tax return, and may not correspond to actual distributions you have received during the year. This information is included in the Partnership's 2018 Federal Return of Partnership Income that was filed with the Internal Revenue Service.

If you have any questions concerning this information, please contact us immediately.

Sincerely,

CBSK 363 LLC

Enclosure(s)

**Schedule K-1**  
**(Form 1065)**

Department of the Treasury  
Internal Revenue Service

**2018**

For calendar year 2018, or tax year

beginning  /  / 2018 ending  /  /

**Partner's Share of Income, Deductions, Credits, etc.**  
▶ See separate instructions.

Final K-1

Amended K-1

651118

OMB No. 1545-0123

<b>Part III Partner's Share of Current Year Income, Deductions, Credits, and Other Items</b>			
1	Ordinary business income (loss)	15	Credits
2	Net rental real estate income (loss)		
*	-78,059.		
3	Other net rental income (loss)	16	Foreign transactions
4	Guaranteed payments		
5	Interest income		
6a	Ordinary dividends		
6b	Qualified dividends		
6c	Dividend equivalents		
7	Royalties		
8	Net short-term capital gain (loss)	17	Alternative minimum tax (AMT) items
9a	Net long-term capital gain (loss)		
9b	Collectibles (28%) gain (loss)		
9c	Unrecaptured section 1250 gain	18	Tax-exempt income and nondeductible expenses
10	Net section 1231 gain (loss)		
11	Other income (loss)		
		19	Distributions
12	Section 179 deduction		
13	Other deductions	20	Other information
		AB*	STMT
		AG	4,368.
		Z*	STMT
14	Self-employment earnings (loss)		

\*See attached statement for additional information.

For IRS Use Only

**Part I Information About the Partnership**

- A** Partnership's employer identification number  
82-1619799
- B** Partnership's name, address, city, state, and ZIP code  
CBSK 363 LLC  
161 CHRYSTIE STREET, 2ND FLOOR  
NEW YORK, NY 10002
- C** IRS Center where partnership filed return  
E-FILE
- D**  Check if this is a publicly traded partnership (PTP)

**Part II Information About the Partner**

- E** Partner's identifying number  
82-1961478
- F** Partner's name, address, city, state, and ZIP code  
LAFAYETTE PROPERTY HOLDINGS LLC  
32 AVENUE OF THE AMERICAS  
NEW YORK, NY 10013
- G**  General partner or LLC member-manager  Limited partner or other LLC member
- H**  Domestic partner  Foreign partner
- I1** What type of entity is this partner? PARTNERSHIP
- I2** If this partner is a retirement plan (IRA/SEP/Keogh/etc.), check here
- J** Partner's share of profit, loss, and capital (see instructions):
- |         | Beginning | Ending   |
|---------|-----------|----------|
| Profit  | 16.667 %  | 16.667 % |
| Loss    | 16.667 %  | 16.667 % |
| Capital | 16.667 %  | 16.667 % |
- K** Partner's share of liabilities:
- |                                 | Beginning | Ending        |
|---------------------------------|-----------|---------------|
| Nonrecourse                     | \$        | \$ 413.       |
| Qualified nonrecourse financing | \$        | \$ 2,087,693. |
| Recourse                        | \$        | \$            |
- L** Partner's capital account analysis:
- |                                     |             |
|-------------------------------------|-------------|
| Beginning capital account           | \$ 990,104. |
| Capital contributed during the year | \$          |
| Current year increase (decrease)    | \$ -34,287. |
| Withdrawals & distributions         | \$          |
| Ending capital account              | \$ 955,817. |
- Tax basis  GAAP  Section 704(b) book  
 Other (explain)
- M** Did the partner contribute property with a built-in gain or loss?  
 Yes  No  
If "Yes," attach statement (see instructions)

This list identifies the codes used on Schedule K-1 for all partners and provides summarized reporting information for partners who file Form 1040. For detailed reporting and filing information, see the separate Partner's Instructions for Schedule K-1 and the instructions for your income tax return.

Code	Description	Report on
<b>1</b>	<b>Ordinary business income (loss).</b> Determine whether the income (loss) is passive or nonpassive and enter on your return as follows.	
	Passive loss	See the Partner's Instructions
	Passive income	Schedule E, line 28, column (h)
	Nonpassive loss	See the Partner's Instructions
	Nonpassive income	Schedule E, line 28, column (k)
<b>2</b>	<b>Net rental real estate income (loss)</b>	See the Partner's Instructions
<b>3</b>	<b>Other net rental income (loss)</b>	See the Partner's Instructions
	Net income	Schedule E, line 28, column (i)
	Net loss	See the Partner's Instructions
<b>4</b>	<b>Guaranteed payments</b>	Schedule E, line 28, column (j)
<b>5</b>	<b>Interest income</b>	Form 1040, line 2b
<b>6a</b>	<b>Ordinary dividends</b>	Form 1040, line 3b
<b>6b</b>	<b>Qualified dividends</b>	Form 1040, line 3a
<b>6c</b>	<b>Dividend equivalents</b>	See the Partner's Instructions
<b>7</b>	<b>Royalties</b>	Schedule E, line 4
<b>8</b>	<b>Net short-term capital gain (loss)</b>	Schedule D, line 5
<b>9a</b>	<b>Net long-term capital gain (loss)</b>	Schedule D, line 12
<b>9b</b>	<b>Collectibles (28%) gain (loss)</b>	28% Rate Gain Worksheet, line 4 (Schedule D Instructions)
<b>9c</b>	<b>Unrecaptured section 1250 gain</b>	See the Partner's Instructions
<b>10</b>	<b>Net section 1231 gain (loss)</b>	See the Partner's Instructions
<b>11</b>	<b>Other income (loss)</b>	
	<b>Code</b>	
	<b>A</b> Other portfolio income (loss)	See the Partner's Instructions
	<b>B</b> Involuntary conversions	See the Partner's Instructions
	<b>C</b> Sec. 1256 contracts & straddles	Form 6781, line 1
	<b>D</b> Mining exploration costs recapture	See Pub. 535
	<b>E</b> Cancellation of debt	Schedule 1 (Form 1040), line 21 or Form 982
	<b>F</b> Section 951A income	See the Partner's Instructions
	<b>G</b> Section 965(a) inclusion	
	<b>H</b> Subpart F income other than sections 951A and 965 inclusion	See the Partner's Instructions
	<b>I</b> Other income (loss)	
<b>12</b>	<b>Section 179 deduction</b>	See the Partner's Instructions
<b>13</b>	<b>Other deductions</b>	
	<b>A</b> Cash contributions (60%)	See the Partner's Instructions
	<b>B</b> Cash contributions (30%)	
	<b>C</b> Noncash contributions (50%)	
	<b>D</b> Noncash contributions (30%)	
	<b>E</b> Capital gain property to a 50% organization (30%)	
	<b>F</b> Capital gain property (20%)	See the Partner's Instructions
	<b>G</b> Contributions (100%)	
	<b>H</b> Investment interest expense	Form 4952, line 1
	<b>I</b> Deductions — royalty income	Schedule E, line 19
	<b>J</b> Section 59(e)(2) expenditures	See the Partner's Instructions
	<b>K</b> Excess business interest expense	See the Partner's Instructions
	<b>L</b> Deductions — portfolio (other)	Schedule A, line 16
	<b>M</b> Amounts paid for medical insurance	Schedule A, line 1 or Schedule I (Form 1040), line 29
	<b>N</b> Educational assistance benefits	See the Partner's Instructions
	<b>O</b> Dependent care benefits	Form 2441, line 12
	<b>P</b> Preproductive period expenses	See the Partner's Instructions
	<b>Q</b> Commercial revitalization deduction from rental real estate activities	See Form 8582 Instructions
	<b>R</b> Pensions and IRAs	See the Partner's Instructions
	<b>S</b> Reforestation expense deduction through V	See the Partner's Instructions
	<b>T</b> through V	Reserved for future use
	<b>W</b> Other deductions	See the Partner's Instructions
	<b>X</b> Section 965(c) deduction	See the Partner's Instructions
<b>14</b>	<b>Self-employment earnings (loss)</b>	
	<b>Note.</b> If you have a section 179 deduction or any partner-level deductions, see the Partner's Instructions before completing Schedule SE.	
	<b>A</b> Net earnings (loss) from self-employment	Schedule SE, Section A or B
	<b>B</b> Gross farming or fishing income	See the Partner's Instructions
	<b>C</b> Gross non-farm income	See the Partner's Instructions
<b>15</b>	<b>Credits</b>	
	<b>A</b> Low-income housing credit (section 42(i)(5)) from pre-2008 buildings	See the Partner's Instructions
	<b>B</b> Low-income housing credit (other) from pre-2008 buildings	
	<b>C</b> Low-income housing credit (section 42(i)(5)) from post-2007 buildings	
	<b>D</b> Low-income housing credit (other) from post-2007 buildings	
	<b>E</b> Qualified rehabilitation expenditures (rental real estate)	
	<b>F</b> Other rental real estate credits	See the Partner's Instructions
	<b>G</b> Other rental credits	
	<b>H</b> Undistributed capital gains credit	Schedule 5 (Form 1040), line 74, box a
	<b>I</b> Biofuel producer credit	See the Partner's Instructions
	<b>Code</b>	
	<b>J</b> Work opportunity credit	See the Partner's Instructions
	<b>K</b> Disabled access credit	
	<b>L</b> Empowerment zone employment credit	
	<b>M</b> Credit for increasing research activities	
	<b>N</b> Credit for employer social security and Medicare taxes	
	<b>O</b> Backup withholding	See the Partner's Instructions
	<b>P</b> Other credits	
<b>16</b>	<b>Foreign transactions</b>	
	<b>A</b> Name of country or U.S. possession	Form 1116, Part I
	<b>B</b> Gross income from all sources	
	<b>C</b> Gross income sourced at partner level	
	<b>Foreign gross income sourced at partnership level</b>	
	<b>D</b> Section 951A category	Form 1116, Part I
	<b>E</b> Foreign branch category	
	<b>F</b> Passive category	
	<b>G</b> General category	
	<b>H</b> Other	Form 1116, Part I
	<b>Deductions allocated and apportioned at partner level</b>	
	<b>I</b> Interest expense	Form 1116, Part I
	<b>J</b> Other	Form 1116, Part I
	<b>Deductions allocated and apportioned at partnership level to foreign source income</b>	
	<b>K</b> Section 951A category	Form 1116, Part I
	<b>L</b> Foreign branch category	
	<b>M</b> Passive category	
	<b>N</b> General category	Form 1116, Part I
	<b>O</b> Other	
	<b>Other information</b>	
	<b>P</b> Total foreign taxes paid	Form 1116, Part II
	<b>Q</b> Total foreign taxes accrued	Form 1116, Part II
	<b>R</b> Reduction in taxes available for credit	Form 1116, line 12
	<b>S</b> Foreign trading gross receipts	Form 8873
	<b>T</b> Extraterritorial income exclusion	Form 8873
	<b>U</b> Section 951A(c)(1)(A) tested income	See the Partner's Instructions
	<b>V</b> Tested foreign income tax	
	<b>W</b> Section 965 information	See the Partner's Instructions
	<b>X</b> Other foreign transactions	
<b>17</b>	<b>Alternative minimum tax (AMT) items</b>	
	<b>A</b> Post-1986 depreciation adjustment	See the Partner's Instructions and the Instructions for Form 6251
	<b>B</b> Adjusted gain or loss	
	<b>C</b> Depletion (other than oil & gas)	
	<b>D</b> Oil, gas, & geothermal — gross income	
	<b>E</b> Oil, gas, & geothermal — deductions	
	<b>F</b> Other AMT items	
<b>18</b>	<b>Tax-exempt income and nondeductible expenses</b>	
	<b>A</b> Tax-exempt interest income	Form 1040, line 2a
	<b>B</b> Other tax-exempt income	See the Partner's Instructions
	<b>C</b> Nondeductible expenses	See the Partner's Instructions
<b>19</b>	<b>Distributions</b>	
	<b>A</b> Cash and marketable securities	See the Partner's Instructions
	<b>B</b> Distribution subject to section 737	
	<b>C</b> Other property	
<b>20</b>	<b>Other information</b>	
	<b>A</b> Investment income	Form 4952, line 4a
	<b>B</b> Investment expenses	Form 4952, line 5
	<b>C</b> Fuel tax credit information	Form 4136
	<b>D</b> Qualified rehabilitation expenditures (other than rental real estate)	See the Partner's Instructions
	<b>E</b> Basis of energy property	See the Partner's Instructions
	<b>F</b> Recapture of low-income housing credit (section 42(i)(5))	Form 8611, line 8
	<b>G</b> Recapture of low-income housing credit (other)	Form 8611, line 8
	<b>H</b> Recapture of investment credit	See Form 4255
	<b>I</b> Recapture of other credits	See the Partner's Instructions
	<b>J</b> Look-back interest — completed long-term contracts	See Form 8697
	<b>K</b> Look-back interest — income forecast method	See Form 8866
	<b>L</b> Dispositions of property with section 179 deductions	See the Partner's Instructions
	<b>M</b> Recapture of section 179 deduction	
	<b>N</b> Interest expense for corporate partners through Y	See the Partner's Instructions
	<b>Z</b> Section 199A income	
	<b>AA</b> Section 199A W-2 wages	See the Partner's Instructions
	<b>AB</b> Section 199A unadjusted basis	
	<b>AC</b> Section 199A REIT dividends	
	<b>AD</b> Section 199A PTP income	
	<b>AE</b> Excess taxable income	
	<b>AF</b> Excess business interest income	
	<b>AG</b> Gross receipts for section 59A(e)	
	<b>AH</b> Other information	

**BOX 2  
RENTAL REAL ESTATE ACTIVITIES**

PROPERTY TYPE AND ADDRESS	GROSS INCOME	NET EXPENSES	NET INCOME	PASSIVE NONPASS	SEC. 1231 TOTAL
TYPE: 4 - COMMERCIAL 357 LAFAYETTE STREET NEW YORK, NY 10012			413. \$	-413. PASSIVE	
PASSTHROUGH RENTAL REAL ESTATE ROUNDING OR SPECIALLY ALLOCATED NET INCOME (LOSS) ADJUSTMENT				-77,647.	
				1.	
			TOTAL \$	-78,059.	

**BOX 20, CODES Z-AB  
SECTION 199A INFORMATION**

BUSINESS NAME AND EMPLOYER ID	SPECIFIED SERVICE TRADE OR BUSINESS	QUALIFIED BUSINESS INCOME CODE Z	W-2 WAGES CODE AA	UNADJUSTED BASIS (UBIA) CODE AB
CBSK 363 LLC 82-1619799	NO	\$ -413.		
LAFAYETTE DEVELOPMENT OWNERS, LLC 47-4223978	NO	-77,647.		\$ 3,098,992.
TOTAL		\$ -78,060.	\$ 0.	\$ 3,098,992.

**SUPPLEMENTAL INFORMATION**

OTHER INCREASE OR DECREASE:

DEPRECIATION ON RETURN AND NOT ON BOOKS	34,026
DEPRECIATION ON BOOKS AND NOT ON RETURN	-7,853
RENTAL EXPENSES FROM RENTAL REAL ESTATE	-12,263
RENTAL INCOME FROM RENTAL REAL ESTATE	29,863

### 2018 PARTNER'S SHARE OF INVESTMENT IN PASSTHROUGH ENTITIES

**Note:** The amounts on this schedule are provided for informational purposes only. These amounts are already included on Schedule K-1.

Partner's Name <b>LAFAYETTE PROPERTY HOLDINGS LLC</b>	Partner's identification number <b>82-1961478</b>
--	--

Name of Passthrough Entity	Employer Identification No.	Type of Entity	Final K-1	Specified Service Business
<b>A LAFAYETTE DEVELOPMENT OWNERS, LLC</b>	<b>47-4223978</b>	<b>PASSIVE</b>		
<b>B</b>				
<b>C</b>				
<b>D</b>				

		Passthrough Entities			
		A	B	C	D
<b>Income (Loss)</b>	Ordinary business income (loss) .....				
	Net rental real estate income (loss) .....	-77,647.			
	Other net rental income (loss) .....				
	Guaranteed payments .....				
	Interest .....				
	Ordinary dividends .....				
	Qualified dividends .....				
	Dividend equivalents .....				
	Royalties .....				
	Net short-term capital gain (loss) .....				
	Net long-term capital gain (loss) .....				
	Collectibles (28%) gain (loss) .....				
	Unrecaptured section 1250 gain .....				
	Net section 1231 gain (loss) .....				
Other income (loss) .....					
<b>Deductions</b>	Section 179 deduction .....				
	Charitable contributions .....				
	Investment interest expense .....				
	Section 59(e)(2) expense: Intangible Drilling costs .....				
	Section 59(e)(2) expense: Dry Hole expense .....				
	Other section 59(e)(2) expenses .....				
<b>Self-Employment</b>	Excess business interest expenses .....				
	Other deductions .....				
<b>Self-Employment</b>	Net earnings (loss) from self-employment .....				
	Gross farming or fishing income .....				
	Gross nonfarm income .....				
<b>Credits</b>	Low-income housing credit:				
	(A) Section 42(j)(5): Pre-2008 .....				
	(B) Other: Pre-2008 .....				
	(C) Section 42(j)(5): Post-2007 .....				
	(D) Other: Post-2007 .....				
	Qualified rehabilitation expenditures related to rental real estate act .....				
	Other rental real estate credits .....				
	Other rental credits .....				
	Work opportunity credit .....				
	Biofuel producer credit .....				
	Disabled access credit .....				
	Empowerment zone employment credit .....				
	Credit for increasing research activities .....				
	Credit for employer Soc. Sec. tax paid on certain employee tips .....				
	Orphan drug credit .....				
Enhanced oil recovery credit .....					
Indian employment credit .....					
Small employer pension plan startup costs credit .....					
Credit for employer-provided childcare .....					
Alternative motor vehicle credit .....					
Other credits .....					



**2018 PARTNER'S SHARE OF INVESTMENT IN PASSTHROUGH ENTITIES**

**Note:** The amounts on this schedule are provided for informational purposes only. These amounts are already included on Schedule K-1.

Partner's Name		Partner's identification number				
LAFAYETTE PROPERTY HOLDINGS LLC		82-1961478				
Name of Passthrough Entity		Employer Identification No.	Type of Entity	Final K-1	Specified Service Business	
A	LAFAYETTE DEVELOPMENT OWNERS, LLC	47-4223978	PASSIVE			
B						
C						
D						
		Passthrough Entities				
		A	B	C	D	
Alternative Minimum Tax (AMT) Items	Post-1986 depreciation adjustment . . . . .					
	Adjusted gain or loss . . . . .					
	Depletion (other than oil and gas) . . . . .					
	Oil, gas and geothermal properties – gross income . . . . .					
	Oil, gas and geothermal properties – deductions . . . . .					
	A.C.E. depreciation adjustment . . . . .					
	A.C.E. adjusted gain or (loss) . . . . .					
	Accel. depreciation on real property placed in service before 1987 . . . . .					
	Accel. depr. on leased personal prop. placed in service before 1987 . . . . .					
	Other AMT items . . . . .					
	Tax-Exempt Inc & Non-deductible Exp	Tax-exempt interest income . . . . .				
Other tax-exempt income . . . . .						
Nondeductible expenses . . . . .						
Other Information	Investment income . . . . .					
	Investment expenses . . . . .					
	Recapture of low-income housing credit – 42(j)(5) partnerships . . . . .					
	Recapture of low-income housing credit – other . . . . .					
	Section 199A	Income . . . . .	-77,647.			
		W-2 wages . . . . .				
		Unadjusted basis . . . . .	3,098,992.			
		REIT dividends . . . . .				
		PTP income . . . . .				
	QBI allocable to qual. pmts. received from coop. . . . .					
	W-2 wages allocable to qual. pmts. received from coop. . . . .					
Excess taxable income . . . . .						
Excess business interest income . . . . .						
Gross receipts for Section 59A(e) . . . . .	4,368.					
Supplemental Information:						



New York Partner's Schedule K-1

IT-204-IP

Tax Law -- Article 22 (Personal Income Tax)

For calendar year 2018 or tax year beginning 18 and ending

- Final K-1
Amended K-1

Partners: Before completing your income tax return, see Form IT-204-IP-I, Partner's Instructions for Form IT-204-IP (available at www.tax.ny.gov).

Partnership's information (see instructions)

Partnership's name (as shown on Form IT-204) CBSK 363 LLC
Partnership's EIN 821619799
A Mark an X in the box if either applies to your entity
B Tax shelter registration number, if any
C Business allocation percentage 100.0000%

Partner's information (see instructions)

Partner's name LAFAYETTE PROPERTY HOLDINGS LLC
Partner's identifying number 821961478
Partner's address 32 AVENUE OF THE AMERICAS
City NEW YORK State NY ZIP code 10013

D The partner is a (mark an X in the appropriate box)
E What is the tax filing status of the partner?
F If the partner is a disregarded entity or grantor trust, enter the tax ID of the entity or individual reporting the income, if known.

Table with 3 columns: Description, Beginning, Ending. Rows H1 (Profit), H2 (Loss), H3 (Capital).

Table with 3 columns: Description, Beginning, Ending. Rows I1 (Nonrecourse), I2 (Qualified nonrecourse financing), I3 (Recourse).

Table with 3 columns: Description, Beginning, Ending. Rows J1 (Beginning capital account), J2 (Capital contributed during the year - cash), J3 (Capital contributed during the year - property), J4 (Current year increase (decrease)), J5 (Withdrawals and distributions - cash), J6 (Withdrawals and distributions - property), J7 (Ending capital account).

8) Method of accounting (mark an X in the appropriate box)
[X] Tax basis [ ] GAAP [ ] Book [ ] Other (submit explanation)

K Resident status (mark an X in all boxes that apply; see instructions)
[ ] NYS full-year resident [ ] Yonkers full-year resident [ ] NYC full-year resident
[ ] NYS part-year resident [ ] Yonkers part-year resident [ ] NYC part-year resident
[ ] NYS nonresident [ ] Yonkers nonresident

L If the partner was included in a group return, enter the special NYS identification number, if known

NO HANDWRITTEN TRIES ON THIS FORM



M Was Form IT-2658-E filed with the partnership? M Yes  No

N NYS estimated tax paid on behalf of partner (from Form IT-2658-NYS)

	Date	Amount
1) First installment	N1	
2) Second installment	N2	
3) Third installment	N3	
4) Fourth installment	N4	
Total NYS estimated tax paid on behalf of partner (add lines N1 through N4)	N	

O Estimated MCTMT paid on behalf of partner (from Form IT-2658-MTA)

	Date	Amount
1) First installment	O1	
2) Second installment	O2	
3) Third installment	O3	
4) Fourth installment	O4	
Total estimated MCTMT paid on behalf of partner (add lines O1 through O4)	O	

P Was the partnership required to report any nonqualified deferred compensation, as required by IRC § 457A, on its 2018 federal return? (see instructions) P Yes  No

**Partner's share of income, deductions, etc.**

A - Partner's distributive share items	B - Federal K-1 amount	C - New York State amount
1 Ordinary business income (loss)	1	1
2 Net rental real estate income (loss)	2 -78059.	2 -78059.
3 Other net rental income (loss)	3	3
4 Guaranteed payments	4	4
5 Interest income	5	5
6 Ordinary dividends	6	6
7 Royalties	7	7
8 Net short-term capital gain (loss)	8	8
9 Net long-term capital gain (loss)	9	9
10 Net section 1231 gain (loss)	10	10
11 Other income (loss) Identify:	11	11
12 Section 179 deduction	12	12
13 Other deductions Identify:	13	13
14 This line intentionally left blank	14	14
15 Net earnings (loss) from self-employment	15	15
16 Tax-exempt income and nondeductible expenses	16	16
17 Distributions - cash and marketable securities	17	17
18 Distributions - other property	18	18
19 Other items not included above that are required to be reported separately to partners. Identify:	19	19

**Partner's share of New York modifications (see instructions)**

20 New York State additions

Number	A - Total amount	B - New York State allocated amount
20a EA-209	21,323.	21323.
20b EA -		
20c EA -		
20d EA -		
20e EA -		
20f EA -		
21 Total addition modifications (total of column A, lines 20a through 20f)		21323.



NO HANDWRITTEN ENTRIES ON THIS FORM

**Partner's share of New York modifications (continued)**

**22 New York State subtractions**

	Number	A — Total amount	B — New York State allocated amount
22a	ES — 213	761.	761.
22b	ES —		
22c	ES —		
22d	ES —		
22e	ES —		
22f	ES —		

23 Total subtraction modifications (total of column A, lines 22a through 22f) ..... **23** 761.

**24 Additions to itemized deductions**

	Letter	Amount
24a		
24b		
24c		
24d		
24e		
24f		

25 Total additions to itemized deductions (add lines 24a through 24f) ..... **25**

**26 Subtractions from itemized deductions**

	Letter	Amount
26a		
26b		
26c		
26d		
26e		
26f		

27 Total subtractions from itemized deductions (add lines 26a through 26f) ..... **27**

28 This line intentionally left blank ..... **28**

**Partner's other information**

29a	Partner's share of New York source gross income .....	29a	4368.
29b	MCTD allocation percentage (see instructions) .....	29b	%
29c	Partner's share of receipts from the sale of goods by manufacturing .....	29c	
29d	Partner's share of adjusted basis of qualified manufacturing property .....	29d	

**Partner's credit information**

**Part 1 — Flow-through credit bases and information**

Brownfield redevelopment tax credit (Form IT-611, IT-611.1, or IT-611.2)

	A — Form IT-611	B — Form IT-611.1	C — Form IT-611.2
30	Site preparation credit component .....	30	
31	Tangible property credit component .....	31	
32	On-site groundwater remediation credit component .....	32	

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NO HANDWRITTEN ENTRIES ON THIS FORM

**Partner's credit information (continued)**

**EZ capital tax credit (Form IT-602)**

33	This line intentionally left blank	33	
34	Recapture of credit for investments in certified EZ businesses	34	
35	Recapture of credit for contributions of money to EZ community development projects	35	

**QEZE tax reduction credit (Form IT-604)**

36	QEZE employment increase factor	36	
37	QEZE zone allocation factor	37	
38	QEZE benefit period factor	38	

**Excelsior Jobs program tax credit (Form IT-607)**

39	Excelsior Jobs tax credit component	39	
40	Excelsior investment tax credit component	40	
41	Excelsior research and development tax credit component	41	
42	Excelsior real property tax credit component	42	

**Farmers' school tax credit (Form IT-217)**

43	Acres of qualified agricultural property	43	
44	Acres of qualified conservation property	44	
45	Eligible school district property taxes paid	45	
46	Acres of qualified agricultural property converted to nonqualified use	46	

**Other flow-through credit bases and information**

**Credit bases**

Code	Amount	Code	Amount
47a		47d	
47b		47e	
47c		47f	

**Credit information**

Code	Information	Code	Information
47g		47j	
47h		47k	
47i		47l	

**Part 2 – Flow-through credits, addbacks, and recaptures**

48	Long-term care insurance credit (Form IT-249)	48	
49	Investment credit (including employment incentive credit and historic barn rehabilitation credit; Form IT-212)	49	
50	Research and development – investment credit (Form IT-212)	50	
51	Other flow-through credits		

**Code Amount**

Code	Amount	Code	Amount
51a		51e	
51b		51f	
51c		51g	
51d		51h	

**52 Addbacks of credits and recaptures**

**Code Amount**

Code	Amount	Code	Amount
52a		52d	
52b		52e	
52c		52f	

ALL HANDWRITTEN ENTRIES ON THIS FORM

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**Partner's credit information** (continued)

**Part 3 – START-UP NY tax elimination credit information (Form IT-638)**

53	START-UP NY business certificate number (Form DTF-74).....	
54	Year of START-UP NY business tax benefit period .....	
55	START-UP NY area allocation factor.....	

NO HANDWRITTE. ENTRIES ON THIS FORM



## FINANCIAL COVENANTS & COMPLIANCE

Attached is the:

CBSK 363 Lafayette Operating Agreement

## Hillsong Church: Briefing Note



BN Number	STEW 19.006
Topic	HC Property Holdings, LLC. Property Reports
Entity	Hillsong Stewardship Fund, Inc. as the sole corporate member of HC Property Holdings, LLC.
Date	30 October 2019
Prepared for	The Hillsong Stewardship Fund, Inc., Board of Directors
Prepared by	Kylee Tranter
Approved by	Peter Ridley
Attachment(s)	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No

### **Purpose**

To provide Property Reports regarding HC Property Holdings, LLC. George Aghajanian is the Manager (responsible person) for this entity.

### **Conclusion**

It is requested that the Board review the property reports ahead of discussion at the upcoming Board Meeting.

## Newport Beach Office



### Overview

Hillsong Global LLC purchased a commercial/residential property in April of 2015 for the Global office in California. Hillsong Global has renovated the building since then & currently its used for an office building with a residential apartment above.

### Financial Summary

Purchase Price:	\$2,186,017
Renovations:	\$654,182
Depr. on building:	\$160,601
Estimated Value:	\$2,679,598

# Financial Position and Cash Flow - HC Property Holdings, LLC

- 2019 Q3

## Detailed Balance Sheet

	USD Actual (\$'000)	HC Property Holdings, LLC UI
Cash at Bank		
Receivables - Current		97
Inventories		
Other assets - prepayments		
<b>Current Assets</b>		<b>97</b>
Receivables - Non Current		
Property, plant and equipment		2,689
<b>Non Current Assets</b>		<b>2,689</b>
<b>Total Assets</b>		<b>2,786</b>
Payables		
Employee Benefits - Current		
<b>Current Liabilities</b>		
Payables - Non Current		(66)
Employee Benefits - Non Current		
<b>Non Current Liabilities</b>		<b>(66)</b>
<b>Total Liabilities</b>		<b>(66)</b>
<b>Net Assets</b>		<b>2,720</b>
Current Surplus		33
Retained surplus		(2,751)
Common control reserve		
Settled Sum		
<b>Equity</b>		<b>(2,720)</b>

## Liquidity Ratio

	\$,000 Actual (\$'000)	Australia
Current Assets		97
Current Liabilities		-
<b>Liquidity Ratio</b>		<b>0.00</b>

## Comments

## Financial Performance

	USD Actual (\$'000)	HC Property Holdings, LLC UI
Donations		-
Other income		
<b>TOTAL REVENUE</b>		
Property Expenses		(33)
Administration Expenses		-
<b>TOTAL EXPENSES</b>		<b>(33)</b>
<b>Surplus/ (Deficit) from operations</b>		<b>(33)</b>
Financial Income		-
Financial Expense		-
<b>Surplus/ (Deficit) available for Church &amp; Ministry</b>		<b>(33)</b>
<b>Total Comprehensive (Loss)/Income for the period</b>		<b>(33)</b>

## Statement of Cash Flow

	\$,000	Actual Sep-19
Cash receipts in the course of operations		
Cash payments in the course of operations		(33)
Interest received		-
Interest paid		-
<b>Net cashflows from operating activities</b>		<b>(33)</b>
Payments for property plant and equipment		
Proceeds from property plant and equipment		
Purchase of other financial assets		
<b>Net cashflows from investing activities</b>		
Loans to related parties		
Repayments from related parties		33
Loans from related parties		
Repayments to related parties		
<b>Net cashflows from financing activities</b>		<b>33</b>
<b>Net increase/decrease in cash held</b>		
Cash at the beginning of the financial year		
Cash at the end of the financial quarter		



# Financial Position and Cash Flow - OC Global Property Holdings, LLC

- 2019 Q3

## Detailed Balance Sheet

	USD Actual (\$'000)	DC Global Property Holdings, LLC
		UR
Cash at Bank		
Receivables - Current		
Inventories		
Other assets - prepayments		
<b>Current Assets</b>		
Receivables - Non Current		
Property, plant and equipment		
<b>Non Current Assets</b>		
<b>Total Assets</b>		
Payables		
Employee Benefits - Current		
<b>Current Liabilities</b>		
Payables - Non Current		
Employee Benefits - Non Current		
<b>Non Current Liabilities</b>		
<b>Total Liabilities</b>		
<b>Net Assets</b>		
Current Surplus		
Retained surplus		
Common control reserve		
Settled Sum		
<b>Equity</b>		

## Liquidity Ratio

	\$,000	Australia
	Actual (\$'000)	
Current Assets		
Current Liabilities		
<b>Liquidity Ratio</b>		<b>0.00</b>

Comments

## Financial Performance

	USD Actual (\$'000)	DC Global Property Holdings, LLC
		UR
Donations		
Other Income		
<b>TOTAL REVENUE</b>		
Property Expenses		
Administration Expenses		
<b>TOTAL EXPENSES</b>		
<b>Surplus/ (Deficit) from operations</b>		
Financial Income		
Financial Expense		
<b>Surplus/ (Deficit) available for Church &amp; Ministry</b>		
<b>Total Comprehensive (Loss)/Income for the period</b>		

## Statement of Cash Flow

	\$,000	Actual Sep-19
Cash receipts in the course of operations		
Cash payments in the course of operations		
Interest received		
Interest paid		
<b>Net cashflows from operating activities</b>		
Payments for property plant and equipment		
Proceeds from property plant and equipment		
Purchase of other financial assets		
<b>Net cashflows from investing activities</b>		
Loans to related parties		
Repayments from related parties		
Loans from related parties		
Repayments to related parties		
<b>Net cashflows from financing activities</b>		
<b>Net increase/decrease in cash held</b>		
Cash at the beginning of the financial year		

## Hillsong Church: Briefing Note



BN Number	STEW 19.007
Topic	OC Global Property Holdings, LLC. Property Reports
Entity	Hillsong Stewardship Fund, Inc. as the sole corporate member of OC Global Property Holdings, LLC.
Date	30 October 2019
Prepared for	The Hillsong Stewardship Fund, Inc., Board of Directors
Prepared by	Kylee Tranter
Approved by	Peter Ridley
Attachment(s)	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No

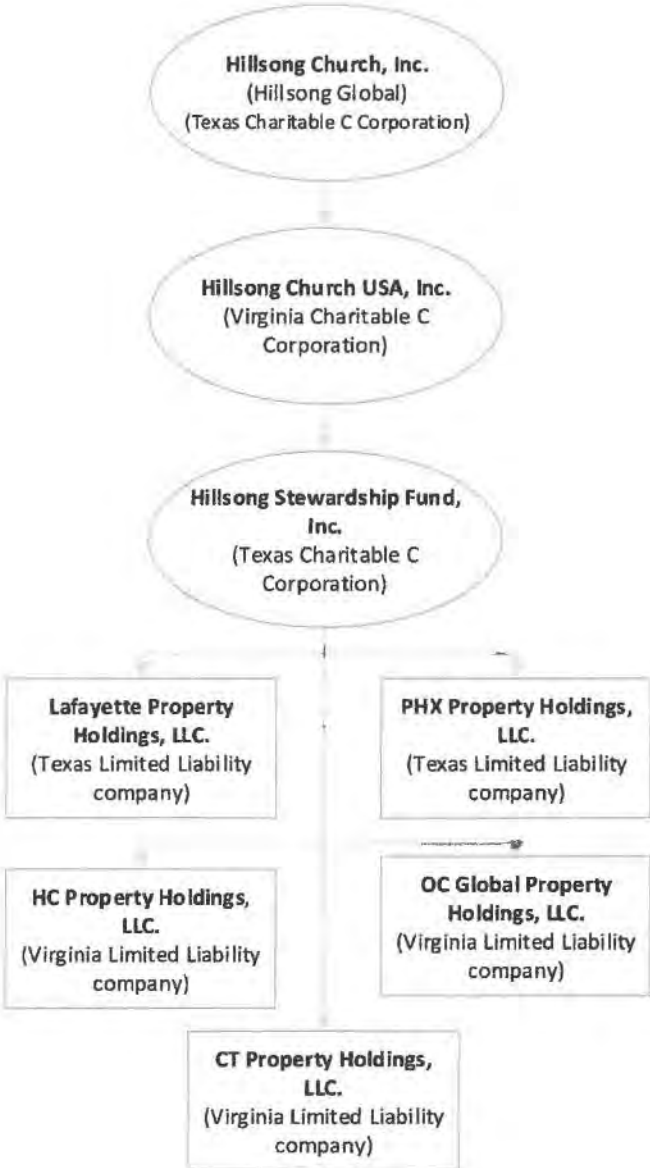
### **Purpose**

To provide Property Reports regarding OC Global Property Holdings, LLC. George Aghajanian is the Manager (responsible person) for this entity.

### **Conclusion**

It is requested that the Board review the property reports ahead of discussion at the upcoming Board Meeting.

# Structure for Hillsong Stewardship Fund, Inc.



**Summary of Lease Terms**  
**(Summary is for convenience only and is not legally binding.)**

Street and city address of property	655 E. University Drive, Mesa, AZ 85203 9610 E. Cactus Road, Scottsdale, AZ 85260 402 W. Monroe Street, Phoenix, AZ 85003
Effective date of lease (§1.1)	January 1, 2019
Lease Commencement date (if same as Effective Date so state) (§1.2)	same
Full name of Landlord	PHX Property Holdings, LLC (a Texas LLC)
Full address of Landlord	655 E. University Drive, Mesa, AZ 85203
Full name of Tenant	Hillsong Phoenix, LLC (a Texas LLC)
Full address of Tenant	655 E. University Drive, Mesa, AZ 85203
Lease Term in years (§1.6)	10 years
Term Commencement Date (if same as Effective Date so state) (§1.7)	Same
Rent Commencement Date (if same as Effective Date so state) (§1.8)	Same
Tenant's Prorated share of Operating Costs (confirm 100%) (§1.11)	100%
Amount of Security Deposit (§1.12)	0
Amount of Tenant Improvement Allowance (§1.13)	\$1,000,000
Liability Insurance Limit per occurrence (i.e. 1,000,000) (§1.16.1)	\$1,000,000
Liability Insurance Limit aggregate (i.e. 3,000,000) (§1.16.12)	10,000,000
Amount of improvement cost limit – (§1.18)	None
Use permitted (e.g. as a worship center in accordance with these beliefs and practices for Christian discipleship, evangelical outreach activities, and for associated ministries and for directly related office and ministry space for incidental outreach activities for Christian nonprofit organizations, which operate under Hillsong International .) (§2.1)	See 1.19
Name and title of person signing on behalf of Landlord	Jason Lliteras, Manager
Name and title of person signing on behalf of Tenant	Terry M Crist Jr, Manager
Legal Description (Exhibit A)	See Exhibit A.
Statement of Faith/Beliefs	See Exhibit C
Rent per year (§1.9.3)	\$1,250,000 per year

## **MASTER LEASE AGREEMENT**

**655 E. University Drive, Mesa, AZ 85203; 9610 E. Cactus Road, Scottsdale, AZ 85260;  
402 W. Monroe Street, Phoenix, AZ 85003.**

This Master Lease Agreement (the "Lease") is signed to be legally binding as of the Effective Date specified below regardless of the date of signing between the parties described below. In consideration of these mutual promises and representations, Landlord and Tenant agree that:

**1. SUMMARY AND DEFINITION OF BASIC TERMS AND EXHIBITS.** These terms and provisions listed below are included in this Section 1 for definitional purposes. If there is a conflict or inconsistency between a term or provision in this Section 1 and any other term or provision of this Lease, then the term or provision of this Section 1 shall control:

**1.1 "Effective Date" of Lease:** January 1, 2019.

**1.2 "Lease Commencement Date":** Same as Effective Date in Section 1.1.

**1.3 "Landlord":** PHX Property Holdings, LLC  
an Texas limited liability company  
655 E. University Drive, Mesa, AZ 85203.

**1.4 "Tenant":** Hillsong Phoenix, LLC  
an Texas limited liability company  
655 E. University Drive, Mesa, AZ 85203.

**1.5 "Leased Premises":** The "Leased Premises" or "Property" includes the real property legally described on Exhibit A and all improvements located thereon.

**1.6 Lease "Term":** 10 years beginning on Term Commencement Date. The Term will be extended for additional one year terms from year to year unless either party gives 30 days written notice to terminate the Lease or a new term is agreed upon.

**1.7 "Term Commencement Date":** Same as Effective Date in Section 1.1.

**1.8 "Rent Commencement Date":** Same as Effective Date in Section 1.1.

**1.9 "Rent":** The "Rent" is composed of these elements of consideration:

**1.9.1 Indemnity & Construction:** As consideration for Landlord's willingness to allow Tenant to enter into this Lease, Tenant shall indemnify, defend, and hold Landlord harmless for, from and against all costs, claims or charges arising from its entry into the Property, its use of the Property, its repair or replacement of all items of real or personal property, including but not limited to, its trade fixtures or other improvements made by Tenant. Tenant further acknowledges that it has full and complete responsibility for installing, maintaining, repairing and replacing, at its expense, its "Tenant Improvements," which phrase includes all items necessary for Tenant to conduct its operations from the Property, including but not limited to utilities, roofs, parking lots, landscaping, asbestos removal, if any is needed, HVAC repair or replacement and all matters pertaining to the safe use of the Property and compliance with health, safety, building or other codes.



**1.9.2 Waiver:** Tenant specifically waives all potential claims, whether known or unknown, against Landlord arising from the condition of the Property. For itself and its employees, its guests, invitees and occupants and its subtenants, Tenant hereby releases all claims against Landlord arising from the condition of the Property.

**1.9.3 Rent:** \$1,250,000 per year.

**1.9.4 Revocable Concessions:** Due to the intangible considerations of ministry, and the commitment of Tenant to Landlord's "Scriptural Beliefs," Tenant has been granted the special rent concessions described above. **The special concessions granted to Tenant are neither transferable, assignable nor alienable, except with the prior written consent of Landlord to be granted in its sole and absolute discretion.** Tenant's rights under this Agreement may neither be assigned, transferred nor alienated. Its duties under this Agreement may not be delegated, and these special rent concessions are not transferable.

**1.9.4.1** If any other party succeeds to the position of Tenant in contravention of the intent of the parties that this Lease may not be assigned, i.e., through judgment, action of a bankruptcy court or otherwise in contravention of the terms of this Agreement, then even if Landlord may not, or does not terminate this Lease, the Rent payable hereunder shall be reset to full fair market value as determined by an appraiser selected by Landlord as of the date of transfer and the Rent shall be payable monthly on the first day of each month.

1.9.4.1.1 Thereupon, the new "tenant" shall, as condition precedent to becoming a "tenant" hereunder;

1.9.4.1.2 Comply with Landlord's requirements for financial suitability;

1.9.4.1.3 Agree to use the Premises only in furtherance of Christian evangelical work in accordance with Landlord's mission statement and Statement of Faith (and not otherwise), as adopted by the sole Member of Landlord from time to time;

1.9.4.1.4 Provide a cash security deposit equal to one year's Rent;

1.9.4.1.5 Agree to amend the "Term" of this Lease to become year to year;

1.9.4.1.6 Sign a formal assumption agreement as prepared by Landlord's attorneys; and

1.9.4.1.7 Pay Landlord's actual legal, accounting and administrative costs incurred in the process of the new tenant's acquisition of the status of tenant under this Lease.

**1.10 Rent Due Date:** Upon 10 day demand of Landlord, but not less than annually and not more frequently than monthly.

**1.11 Tenant's pro-rata Share of Operating Cost:** 100%.

**1.12 Security Deposit:** \$0.00.

**1.13 Tenant Improvement Construction Allowance:** None.

**1.14 Approved "Sublease":** The sublease of the Leased Premises by Tenant in the form attached as Exhibit B (as may be supplemented by agreement of the parties) and as subsequently to be executed and delivered by the parties is hereby approved by Landlord and constitutes a valid sublease of the Leased Premises. (See Section 18, below, for additional provisions regarding subleases or assignments.)

**1.15 Late Fee:** 10% of the delinquent amount of any amount unpaid hereunder.

**1.16 Liability Insurance Limits:** Tenant shall obtain and keep in force all liability and/or other insurance as required by Landlord from time to time, including, but not limited to:

**1.16.1** Not less than \$1,000,000 per occurrence.

**1.16.2** Not less than \$10,000,000 aggregate.

**1.17 Property & Casualty Insurance:** See Below.

**1.18 "Improvement Cost Limit":** None (See Section 10, Below).

**1.19 Permitted "Use":** This Leased Premises may be used only as permitted by the deed restrictions recorded against the Property, if any, and as a worship center in accordance with these beliefs and practices for Christian discipleship, evangelical outreach activities, and for associated ministries and for directly related office and ministry space for incidental outreach activities for Christian nonprofit organizations, which operate under Hillsong International.

## **2. USE RESTRICTIONS.**

**2.1 Use of Property:** Unless otherwise permitted by the Landlord in writing, Tenant's use of the Leased Premises is expressly limited to, and restricted to, the "Uses" as defined herein and further limited to those confirming to the "Scriptural Beliefs" attached as Exhibit C.

**2.2 Other Restrictions:** As a further limitation, the Leased Premises shall be used and occupied by Tenant only as permitted by the applicable Conditions, Covenants and Restrictions, state, county and municipal zoning laws, rules, regulations and ordinances and for no other purpose.

**3. ATTACHED EXHIBITS.** These Exhibits are attached to, and are an integral part of, this Lease:

A - Legal Description of the Property

B - Approved Sublease Form

C - Scriptural Beliefs

## **4. LEASED PREMISES.**

**4.1** Landlord hereby leases to Tenant, and Tenant leases from Landlord, the Leased Premises for the Term conditioned upon timely payment by Tenant of the Rent and conditioned upon Tenant's full and timely compliance with these terms and conditions and with the Building Rules and Regulations, as amended from time to time, if any.

**4.2** The phrase "Leased Premises" includes all improvements located on the Property described on Exhibit A, including, if any, sidewalks, entryways, passages, corridors, stairways, landscaped areas, playing fields, parking lots and restrooms. During normal business hours and subject to the Building Rules and Regulations as amended from time to time, Tenant, its guests and invitees, may make reasonable use of the Leased Premises. Landlord reserves the right to regulate or limit excessive or abusive use of any Leased Premises whether by Tenant, its employees, guests, or invitees.

**5. LEASE, RENT AND TERM COMMENCEMENT DATES.** The Term of this Lease commences on the Term Commencement Date listed in Section 1 and continues for the period defined there. Tenant's obligation to pay Rent begins on the Rent Commencement Date listed in Section 1 and continues for the Term of this Lease. All contractual rights and obligations between the parties are legally binding between the parties on the Effective Date of this Lease defined in Section 1 (i.e., the "Lease Commencement Date"), notwithstanding the fact that the Rent or Term Commencement Dates may be later than the Lease Commencement Date.

## **6. RENT.**

**6.1** Tenant shall pay annual Rent to Landlord without notice, deduction, and counterclaim or set off at the place or places designated from time to time by Landlord, in the sum specified in Section 1 as Annual rent, in lawful money of the United States in advance on the Rent Due Date. For the purpose of interpreting Landlord's rights and remedies and Tenant's obligations, the term "Rent" includes all payments of any kind or nature due to Landlord from Tenant.

**6.2** Tenant agrees that any sum payable to Landlord under any provision of this Lease which is not paid within ten days after the Rent Due Date (or other applicable due date) shall bear interest at the rate of 1.5 % per month from the expiration of a five day grace period until paid, plus Tenant shall pay the Late Charge equal to 10% of the amount due. If Tenant fails to pay any monthly installment of Rent or to pay any other amounts due under this Lease after five days' notice and opportunity to cure, then Tenant is in Default under this Lease and Landlord may demand immediate payment of all Rent reserved under this Lease by Tenant.

**6.3** Since this is a Lease between two Internal Revenue Code ("IRC") 501(c)(3) nonprofit entities which are, for the limited purposes of the IRC, Section 509(a)(3) and county tax assessment, "related" entities, the parties intend and believe that this Lease is not subject to any privilege, sales, license, gross income, excise or other general and special assessments, federal or state income and taxes; if any of the foregoing are imposed at any time on the Rent or on the Leased Premises or on Landlord, in an amount measured by the Rent and other payments made by Tenant to Landlord or to third parties for the benefit of Landlord ("Rental Taxes"), then these shall be paid to Landlord by Tenant at the same time and in addition to the Rent payments, whether the imposition of the tax is by the State of Arizona, the county where the property is located, or any other subdivision, municipality, or other taxing entity.

**6.4** Tenant acknowledges that;

**6.4.1** If Tenant constructs new improvements to operate its ministry on the Leased Premises, then legal title to these "Improvements" passes to Landlord upon construction.

**6.4.2** The process of constructing, installing and repairing these items will involve substantial inconvenience and, possibly, interruption and diminution of its use of the Property from time to time. As a portion of its consideration for being granted the use of the Property, Tenant will use the Property in spite of these factors. Tenant specifically agrees to accept the Property in "as is, where is" condition with full knowledge that it may not yet be aware of the full extent of the problems which may be encountered in using the Property.

**7. OPERATING COSTS.** Tenant shall pay all costs of operating, maintaining, repairing, replacing all improvements located on the Leased Premises now or in the future, except as otherwise set forth herein.

**7.1** In its discretion, Landlord may reasonably determine the Maintenance Reserve in 5 year increments (or other interval determined by Landlord). Landlord may bill Tenant for adjustments in the Maintenance Reserve (i.e., an amount which Tenant will need to perform routine and capital maintenance items on the Leased Premises) for the next Rent payment, i.e., on the next Rent Due Date. Landlord may bill Tenant for adjustments in the Maintenance Reserve for the next Rent payment, i.e., on the next Rent Due Date.

**7.2** Landlord may, but is not obligated to, perform routine or other maintenance, replacement and repairs if Tenant fails to do so. If Landlord incurs costs for this purpose, then Landlord may deduct these costs from the Security Deposit or from the Maintenance Reserve and may increase Tenant's Rent to recharge the Maintenance Reserve Account.

**7.3** A failure or delay by Landlord to make a timely adjustment to the Rent according to the terms of this Section does not relieve Tenant of the obligation to pay the adjusted annual Rent commencing on the earliest date Landlord was entitled by the provisions of this Lease to implement any increase.

**7.4** Tenant's obligation to pay Rent continues up to the Termination of this Lease and shall survive abandonment of the Leased Premises or early Termination of the Lease.

**7.5** The costs to be paid by Tenant include all expenses incurred in the operation and maintenance of the Premises, including but not limited to, the cost to Landlord of reasonable property management fees, all real estate taxes, if any, and assessments, special assessments, improvement district assessments, and the like, charged against the Leased Premises, water, electricity, trash pickup, utilities, building supplies, janitorial services, complete maintenance and repair of the Leased Premises, including

Common Area heating and air-conditioning, landscaping, paving, parking lot and sidewalk maintenance, repair and replacement, striping; cost of fire, extended coverage property damage, business interruption, loss of rent, public liability and other insurance, legal fees, accounting fees, and all labor and material costs incurred in the management, operation and maintenance of the Leased Premises including costs associated with providing safety and security for the Premises.

**7.6** Tenant is also liable for payment of all costs relating to improvements whether or not these are designated as "Capital Improvements" and whether or not these capital expenditures are imposed or required by or result from the application of statutes or regulations, of any federal, state, county, municipal or other governmental body or agency performing a governmental or other function (including, but not limited to, the Environmental Protection Agency and the authority administering the Occupational Safety and Health Act, the Americans with Disabilities Act, or agencies performing the same or similar functions) or are incurred to reduce energy consumption or costs and expenses necessary or to protect the health and safety of Tenants or to improve the appearance or utility of the Leased Premises. As an item of "Maintenance Reserve," Landlord may charge Tenant quarterly or at any other interval a reserve amount and may establish an impound account to repair or replace parking lots, repaint, repair or replace roofs and/or for other items of a similar nature as designated by Landlord.

**8. BASIC SERVICES.** Tenant shall pay for all its own water, trash, electric, janitorial services and shall be responsible for all telephone, cable, internet, etc. installation and service costs. Tenant is responsible to remove all telephone, internet, computer and other cables upon termination of the Lease if requested to do so by Landlord. Landlord does not provide property management services.

## **9. REPAIRS.**

**9.1** As "Capital Repair Cost," Tenant shall perform all replacement, repairs and maintenance to: (a) the exterior of the Building, roof, and exterior walls; (b) all air-conditioning, heating and ventilating systems in the Leased Premises; and (c) parking lots and driveways. Tenant shall keep the Building exterior in good condition and repair, ordinary wear and tear excepted. Tenant may provide paid receipts for all costs of the activities described in this Sub-Section as a "Capital Repair Cost." Upon inspection and approval thereof by Landlord, Tenant may receive credit for the amount thereof in lieu of the payment of Rent. Or, if the full amount of the Rent has been paid to date, and if Tenant is not in default, then Tenant may request a reimbursement in the amount thereof from Landlord's Maintenance Reserve fund, if any. Landlord's obligation to make this payment, however, is conditioned upon Landlord's complete satisfaction with all work performed and with Landlord's determination that the Maintenance Reserve fund contains all funds necessary for the reasonable preservation, replacement and repair of items necessary for the operation of the Leased Premises. Tenant is fully responsible financially for costs of repair, replacement and maintenance of the Leased Premises of all kinds or nature in a lien free manner.

**9.2** Tenant shall make all repairs to the Leased Premises and maintain the interior of Leased Premises in a clean and orderly condition, including, but not limited to (a) painting, (b) redecorating, (c) carpet cleaning, repair and replacement; (d) repair and replacement of Tenant's plumbing fixtures, (e) exterior doors and windows, and (f) general "day-to-day" repair and maintenance of the Leased Premises. Tenant is responsible for the repair and replacement of all damage to windows and doors including frames and walls.

**9.3** Upon demand from Landlord, Tenant will pay for repairs to the Leased Premises made necessary by any negligence or carelessness of Tenant, its officers, employees, or agents. Tenant acknowledges that Landlord has not insured the interior of the Leased Premises. Any alterations, improvements or additions to the Leased Premises, except unattached movable equipment and trade fixtures, shall become a part of the realty and the property of Landlord at the expiration or other termination of this Lease.



9.4 Landlord may, in its discretion use the Maintenance Reserve funds for maintenance, repair or replacement of improvements on the Leased Premises from time to time, if any.

#### **10. ADDITIONAL IMPROVEMENTS.**

10.1 If Tenant desires to construct improvements in the Leased Premises at its sole expense ("Additional Improvements"), then Landlord will work with Tenant to review the necessity for Additional Improvements to accommodate Tenant's use of the Leased Premises. **Improvements costing more than the "Improvement Cost Limit" specified in Section 1 of this Lease must be approved in writing in advance by Landlord in its sole and absolute discretion.**

10.2 Tenant agrees to work with an architect approved by Landlord for the Additional Improvements of the Leased Premises as may be required. The architect fees are Tenant's responsibility.

10.3 Prior to the commencement of construction of additional Improvements, Landlord and Tenant shall initial the architect and contractor's plans to be used for construction; only this set of initialed plans are deemed to be approved by both Landlord and Tenant. Landlord has the sole right to contract, on Tenant's behalf, for Additional Improvements to be made in the Leased Premises.

10.4 The costs of Additional Improvements are Tenant's sole responsibility and shall be paid in accordance with a separate written agreement between the parties.

**11. RIGHT OF INSPECTION.** Landlord may enter the Leased Premises upon reasonable notice for inspection and to make changes or alterations. These actions shall not be construed as an eviction or as a disturbance of Tenant's tenancy. Tenant shall not be allowed any abatement of Rent or damages for any injury or inconvenience occasioned thereby. Landlord shall not be required to make any repairs, alterations or improvements or to expend any money upon the Leased Premises during the Term, except as required by specific provisions of this Lease.

**12. TRANSFER OF LANDLORD'S INTEREST.** If Landlord transfers its interest in this Lease or in the Property, then Landlord shall be released from obligations under this Lease; Tenant shall look solely to the successor in interest of Landlord for performance of the obligations. Tenant's Security Deposit, if any, may be assigned and transferred by Landlord to its successor in interest and Landlord shall thereby be discharged of all obligations to Tenant. Tenant's recourse for damages arising from this Lease or from its occupancy in the Leased Premises is strictly limited to Landlord's interest therein and to appropriate insurance policies, if any.

#### **13. SUBORDINATION.**

13.1 This Lease is subject and subordinate at all times to the lien of existing deeds of trust or mortgages (a "Mortgage") and of Mortgages, which either are now or later become a lien on the Property. Although no instrument or act on the part of Tenant is necessary to effectuate subordination, Tenant shall nevertheless execute and deliver within ten days after notice from Landlord those further instruments subordinating this Lease to the lien of the new or existing Mortgage as may be required by its holder. The term "Mortgage" includes mortgages, deeds of trust or other similar real property security instruments, and any and all modifications, consolidations, extensions, renewals, replacements and substitutes.

13.2 Within ten days after receipt of a written request from Landlord, Tenant shall provide a notarized "Estoppel Certificate" evidencing the current status of the Lease in a form as reasonably required by Landlord. Tenant shall indemnify, defend and hold Landlord harmless for, from and against all costs or damages to Landlord arising from Tenant's failure to timely provide a true and correct Estoppel Certificate. Failure to timely deliver an Estoppel Certificate is a material breach hereunder.



**14. COVENANT OF QUIET POSSESSION.** Upon paying the Rent and observing and performing the covenants and conditions of this Lease, Tenant may quietly enjoy the Leased Premises undisturbed by any act of Landlord.

**15. DAMAGE AND DESTRUCTION.** In the event of a partial or total destruction of the Leased Premises during the Term of this Lease from any cause other than by failure or neglect by Tenant, Tenant shall repair the damage; provided, however, Tenant's obligation to repair the Leased Premises pursuant to this Section is not limited to the extent of any proceeds of insurance actually received by Tenant. Damage or destruction shall not void this Lease, except that Tenant is entitled to a proportionate reduction of the Rent while repairs are being made based upon the extent to which the repair clearly interferes with the ministry carried on by Tenant in the Leased Premises.

**16. WASTE AND NUISANCE.**

**16.1** Tenant shall neither:

**16.1.1** Do, or permit to be done, any act which will increase the existing rate of insurance on the Leased Premises in which the Leased Premises are located or otherwise detrimentally affect the insurance policy covering the Building;

**16.1.2** Keep or permit to be kept, used or sold from the Leased Premises any articles which are prohibited by the terms of this Lease;

**16.1.3** Commit, or suffer to be committed, any waste on the Leased Premises;

**16.1.4** Commit, or suffer to be committed, any public or private nuisance or other act or thing which disturbs the quiet enjoyment of any other tenant located on the Property;

**16.2** Tenant will comply, at its own expense, with all requirements of the Board of Fire Underwriters, Landlord's insurance carrier and any and all other municipal, state, or federal authorities now in force, or which may be in force in the future, pertaining to the Leased Premises.

**17. ATTORNEYS' FEES.** If Landlord hires an attorney to assist in the collection of Rent, then Tenant shall pay all actual attorneys' fees incurred, whether or not suit is filed. If a dispute arises over the interpretation or enforcement of this Lease, then the prevailing party shall recover its actual attorneys' fees and costs from the losing party.

**18. NO ASSIGNMENT OR SUBLETTING.** Tenant shall not assign its interest in this Lease, nor in the Leased Premises nor any appurtenant right or privilege or suffer any other person (the agents and servants of Tenant excepted) to occupy or use all or part of the Leased Premises, without the prior written consent of Landlord, which consent may be granted or withheld in Landlord's sole and absolute discretion.

**18.1** All legal costs incurred by Landlord to review any request for an amendment or associated paperwork shall be paid for by Tenant in advance. In determining whether or not to permit an assignment, Landlord may consider whether or not the proposed transaction will result in creation of a public accommodation or will result in additional costs or burdens on Landlord under the Americans with Disabilities Act and all rules and regulations pertaining to it (collectively, "ADA") because of the proposed user's activities beyond those requirements which are applicable to the tenant desiring to sublease or to assign. Although Landlord retains its sole and absolute discretion in general, Landlord will not object to the proposed assignment on the basis of the ADA or related rules so long as the proposed assignee or sublessee: (a) first delivers plans and specifications for complying with any additional requirements and obtains Landlord's consent to these items; and (b) complies with all of Landlord's conditions for, or contained in, Landlord's consent, including without limitation, requirements for security to assure the lien-free completion of these improvements.

**18.2** Consent to one assignment, occupation or use by any other person, shall not be deemed to be a consent to any subsequent assignment, occupation or use by another person.

**18.3** Assignment without Landlord's consent is void *ab initio*, and is a Default under this Lease. Tenant's interest in this Lease is not assignable by operation of law without Landlord's prior written consent, to be granted or withheld in its sole and absolute discretion. No sublease is valid unless it contains language expressly incorporating all terms and conditions of this Lease. Neither a sublease nor an assignment relieves Tenant of its liability under this Lease.

**19. NOTICES.** All notices, consents, approvals, waivers or other items given or required to be given by one party to the other shall be in writing; these "Notices" shall be delivered by one of these methods:

**19.1** If personally delivered, then notice is effective on the next business day after receipt; or

**19.2** If delivered by mail, Notice is deemed given and delivered 48 hours after being deposited in any duly authorized United States mail depository, postage prepaid, registered or certified, return receipt requested; or

**19.3** If sent by a reputable overnight courier service (e.g., Federal Express), addressed as set forth below, the Notice shall be effective on the next business day following receipt, as evidenced by the receipt obtained by the courier service.

**19.4** If sent by fax to the phone number listed below as evidenced by a successful transmission receipt, then Notice shall be effective on the next business day following receipt.

**19.5** Notice to an attorney is not complete until actual receipt; addresses and fax numbers for an attorney should be confirmed by checking with the Arizona State Bar Association in Phoenix, Arizona. Notice addresses shall be changed by providing the new address to all of the other parties in conformance with these provisions.

**19.6** All Notices shall be addressed as indicated above in Section 1.

## **20. CONDITION OF PROPERTY.**

**20.1** Tenant is deemed to accept the condition of the Leased Premises as free of defects and in good, clean and sanitary condition by taking possession of the Property. At its expense, Tenant shall repair all damage or injury done to the Leased Premises by Tenant or by others during the Term of the Lease. Tenant shall surrender the Leased Premises to Landlord upon the Termination or expiration of the Term of the Lease in good condition and repair, reasonable wear and tear excepted.

**20.2** All fixtures, including those installed by Tenant during the Term of the Lease, shall remain upon and be surrendered with the Leased Premises at the termination or expiration of the Term.

**20.3** All property or other items not removed from the Leased Premises prior to the termination or expiration of the Term may, at Landlord's election, be deemed to be Landlord's property. In the alternative, Landlord may sell or otherwise dispose of the remaining items in its sole discretion.

**21. CONDEMNATION.** If the possession of, title to, or ownership of the Leased Premises is permanently or temporarily taken either prior to or during the Term of this Lease by or under a statutory power of expropriation or compulsory acquisition, then this Lease terminates on the transfer of possession of or title to that authority, as the case may be, and the Rent and any other sums payable by Tenant to Landlord shall be prorated as of the date of taking.

**22. TENANT SIGNS.** Landlord retains the right to require approval of future signs installed by Tenant. All signs in existence on the Effective Date are approved. Upon demand by Landlord, Tenant will not place identification, advertising, notice or other signs in, on or about the Leased Premises without the prior written consent of Landlord. If consent is granted, signs shall be installed and maintained at Tenant's expense. Signs installed without prior written permission may be removed by Landlord at Tenant's expense without notice.

### **23. LIABILITY INSURANCE.**

**23.1** Tenant shall, at its expense, maintain comprehensive public liability insurance against claims for personal injury, bodily injury, wrongful death and property damage occurring upon, in or about the Leased Premises in an amount not less than the amount stated in Section as the "Liability Insurance Limits with a carrier satisfactory to Landlord and naming Landlord and the property manager, if any, and any other legal entities specified by Landlord as additional insured.

**23.2** On behalf of any insurer providing fire and extended coverage and any other property damage insurance, as required by the Lease, the parties agree to waive all rights of subrogation which its insurer or which either party may acquire or claim against the other party by reason of the payment of any loss under this insurance; the waiver is effective so long as both parties are empowered to grant these waivers under standard insurance practices without the payment of additional premiums.

**24. PROPERTY AND CASUALTY INSURANCE.** During the Term of this Lease, Tenant shall, keep in full force and effect, a policy or policies of insurance as required by Landlord from time to time, including but not limited to "Special Form Coverage," including coverage for vandalism or malicious mischief and sprinkler leakage, insuring the Leased Premises (including any buildings) and ALL improvements within the Leased Premises, including but not limited to Tenant's stock in trade, furniture, personal property, fixtures, equipment and other items in the Leased Premises, with coverage in an amount equal to the full replacement cost thereof. Landlord and its lenders, if any, shall be named as a "loss payee as its interests may appear" under these policies of property insurance.

### **25. GENERAL INSURANCE PROVISIONS.**

**25.1 Waiver of Subrogation.** Tenant waives its rights and the subrogation rights of its insurer against Landlord and any other users or sub-tenants of space in the Leased Premises, as well as their respective members, officers, employees, agents, authorized representatives and invitees, with respect to any claims including, but not limited to, claims for injury to any persons, and/or damage to the Premises and/or any fixtures, equipment, personal property, furniture, improvements and/or alterations in or to the Premises, which are caused by or result from (a) risks or damages required to be insured against under a policy of property insurance under this Lease, or (b) risks and damages which are insured against by one or more property insurance policies maintained by Tenant from time to time. The parties intend that a loss from a named peril required to be covered or actually covered under a policy of property insurance, will be covered and borne by the policy covering the loss and will not be subrogated against either Landlord or Tenant.

**25.2 Insurance Requirements.** Each insurance policy and certificate thereof obtained by Tenant pursuant to this Lease shall contain a clause that the insurer will provide Landlord, or Landlord's designee with at least thirty days' prior written notice of a non-renewal or cancellation of the policy. If required in writing by Landlord, then each insurance policy shall be with an insurance company authorized to do business in the State of Arizona and as otherwise required by Landlord.

**25.2.1** Upon request of Landlord, certified copies of all insurance policies evidencing the coverage under each policy, as well as a certified copy of the required additional insured endorsement(s) (ISO Form CG20-26 or its equivalent) or as otherwise specified by Landlord from time to time shall be delivered to Landlord. All insurance policies required pursuant to this Section shall be written as primary policies, and shall provide that any insurance which Landlord or Landlord's lender may carry is strictly excess, secondary and non-contributing with insurance carried by Tenant.

**25.2.2** Tenant shall procure and maintain all policies entirely at its own expense and shall, at least twenty days prior to the expiration of such policies, furnish Landlord with certified copies of replacement policies or renewal certificates for existing policies in conformance with

Accord Form No. 27 (March 1993) or other reasonable standard specified by Landlord. Tenant shall not do or permit to be done anything which shall invalidate the insurance policies maintained by Landlord or the insurance policies required pursuant to this Agreement or the coverage under the policy. If Tenant or any subtenant of Tenant does or permits to be done anything which increases the cost of insurance policies maintained by Landlord, then Tenant shall reimburse Landlord on demand for any additional premiums attributable to any act or omission or operation of Tenant or any subtenant of Tenant causing an increase in the cost of insurance.

**25.2.3** The insurance requirements contained in this Section are independent of Tenant's waiver, indemnification and other obligations under this Lease and shall not be construed or interpreted to restrict, limit or modify Tenant's waiver, indemnification or other obligations or to limit Tenant's obligations under this Lease.

## **26. DEFAULT.**

**26.1** Each of these is a "Default" under this Lease: (a) the failure to pay within 30 days when due Rent or other sums required to be paid by Tenant; (b) abandonment of the Leased Premises by Tenant; (c) the appointment of a receiver to take possession of all or substantially all of the assets of Tenant; (d) a general assignment by Tenant for the benefit of creditors; (e) any action taken or suffered by Tenant under any insolvency or bankruptcy act; (f) Tenant's failure to maintain in force all insurance coverage required by this Lease (and as demanded by Landlord) or Tenant's failure to deposit evidence of insurance with Landlord if demanded by Landlord and as required by this Lease; (g) Tenant's failure to comply with any material provision of this Lease or with any applicable local, county, state or federal law, rules or regulations affecting the Property; (h) Tenant's failure to fully and faithfully comply with the Building Rules and Regulations; or (i) any material violation of the Use Restrictions contained herein or otherwise recorded against the Property.

**26.2** For events other than as described in the immediately preceding paragraph, Tenant shall be deemed in Default of this Lease if: (a) Tenant fails to perform or observe any covenant or condition of this Lease and if this failure continues for 14 days after written notice from Landlord to Tenant; or (b) this failure is of a nature that it cannot be completely cured within 30 days with the exercise of due diligence, and Tenant timely commences the cure but fails to complete it with reasonable diligence and good faith.

**26.3** If Tenant defaults under this Lease, then Landlord, in addition to its other rights or remedies at law and in equity shall have the immediate right of re-entry and may remove all persons and property from the Leased Premises with, or without, judicial process:

**26.3.1** Tenant's personal property may be removed and stored in any place for the account of, and at the expense and at the risk of Tenant. Tenant hereby waives all claims for damages which may be caused by the re-entry of Landlord and taking possession of the Leased Premises or removing or storing Tenant's or Subtenant's personal property. Tenant will defend, indemnify and hold Landlord harmless from any loss, costs or damages occasioned by Landlord in re-taking possession of the Leased Premises. Re-entry shall not be considered a forcible entry.

**26.3.2** If Landlord re-enters or takes possession pursuant to legal proceedings or pursuant to any notice provided for by law, then Landlord may terminate this Lease; or Landlord may, from time to time, without terminating this Lease, remove Tenant and its property and relet all or part of the Leased Premises for a term or terms and at rentals and on other terms and conditions as Landlord in its sole discretion deems advisable, with the right to make alterations and repairs to the Leased Premises at Tenant's expense.

**26.4** Rentals received by Landlord from reletting shall be applied: First, to the payment of any indebtedness, other than Rent, due from Tenant to Landlord; second, to the payment of delinquent Rent; third, to the payment of any costs of reletting; fourth, to the payment of the cost of any alterations and repairs to the Property; and the residue, if any, shall be held by Landlord and applied in payment of future Rent as the same may become due and payable. If rentals received from reletting is less than that agreed



to be paid by Tenant or if Landlord is unable to relet the Leased Premises, then Tenant shall pay the deficiency to Landlord. The deficiency shall be paid monthly or as otherwise specified by Landlord. No re-entry or taking possession of the Leased Premises by Landlord shall be construed as an election to terminate this Lease unless Landlord expressly elects in writing to terminate all Tenant's rights in and to the Leased Premises.

**26.5** Notwithstanding a reletting without termination, Landlord may at any time elect to terminate this Lease for a previous Default. If Landlord at any time terminates this Lease for any material breach, then in addition to its other remedies, Landlord may recover from Tenant all damages incurred by reason of the breach, including the cost of recovering the Leased Premises, and include in the worth of its claim against Tenant at the time of termination the amount, if any, by which Rent and charges equivalent to Rent reserved in this Lease for the remainder of the Term exceed the then reasonable rental value of the Leased Premises for the remainder of the Term.

**26.6** Neither Landlord nor Tenant shall be liable or responsible for a non-monetary Default if it was caused by strike, war, riot or revolution, or by any act of God, including floods and droughts, or by any delay resulting from fire, accident, breakdown of machinery, governmental restrictions or requirements, or similar causes or by any other unavoidable cause other than Tenant's negligence, lack of diligence or deliberate act.

**26.7** In addition to all other remedies, in the event of a Default by Tenant, upon prior written notice to Tenant, Landlord may cure the Default for the account and at the expense of Tenant. If Landlord incurs any expense, including attorneys' fees, the sum or sums advanced by Landlord, together with interest of 1% per month, from date of payment by Landlord, together with all costs and damages, shall be deemed to be Rent and shall be due and payable as Rent. In the event of a Default, in addition to all other remedies and damages recoverable as defined above or at law or in equity, Landlord shall be entitled to recover the unamortized value (based on the Term of the Lease) of Tenant Improvement costs incurred by Landlord as part of the Tenant Improvement Allowance, if any, provided pursuant to this Lease using as the amortization period the total number of months under the original Term of this Lease.

## **27. SECURITY DEPOSIT.**

**27.1** In the event of a transfer by Tenant of any interest in this Lease Landlord may demand a "Security Deposit" in the amount defined above to be posted by the new Tenant as a Security Deposit as security for performance of its obligations under this Lease, including without limitation, the surrender of the possession of the Leased Premises to Landlord. Landlord may co-mingle these funds and is not required to maintain a separate account for Security Deposits. No interest shall be paid by Landlord to Tenant on the Security Deposit. If Landlord applies any part of the Security Deposit to cure any Default of Tenant, then Tenant shall, within ten days after receipt of written demand, deposit with Landlord the amount thus applied so that Landlord will have the full deposit on hand at all times during the Term of the Lease. Landlord may apply the Security Deposit toward any item, including without limitation, Rent, Additional Rent, payment of lien claims, or any other obligation of Tenant under this Lease.

**27.2** Following any late payment of Rent, Landlord may, in its sole discretion (a) require that beginning with the next payment, Rent may no longer be paid in annual installments but shall be payable quarterly three months in advance, and/or (b) require that Tenant increase the amount, if any, of the Security Deposit required under Section 1 to equal the Rent due for up to 24 months as a Security Deposit.

**28. AUTHORITY TO BIND TENANT.** Tenant represents and warrants that it is duly formed and in good standing, and has full corporate power and authority to enter into this Lease and has taken all appropriate action to carry out the transaction contemplated herein, so that when executed, this Lease constitutes a valid and binding obligation enforceable in accordance with its terms. Upon request, Tenant shall provide Landlord with corporate resolutions or other proof in a form acceptable to Landlord,



authorizing the execution of this Lease at the time of such execution. The person signing below on behalf of Tenant warrants and personally guarantees that he or she has the actual legal authority to bind the entity named as Tenant to all terms and conditions of this Lease.

**29. LIENS.** Tenant shall keep the Leased Premises free and clear of all liens arising out of or claimed by reason of any work performed, material furnished or obligations incurred by or at the instance of Tenant and shall indemnify, defend and save Landlord harmless from all liens or claims of lien and all attorneys' fees and other costs and expenses. No liens of any character created or suffered by Tenant shall in any way or to any extent attach to or affect the rights of Landlord in the Leased Premises.

**30. GENERAL.**

**30.1** All of the terms, conditions, covenants and obligations shall inure to the benefit of and bind the heirs, executors, administrators, personal representatives, successors and assigns of the parties. All rights and interest of Landlord are fully transferable.

**30.2** Time is of the essence of this Lease and of every covenant of Tenant.

**30.3** If Tenant holds possession of all or any part of the Leased Premises after the expiration of the Term of this Lease (or any renewal or extension of it) then the holding over shall constitute a tenancy from month to month only, subject to all applicable terms, covenants and conditions contained in this Lease except that the rental rate for the Leased Premises shall be at the rental rate equal to 150% of the Rent applicable at the end of the Term of the Lease and paid monthly by the first day of the month. Landlord may, at any time, upon five days notice, demand that Tenant vacate the Leased Premises at the end of any month for which Rent has been paid.

**30.4** This Lease constitutes the entire agreement between the parties; no prior agreement or understanding pertaining to the Lease of the Leased Premises shall be effective for any purpose. No provision of this Lease may be amended or added to except by an agreement in writing signed by the parties or their successors in interest.

**30.5** The waiver by Landlord of any breach of any term, covenant or condition of this Lease shall not be deemed to be a waiver of the term, covenant or condition or any subsequent breach of the same or any other term, covenant or condition. The acceptance of Rent shall not be construed to be a waiver of any breach by Tenant of any Term, covenant or condition of this Lease. The remedies available to Landlord are cumulative; the exercise of any one remedy by Landlord shall not be to the exclusion of any other remedy.

**30.6** The voluntary or other surrender of this Lease by Tenant, or a mutual cancellation, shall not work a merger, but shall, at the option of Landlord, terminate all or any existing subleases or subtenancies, or may, at the option of Landlord, operate as an assignment to it of any subleases or subtenancies.

**30.7** This Lease shall be construed as a whole according to its fair meaning and not strictly for nor against either Landlord or Tenant. Section headings in this Lease are for convenience only and are not to be construed as a part of this Lease or in any way defining, limiting or amplifying those provisions. The words "Landlord" and "Tenant" include the plural as well as the singular. The neuter gender includes the masculine and feminine. If there is more than one Tenant, then the obligations to be performed are joint and several. If any term, covenant or condition contained is judicially held to be invalid or void, then the invalidity of that term, covenant or condition shall not affect any other term, covenant or condition.

**IN WITNESS OF THESE TERMS AND CONDITIONS, the parties signed and delivered this Lease to be legally binding as of the Effective Date defined above.**

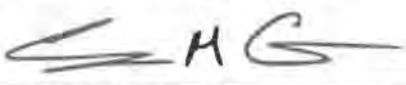
**LANDLORD:**

**PHX Property Holdings, LLC,  
A Texas limited liability company**

By   
\_\_\_\_\_  
Jason Literas, Manager

**TENANT:**

**Hillsong Phoenix, LLC,  
A Texas limited liability company**

By:   
\_\_\_\_\_  
Terry M Crist Jr, Manager

**EXHIBIT A**

**LEGAL DESCRIPTION**

**(655 E. University Drive, Mesa, AZ 85203;  
9610 E. Cactus Road, Scottsdale, AZ 85260;  
402 W. Monroe Street, Phoenix, AZ 85003)**

**EXHIBIT B**  
**(ATTACH COPY OF SUBLEASE AGREEMENT)**

**EXHIBIT C**  
**“Scriptural Beliefs”**

**Statement of Belief**

We believe that the Bible is God’s Word. It is accurate, authoritative and applicable to our everyday lives (2 Timothy 3:16-17, 2 Peter 1:19-21).

We believe in one eternal God who is the Creator of all things. He exists in three Persons: God the Father, God the Son and God the Holy Spirit. He is totally loving and completely holy (Genesis 1:1, Isaiah 43:10-11, Matthew 28:19, John 17:11, 1 John 4:16).

We believe that sin has separated each of us from God and His purpose for our lives (Isaiah 59:2, Romans 3:23, Romans 6:23).

We believe that the Lord Jesus Christ as both God and man is the only One who can reconcile us to God. He lived a sinless and exemplary life, died on the cross in our place, and rose again to prove His victory and empower us for life (Isaiah 53:4-6, John 1:1-14, John 14:6, Colossians 2:13-15, 1 Corinthians 15:20).

We believe that in order to receive forgiveness and the ‘new birth’ we must repent of our sins, believe in the Lord Jesus Christ, and submit to His will for our lives (John 3:3, Acts 2:38, Romans 10:9, Ephesians 2:8-9, 1 John 1:9).

We believe that in order to live the holy and fruitful lives that God intends for us, we need to be baptized in water and be filled with the power of the Holy Spirit. The Holy Spirit enables us to use spiritual gifts, including speaking in tongues (Mark 16:16, Acts 1:8, Acts 2:4, Galatians 5:22-23).

We believe in the power and significance of the Church and the necessity of believers to meet regularly together for fellowship, prayer and the ‘breaking of bread’ (Matthew 16:17-19, Acts 2:42, 1 Corinthians 11:17-34).

We believe that God has individually equipped us so that we can successfully achieve His purpose for our lives which is to worship God, fulfill our role in the Church and serve the community in which we live (John 4:23-24, Galatians 6:10, Ephesians 2:10).

We believe that God wants to heal and transform us so that we can live healthy and blessed lives in order to help others more effectively (Joshua 1:8, Matthew 8:16-17, 1 Thessalonians 5:23, 3 John 2, 2 Corinthians 9:11).

We believe that our eternal destination of either Heaven or hell is determined by our response to the Lord Jesus Christ (John 3:36, John 5:28-29, 2 Thessalonians 1:8-9, Revelation 20:11-15).

We believe that the Lord Jesus Christ is coming back again as He promised (John 14:1-3, Acts 1:11, 1 Thessalonians 4:13-18).



## Summary of Sublease Terms

(Summary is for convenience only and is not legally binding.)

Street and city address of property	655 E. University Drive, Mesa, AZ 85203
Effective date of lease (§1.1)	April 1, 2019
Lease Commencement date (§1.2)	same
Full name of Landlord	PHX Property Holdings, LLC
Full address of Landlord	655 E. University Drive, Mesa, AZ 85203
Full name of Tenant	Hillsong Phoenix, LLC
Full address of Tenant	655 E. University Drive, Mesa, AZ 85203
Full name of Subtenant	Hillsong College LLC
Full address of Subtenant	655 E. University Drive, Mesa, AZ 85203
Lease Term in years (§1.6)	10 years
Term Commencement Date (if same as Effective Date so state) (§1.7)	Same
Rent Commencement Date (if same as Effective Date so state) (§1.8)	Same
Tenant's Prorated share of Operating Costs (confirm 100%) (§1.11)	100%
Amount of Security Deposit (§1.12)	None
Amount of Tenant Improvement Allowance (§1.13)	\$500,000
Liability Insurance Limit per occurrence (i.e. 1,000,000) (§1.16.1)	\$1,000,000
Liability Insurance Limit aggregate (i.e. 3,000,000) (§1.16.2)	\$10,000,000
Amount of improvement cost limit – confirm \$100,000 (§1.18)	\$25,000
Use permitted (e.g. as a worship center in accordance with these beliefs and practices for Christian discipleship, evangelical outreach activities, and for associated ministries and for directly related office and ministry space for incidental outreach activities for Christian nonprofit organizations, which operate under (§2.1)	
Name and title of person signing on behalf of Landlord	Jason Llitteras, Manager
Name and title of person signing on behalf of Tenant	Terry M Crist Jr, Manager
Name and title of person signing on behalf of Subtenant	Lee Burns, Manager
Exhibit A	Legal Description
Exhibit B	(Omitted)
Exhibit C	Statement of Faith/Beliefs
Rent (§1.9.3]	\$177,000 per year

**SUBLEASE AGREEMENT**  
**655 E. University Drive, Mesa**

**This Master Sublease Agreement (the “Sublease”) is signed to be legally binding as of the Effective Date specified below regardless of the date of signing between the parties described below. In consideration of these mutual promises and representations, Tenant and Subtenant agree that:**

**1. SUMMARY AND DEFINITION OF BASIC TERMS AND EXHIBITS.** Tenant entered into a Master Lease (the “Lease”) with PHX Property Holdings, LLC, a Texas limited liability company (“Landlord”). **This Sublease is subordinate and subject to the terms of the Lease.** Subtenant shall comply with all terms of the Lease. If the terms of this Sublease are in conflict with the terms of the Lease, then the terms of the Lease shall prevail. The terms and provisions listed below are included in this Section 1 are for definitional purposes. If there is a conflict or inconsistency between a term or provision in this Section 1 and any other term or provision of this Sublease, then the term or provision of this Section 1 shall control:

**1.1 “Effective Date” of Lease:** April 1, 2019.

**1.2 “Lease Commencement Date”:** Same as Effective Date in Section 1.1.

**1.3 “Landlord”:** PHX Property Holdings, LLC  
an Texas limited liability company  
655 E. University Drive, Mesa, AZ 85203.

**1.4 “Tenant”:** Hillsong Phoenix, LLC  
an Texas limited liability company  
655 University Drive, Mesa, AZ 85203.

**1.4.1 “Subtenant”:** Hillsong College LLC,  
a Virginia limited liability company  
655 University Drive, Mesa AZ 85203

**1.5 “Subleased Premises”:** The “Subleased Premises” or “Property” includes the real property legally described on Exhibit A and all improvements located thereon.

**1.6 Sublease “Term”:** 10 years beginning on Term Commencement Date. The Term will be extended for additional one year terms from year to year unless either party gives 30 days written notice to terminate the Lease, provided however, that is subject to termination and or extension in accordance with the Master Lease.

**1.7 “Term Commencement Date”:** Same as Effective Date in Section 1.1.

**1.8 “Rent Commencement Date”:** Same as Effective Date in Section 1.1.

**1.9 “Rent”:** The “Rent” is composed of these elements of consideration:

**1.9.1 Indemnity & Construction:** As consideration for Tenant’s willingness to allow Subtenant to enter into this Sublease, Subtenant shall indemnify, defend, and hold Tenant

harmless for, from and against all costs, claims or charges arising from its entry into the Property, its use of the Property, its repair or replacement of all items of real or personal property, including but not limited to, its trade fixtures or other improvements made by Subtenant. Subtenant further acknowledges that it has full and complete responsibility for installing, maintaining, repairing and replacing, at its expense, its "Subtenant Improvements," which phrase includes all items necessary for Subtenant to conduct its operations from the Property, including but not limited to utilities, roofs, parking lots, landscaping, asbestos removal, if any is needed, HVAC repair or replacement and all matters pertaining to the safe use of the Property and compliance with health, safety, building or other codes.

**1.9.2 Waiver:** Subtenant specifically waives all potential claims, whether known or unknown, against Tenant arising from the condition of the Property. For itself and its employees, its guests, invitees and occupants and its subtenants, Subtenant hereby releases all claims against Tenant arising from the condition of the Property.

**1.9.3 Rent:** \$ 177,000 per year.

**1.9.4 Non-Assignability of Sublease:** Due to the intangible considerations of ministry, and the commitment of Subtenant to Landlord's "Scriptural Beliefs," Subtenant has been granted the special rent concessions described above. The special concessions granted to Tenant are neither transferable, assignable nor alienable, except with the prior written consent of Landlord to be granted in its sole and absolute discretion. Subtenant's rights under this Agreement may neither be assigned, transferred nor alienated. Its duties under this Agreement may not be delegated, and these special rent concessions are not transferable.

**1.9.5** Its duties under this Agreement may not be delegated, and these special rent concessions are not transferable.

**1.9.5.1** If any other party succeeds to the position of Subtenant in contravention of the intent of the parties that this Sublease may not be assigned, i.e., through judgment, action of a bankruptcy court or otherwise in contravention of the terms of this Agreement, then even if Tenant may not, or does not terminate this Sublease, the Rent payable hereunder shall be reset to full fair market value as determined by an appraiser selected by Tenant as of the date of transfer and the Rent shall be payable monthly on the first day of each month.

1.9.5.1.1 Thereupon, the new "Subtenant" shall, as condition precedent to becoming a "Subtenant" hereunder;

1.9.5.1.2 Comply with Tenant's requirements for financial suitability;

1.9.5.1.3 Agree to use the Premises only in furtherance of Christian evangelical work in accordance with Tenant's mission statement (and not otherwise), as adopted by the sole Member of Tenant from time to time;

1.9.5.1.4 Provide a cash security deposit equal to one year's Rent;

1.9.5.1.5 Agree to amend the "Term" of this Sublease to become year to year;

1.9.5.1.6 Sign a formal assumption agreement as prepared by Tenant's attorneys and approved by Landlord; and

1.9.5.1.7 Pay Landlord's and Tenant's actual legal, accounting and administrative costs incurred in the process of the new Subtenant's acquisition of the status of Subtenant under this Sublease.

**1.10 Rent Due Date:** Upon 10 day demand of Tenant, but not less than annually and not more frequently than monthly.

**1.11 Subtenant's pro-rata Share of Operating Cost:** Zero, as this is a gross lease so all Operating Costs are included in the fixed Rent amount specified above.

- 1.12 **Security Deposit:** None
- 1.13 **Subtenant Improvement Construction Allowance:** \$500,000.
- 1.14 **Omitted.**
- 1.15 **Late Fee:** 10% of the delinquent amount of any amount unpaid hereunder.
- 1.16 **Liability Insurance Limits:** Subtenant shall obtain and keep in force all liability and/or other insurance as required by Tenant from time to time, including, but not limited to:
  - 1.16.1 Not less than the limits stated in the Master Lease;
  - 1.16.2 Not less than the limits stated in the Master Lease.
- 1.17 **Property & Casualty Insurance:** See Below.
- 1.18 **"Improvement Cost Limit":** \$25,000 (See Section 10, Below).
- 1.19 **Permitted "Use":** This Leased Premises may be used only as permitted by the deed restrictions recorded against the Property, if any, and as a worship center in accordance with these beliefs and practices for Christian discipleship, evangelical outreach activities, and for associated ministries and for directly related office and ministry space for incidental outreach activities for Christian nonprofit organizations, which operate under Hillsong International.

## 2. USE RESTRICTIONS.

**2.1 Use of Property** Unless otherwise permitted by the Landlord in writing, Tenant's use of the Leased Premises is expressly limited to, and restricted to, the "Uses" as defined herein and further limited to those confirming to the "Scriptural Beliefs" attached as Exhibit C.

**2.2 Other Restrictions:** As a further limitation, the Subleased Premises shall be used and occupied by Subtenant only as permitted by the applicable Conditions, Covenants and Restrictions, state, county and municipal zoning laws, rules, regulations and ordinances and for no other purpose.

## 3. ATTACHED EXHIBITS.

These Exhibits are attached to, and are an integral part of, this Sublease:

- A - Legal Description of the Property
- B - Omitted.
- C - Scriptural Beliefs

## 4. LEASED PREMISES.

**4.1** Tenant hereby leases to Subtenant, and Subtenant leases from Tenant, the Subleased Premises for the Term conditioned upon timely payment by Subtenant of the Rent and conditioned upon Subtenant's full and timely compliance with these terms and conditions.

**4.2** The phrase "Subleased Premises" includes all improvements located on the Property described on Exhibit A, including, if any, sidewalks, entryways, passages, corridors, stairways, landscaped areas, playing fields, parking lots and restrooms. During normal business hours, Subtenant, its guests and invitees, may make reasonable use of the Subleased Premises. Tenant reserves the right to regulate or limit excessive or abusive use of any Subleased Premises whether by Subtenant, its employees, guests, or invitees.

**5. LEASE, RENT AND TERM COMMENCEMENT DATES.** The Term of this Sublease commences on the Term Commencement Date listed in Section 1 and continues for the period defined there. Subtenant's obligation to pay Rent begins on the Rent Commencement Date listed in Section 1 and continues for the Term of this Sublease. All contractual rights and obligations between the parties are legally binding between the parties on the Effective Date of this Sublease defined in Section 1 (i.e., the "Sublease Commencement Date"), notwithstanding the fact that the Rent or Term Commencement Dates may be later than the Sublease Commencement Date.

## **6. RENT.**

**6.1** Subtenant shall pay annual Rent to Tenant without notice, deduction, and counterclaim or set off at the place or places designated from time to time by Tenant, in the sum specified in Section 1 as Annual rent, in lawful money of the United States in advance on the Rent Due Date. For the purpose of interpreting Tenant's rights and remedies and Subtenant's obligations, the term "Rent" includes all payments of any kind or nature due to Tenant from Subtenant.

**6.2** Subtenant agrees that any sum payable to Tenant under this Sublease which is not paid within ten days after the Rent Due Date (or other applicable due date) shall bear interest at the rate of 1.5 % per month from the expiration of a five day grace period until paid, plus Subtenant shall pay the Late Charge equal to 10% of the amount due. If Subtenant fails to pay any monthly installment of Rent or to pay any other amounts due under this Sublease after five days' notice and opportunity to cure, then Subtenant is in Default under this Sublease and Tenant may demand immediate payment of all Rent reserved under this Sublease by Subtenant.

**6.3** Subtenant acknowledges that;

**6.3.1** Subtenant plans to construct substantial new improvements to operate its business on the Subleased Premises. Title to these "Improvements" envisioned by Subtenant for its use of the Property shall pass to Tenant immediately upon construction.

**6.3.2** The process of constructing, installing and repairing these items will involve substantial inconvenience and, possibly, interruption and diminution of its use of the Property from time to time. As a portion of its consideration for being granted the use of the Property, Subtenant will use the Property in spite of these factors. Subtenant specifically agrees to accept the Property in "as is, where is" condition with full knowledge that it may not yet be aware of the full extent of the problems to be encountered in using the Property.

**7. OPERATING COSTS.** Subtenant shall pay all for costs of operating, maintaining, repairing, replacing all improvements located on the Subleased Premises now or in the future, except as otherwise set forth herein.

**7.1** In its discretion, Tenant may reasonably determine the Maintenance Reserve in 5 year increments (or other interval determined by Tenant). Tenant may bill Subtenant for adjustments in the Maintenance Reserve (i.e., an amount which Subtenant will need to perform routine and capital maintenance items on the Subleased Premises) for the next Rent payment, i.e., on the next Rent Due Date. Tenant may bill Subtenant for adjustments in the Maintenance Reserve for the next Rent payment, i.e., on the next Rent Due Date.

**7.2** Tenant may, but is not obligated to, perform routine or other maintenance, replacement and repairs if Subtenant fails to do so. If Tenant incurs costs for this purpose, then Tenant may deduct these costs from the Security Deposit or from the Maintenance Reserve and may increase Subtenant's Rent to recharge the Maintenance Reserve Account.

**7.3** A failure or delay by Tenant to make a timely adjustment to the Rent according to the terms of this Section does not relieve Subtenant of the obligation to pay the adjusted annual Rent commencing on the earliest date Tenant was entitled by the provisions of this Sublease to implement any increase.

**7.4** Subtenant's obligation to pay Rent continues up to the Termination of this Sublease and shall survive abandonment of the Subleased Premises or early Termination of the Sublease.

**7.5** The costs to be paid by Subtenant include all expenses incurred in the operation and maintenance of the Premises, including but not limited to, the cost to Tenant of reasonable property management fees, all real estate taxes, if any, and assessments, special assessments, improvement district assessments, and the like, charged against the Subleased Premises, water, electricity, trash pickup, utilities, building supplies, janitorial services, complete maintenance and repair of the Subleased Premises, including Common Area heating and air-conditioning, landscaping, paving, parking lot and sidewalk maintenance, repair and replacement, striping; cost of fire, extended coverage property damage,



business interruption, loss of rent, public liability and other insurance, legal fees, accounting fees, and all labor and material costs incurred in the management, operation and maintenance of the Subleased Premises including costs associated with providing safety and security for the Premises.

**7.6** The costs to be paid also include all real property taxes and special assessments levied on the Property. If because of any change in the method of taxation of real estate, any tax or assessment is imposed on Tenant or the Property, or the rent, in substitution for tax which would otherwise be a real estate tax, such other tax shall be included under this subparagraph;

**7.7** Subtenant is liable for payment of all personal property taxes levied on equipment, fixtures, and other property of Tenant located in the Building and used in connection with the operation thereof;

**7.8** Subtenant is also liable for payment of all costs relating to improvements whether or not these are designated as "Capital Improvements" and whether or not these capital expenditures are imposed or required by or result from the application of statutes or regulations, of any federal, state, county, municipal or other governmental body or agency performing a governmental or other function (including, but not limited to, the Environmental Protection Agency and the authority administering the Occupational Safety and Health Act, the Americans with Disabilities Act, or agencies performing the same or similar functions) or are incurred to reduce energy consumption or costs and expenses necessary or to protect the health and safety of Subtenants or to improve the appearance or utility of the Subleased Premises. As an item of "Maintenance Reserve," Tenant may charge Subtenant quarterly or at any other interval a reserve amount and may establish an impound account to repair or replace parking lots, repaint, repair or replace roofs and/or for other items of a similar nature as designated by Tenant.

**8. BASIC SERVICES.** Subtenant shall pay for all its own water, trash, electric, janitorial services and shall be responsible for all telephone, cable, internet, etc. installation and service costs. Subtenant is responsible to remove all telephone, internet, computer and other cables upon termination of the Sublease if requested to do so by Tenant. Tenant does not provide property management services.

## **9. REPAIRS.**

**9.1** As "Capital Repair Cost," Subtenant shall perform all replacement, repairs and maintenance to: (a) the exterior of the Building, roof, and exterior walls; (b) all air-conditioning, heating and ventilating systems in the Subleased Premises; and (c) parking lots and driveways. Subtenant shall keep the Building exterior in good condition and repair, ordinary wear and tear excepted. Subtenant may provide paid receipts for all costs of the activities described in this Sub-Section as a "Capital Repair Cost." Upon inspection and approval thereof by Tenant, Subtenant may receive credit for the amount thereof in lieu of the payment of Rent. Or, if the full amount of the Rent has been paid to date, and if Subtenant is not in default, then Subtenant may request a reimbursement in the amount thereof from Tenant's Maintenance Reserve fund, if any. Tenant's obligation to make this payment, however, is conditioned upon Tenant's complete satisfaction with all work performed and with Tenant's determination that the Maintenance Reserve fund contains all funds necessary for the reasonable preservation, replacement and repair of items necessary for the operation of the Subleased Premises. Subtenant is fully responsible financially for costs of repair, replacement and maintenance of the Subleased Premises of all kinds or nature in a lien free manner.

**9.2** Subtenant shall make all repairs to the Subleased Premises and maintain the interior of Subleased Premises in a clean and orderly condition, including, but not limited to (a) painting, (b) redecorating, (c) carpet cleaning, repair and replacement; (d) repair and replacement of Subtenant's plumbing fixtures, (e) exterior doors and windows, and (f) general "day-to-day" repair and maintenance of the Subleased Premises. Subtenant is responsible for the repair and replacement of all damage to windows and doors including frames and walls.

**9.3** Upon demand from Tenant, Subtenant will pay for repairs to the Subleased Premises made necessary by any negligence or carelessness of Subtenant, its officers, employees, or agents. Subtenant

acknowledges that Tenant has not insured the interior of the Subleased Premises. Any alterations, improvements or additions to the Subleased Premises, except unattached movable equipment and trade fixtures, shall become a part of the realty and the property of Tenant at the expiration or other termination of this Sublease.

**9.4** Tenant may, in its discretion use the Maintenance Reserve funds for maintenance, repair or replacement of improvements on the Subleased Premises from time to time, if any.

**10. ADDITIONAL IMPROVEMENTS.**

**10.1** If Subtenant desires at any time to construct improvements in the Subleased Premises at its sole expense ("Additional Improvements"), then Tenant will work with Subtenant to review the necessity for Additional Improvements to accommodate Subtenant's use of the Subleased Premises. **Any Improvement costing more than the "Improvement Cost Limit" specified in Section 1 of this Sublease must be approved in writing in advance by Tenant in its sole and absolute discretion.**

**10.2** Subtenant agrees to work with an architect approved by Tenant for the Additional Improvements of the Subleased Premises as may be required. The architect fees are Subtenant's responsibility.

**10.3** Prior to the commencement of construction of any additional Improvements, Tenant and Subtenant shall initial the architect and contractor's plans to be used for construction; only this set of initialed plans are deemed to be approved by both Tenant and Subtenant. Tenant has the sole right to contract, on Subtenant's behalf, for Additional Improvements to be made in the Subleased Premises.

**10.4** The costs of Additional Improvements are Subtenant's sole responsibility and shall be paid to Tenant in accordance with a separate written agreement between the parties.

**11. RIGHT OF INSPECTION.** Tenant may enter the Subleased Premises upon reasonable notice for inspection and to make changes or alterations. These actions shall not be construed as an eviction or as a disturbance of Subtenant's tenancy. Subtenant shall not be allowed any abatement of Rent or damages for any injury or inconvenience occasioned thereby. Tenant shall not be required to make any repairs, alterations or improvements or to expend any money upon the Subleased Premises during the Term, except as required by specific provisions of this Sublease.

**12. TRANSFER OF LANDLORD'S INTEREST.** If Tenant transfers its interest in this Sublease or in the Property, then Tenant shall be released from obligations under this Sublease; Subtenant shall look solely to the successor in interest of Tenant for performance of the obligations. Subtenant's Security Deposit, if any, may be assigned and transferred by Tenant to its successor in interest and Tenant shall thereby be discharged of all obligations to Subtenant. Subtenant's recourse for damages arising from this Sublease or from its occupancy in the Subleased Premises is strictly limited to Tenant's interest therein and to appropriate insurance policies, if any.

**13. SUBORDINATION.**

**13.1** This Sublease is subject and subordinate at all times to the lien of existing deeds of trust or mortgages (a "Mortgage") and of Mortgages, which either are now or later become a lien on the Property. Although no instrument or act on the part of Subtenant is necessary to effectuate subordination, Subtenant shall nevertheless execute and deliver within ten days after notice from Landlord those further instruments subordinating this Sublease to the lien of the new or existing Mortgage as may be required by its holder. The term "Mortgage" includes mortgages, deeds of trust or other similar real property security instruments, and any and all modifications, consolidations, extensions, renewals, replacements and substitutes.

**13.2** Within ten days after receipt of a written request from Landlord, Subtenant shall provide a notarized "Estoppel Certificate" evidencing the current status of the Sublease in a form as reasonably

required by Landlord. Subtenant shall indemnify, defend and hold Landlord harmless for, from and against all costs or damages to Tenant arising from Subtenant's failure to timely provide a true and correct Estoppel Certificate. Failure to timely deliver an Estoppel Certificate is a material breach hereunder.

**14. COVENANT OF QUIET POSSESSION.** Upon paying the Rent and observing and performing the covenants and conditions of this Sublease, Subtenant may quietly enjoy the Subleased Premises undisturbed by any act of Tenant.

**15. DAMAGE AND DESTRUCTION.** In the event of a partial or total destruction of the Subleased Premises during the Term of this Sublease from any cause other than by failure or neglect by Subtenant, Subtenant shall repair the damage; provided, however, Subtenant's obligation to repair the Subleased Premises pursuant to this Section is not limited to the extent of any proceeds of insurance actually received by Subtenant. Damage or destruction shall not void this Sublease, except that Subtenant is entitled to a proportionate reduction of the Rent while repairs are being made based upon the extent to which the repair clearly interferes with the business carried on by Subtenant in the Subleased Premises.

**16. WASTE AND NUISANCE.**

**16.1** Subtenant shall neither:

**16.1.1** Do, or permit to be done, any act which will increase the existing rate of insurance on the Subleased Premises in which the Subleased Premises are located or otherwise detrimentally affect the insurance policy covering the Building;

**16.1.2** Keep or permit to be kept, used or sold from the Subleased Premises any articles which are prohibited by the terms of this Sublease;

**16.1.3** Commit, or suffer to be committed, any waste on the Subleased Premises;

**16.1.4** Commit, or suffer to be committed, any public or private nuisance or other act or thing which disturbs the quiet enjoyment of any other Subtenant located on the Property;

**16.2** Subtenant will comply, at its own expense, with all requirements of the Board of Fire Underwriters, Tenant's insurance carrier and any and all other municipal, state, or federal authorities now in force, or which may be in force in the future, pertaining to the Subleased Premises.

**17. ATTORNEYS' FEES.** If Tenant hires an attorney to assist in the collection of Rent, then Subtenant shall pay all actual attorneys' fees incurred, whether or not suit is filed. If a dispute arises over the interpretation or enforcement of this Sublease, then the prevailing party shall recover its actual attorneys' fees and costs from the losing party.

**18. NO ASSIGNMENT OR SUBLETTING.** Subtenant shall not assign all or any part of its interest in this Sublease, nor in the Subleased Premises nor any appurtenant right or privilege or suffer any other person (the agents and servants of Subtenant excepted) to occupy or use all or part of the Subleased Premises, without the prior written consent of Tenant, which consent may be granted or withheld in Tenant's sole and absolute discretion.

**18.1** All legal costs incurred by Tenant to review any request for an amendment or associated paperwork shall be paid for by Subtenant in advance. In determining whether or not to permit an assignment, Tenant may consider whether or not the proposed transaction will result in creation of a public accommodation or will result in additional costs or burdens on Tenant under the Americans with Disabilities Act and all rules and regulations pertaining to it (collectively, "ADA") because of the proposed user's activities beyond those requirements which are applicable to the Subtenant desiring to sublease or to assign. Although Tenant retains its sole and absolute discretion in general, Tenant will not object to the proposed assignment on the basis of the ADA or related rules so long as the proposed



assignee or sublessee: (a) first delivers plans and specifications for complying with any additional requirements and obtains Tenant's consent to these items; and (b) complies with all of Tenant's conditions for, or contained in, Tenant's consent, including without limitation, requirements for security to assure the lien-free completion of these improvements.

**18.2** Consent to one assignment, occupation or use by any other person, shall not be deemed to be a consent to any subsequent assignment, occupation or use by another person.

**18.3** Assignment without Tenant's consent is void *ab initio*, and is a Default under this Sublease. Subtenant's interest in this Sublease is not assignable by operation of law without Tenant's prior written consent, to be granted or withheld in its sole and absolute discretion. No sublease is valid unless it contains language expressly incorporating all terms and conditions of this Sublease. Neither a sublease nor an assignment relieves Subtenant of its liability under this Sublease.

**19. NOTICES.** All notices, consents, approvals, waivers or other items given or required to be given by one party to the other shall be in writing; these "Notices" shall be delivered by one of these methods:

**19.1** If personally delivered, then notice is effective on the next business day after receipt; or

**19.2** If delivered by mail, Notice is deemed given and delivered 48 hours after being deposited in any duly authorized United States mail depository, postage prepaid, registered or certified, return receipt requested; or

**19.3** If sent by a reputable overnight courier service (e.g., Federal Express), addressed as set forth below, the Notice shall be effective on the next business day following receipt, as evidenced by the receipt obtained by the courier service.

**19.4** If sent by fax to the phone number listed below as evidenced by a successful transmission receipt, then Notice shall be effective on the next business day following receipt.

**19.5** Notice to an attorney is not complete until actual receipt; addresses and fax numbers for an attorney should be confirmed by checking with the Arizona State Bar Association in Phoenix, Arizona. Notice addresses shall be changed by providing the new address to all of the other parties in conformance with these provisions.

**19.6** All Notices shall be addressed as indicated above in Section 1.

## **20. CONDITION OF PROPERTY.**

**20.1** Subtenant is deemed to accept the condition of the Subleased Premises as free of defects and in good, clean and sanitary condition by taking possession of the Property. At its expense, Subtenant shall repair all damage or injury done to the Subleased Premises by Subtenant or by others during the Term of the Sublease. Subtenant shall surrender the Subleased Premises to Tenant upon the Termination or expiration of the Term of the Sublease in good condition and repair, reasonable wear and tear excepted.

**20.2** All fixtures, including those installed by Subtenant during the Term of the Sublease, shall remain upon and be surrendered with the Subleased Premises at the termination or expiration of the Term.

**20.3** All property or other items not removed from the Subleased Premises prior to the termination or expiration of the Term may, at Tenant's election, be deemed to be Tenant's property. In the alternative, Tenant may sell or otherwise dispose of the remaining items in its sole discretion.

**21. CONDEMNATION.** If the possession of, title to, or ownership of the Subleased Premises is permanently or temporarily taken either prior to or during the Term of this Sublease by or under a statutory power of expropriation or compulsory acquisition, then this Sublease terminates on the transfer of possession of or title to that authority, as the case may be, and the Rent and any other sums payable by Subtenant to Tenant shall be prorated as of the date of taking.

**22. SUBTENANT SIGNS.** Tenant retains the right to require approval of future signs installed by Subtenant. All signs in existence on the Effective Date are approved. Upon demand by Tenant,

Subtenant will not place identification, advertising, notice or other signs in, on or about the Subleased Premises without the prior written consent of Tenant. If consent is granted, signs shall be installed and maintained at Subtenant's expense. Signs installed without prior written permission may be removed by Tenant at Subtenant's expense without notice.

### **23. LIABILITY INSURANCE.**

**23.1** Subtenant shall, at its expense, maintain comprehensive public liability insurance against claims for personal injury, bodily injury, wrongful death and property damage occurring upon, in or about the Subleased Premises in an amount not less than the amount stated in Section as the "Liability Insurance Limits with a carrier satisfactory to Tenant and naming Tenant and the property manager, if any, and any other legal entities specified by Tenant as additional insured.

**23.2** On behalf of any insurer providing fire and extended coverage and any other property damage insurance, as required by the Sublease, the parties agree to waive all rights of subrogation which its insurer or which either party may acquire or claim against the other party by reason of the payment of any loss under this insurance; the waiver is effective so long as both parties are empowered to grant these waivers under standard insurance practices without the payment of additional premiums.

**23.3** Upon 30 days notice, however, Subtenant shall provide Tenant or Landlord with copies of insurance certificates showing that all insurance required by this Section is in full force and effect. Subtenant shall submit a copy of this Sublease to its insurance agent and provide Tenant with written confirmation from the agent that Subtenant's insurance fully complies with these provisions. All policies shall contain a cross liability endorsement.

**24. PROPERTY AND CASUALTY INSURANCE.** During the Term of this Sublease, Subtenant shall, keep in full force and effect, a policy or policies of insurance as required by Tenant from time to time, including but not limited to "Special Form Coverage," including coverage for vandalism or malicious mischief and sprinkler leakage, insuring the Subleased Premises (including any buildings) and ALL improvements within the Subleased Premises, including but not limited to Subtenant's stock in trade, furniture, personal property, fixtures, equipment and other items in the Subleased Premises, with coverage in an amount equal to the full replacement cost thereof. Tenant and its lenders, if any, shall be named as a "loss payee as its interests may appear" under these policies of property insurance.

### **25. GENERAL INSURANCE PROVISIONS.**

**25.1 Waiver of Subrogation.** Subtenant waives its rights and the subrogation rights of its insurer against Tenant and any other users or sub-Subtenants of space in the Subleased Premises, as well as their respective members, officers, employees, agents, authorized representatives and invitees, with respect to any claims including, but not limited to, claims for injury to any persons, and/or damage to the Premises and/or any fixtures, equipment, personal property, furniture, improvements and/or alterations in or to the Premises, which are caused by or result from (a) risks or damages required to be insured against under a policy of property insurance under this Sublease, or (b) risks and damages which are insured against by one or more property insurance policies maintained by Subtenant from time to time. The parties intend that a loss from a named peril required to be covered or actually covered under a policy of property insurance, will be covered and borne by the policy covering the loss and will not be subrogated against either Tenant or Subtenant.

**25.2 Insurance Requirements.** Each insurance policy and certificate thereof obtained by Subtenant pursuant to this Sublease shall contain a clause that the insurer will provide Tenant, or Tenant's designee with at least thirty days' prior written notice of a non-renewal or cancellation of the policy. If required in writing by Tenant, then each insurance policy shall be with an insurance company authorized to do business in the State of Arizona and as otherwise required by Tenant.



**25.2.1** Upon request of Tenant, certified copies of all insurance policies evidencing the coverage under each policy, as well as a certified copy of the required additional insured endorsement(s) (ISO Form CG20-26 or its equivalent) or as otherwise specified by Tenant from time to time shall be delivered to Tenant. All insurance policies required pursuant to this Section shall be written as primary policies, and shall provide that any insurance which Tenant or Tenant's lender may carry is strictly excess, secondary and non-contributing with insurance carried by Subtenant.

**25.2.2** Subtenant shall procure and maintain all policies entirely at its own expense and shall, at least twenty days prior to the expiration of such policies, furnish Tenant with certified copies of replacement policies or renewal certificates for existing policies in conformance with Accord Form No. 27 (March 1993) or other reasonable standard specified by Tenant. Subtenant shall not do or permit to be done anything which shall invalidate the insurance policies maintained by Tenant or the insurance policies required pursuant to this Section 11 or the coverage under the policy. If Subtenant or any subtenant of Subtenant does or permits to be done anything which increases the cost of insurance policies maintained by Tenant, then Subtenant shall reimburse Tenant on demand for any additional premiums attributable to any act or omission or operation of Subtenant or any subtenant of Subtenant causing an increase in the cost of insurance.

**25.2.3** The insurance requirements contained in this Section are independent of Subtenant's waiver, indemnification and other obligations under this Sublease and shall not be construed or interpreted to restrict, limit or modify Subtenant's waiver, indemnification or other obligations or to limit Subtenant's obligations under this Sublease.

## **26. DEFAULT.**

**26.1** Each of these is a "Default" under this Sublease: (a) the failure to pay within 30 days when due Rent or other sums required to be paid by Subtenant; (b) abandonment of the Subleased Premises by Subtenant; (c) the appointment of a receiver to take possession of all or substantially all of the assets of Subtenant; (d) a general assignment by Subtenant for the benefit of creditors; (e) any action taken or suffered by Subtenant under any insolvency or bankruptcy act; (f) Subtenant's failure to maintain in force all insurance coverage required by this Sublease (and as demanded by Tenant) or Subtenant's failure to deposit evidence of insurance with Tenant if demanded by Tenant and as required by this Sublease; (g) Subtenant's failure to comply with any material provision of this Sublease or with any applicable local, county, state or federal law, rules or regulations affecting the Property; (h) Subtenant's failure to fully and faithfully comply with the Building Rules and Regulations; or (i) any material violation of the Use Restrictions contained herein or otherwise recorded against the Property.

**26.2** For events other than as described in the immediately preceding paragraph, Subtenant shall be deemed in Default of this Sublease if: (a) Subtenant fails to perform or observe any covenant or condition of this Sublease and if this failure continues for 14 days after written notice from Tenant to Subtenant; or (b) this failure is of a nature that it cannot be completely cured within 30 days with the exercise of due diligence, and Subtenant timely commences the cure but fails to complete it with reasonable diligence and good faith.

**26.3** If Subtenant defaults under this Sublease, then Tenant, in addition to its other rights or remedies at law and in equity shall have the immediate right of re-entry and may remove all persons and property from the Subleased Premises with, or without, judicial process:

**26.3.1** Subtenant's personal property may be removed and stored in any place for the account of, and at the expense and at the risk of Subtenant. Subtenant hereby waives all claims for damages which may be caused by the re-entry of Tenant and taking possession of the Subleased Premises or removing or storing Subtenant's or Subtenant's personal property. Subtenant will defend, indemnify and hold Tenant harmless from any loss, costs or damages

occasioned by Tenant in re-taking possession of the Subleased Premises. Re-entry shall not be considered a forcible entry.

**26.3.2** If Tenant re-enters or takes possession pursuant to legal proceedings or pursuant to any notice provided for by law, then Tenant may terminate this Sublease; or Tenant may, from time to time, without terminating this Sublease, remove Subtenant and its property and relet all or part of the Subleased Premises for a term or terms and at rentals and on other terms and conditions as Tenant in its sole discretion deems advisable, with the right to make alterations and repairs to the Subleased Premises at Subtenant's expense.

**26.4** Rentals received by Tenant from reletting shall be applied: First, to the payment of any indebtedness, other than Rent, due from Subtenant to Tenant; second, to the payment of delinquent Rent; third, to the payment of any costs of reletting; fourth, to the payment of the cost of any alterations and repairs to the Property; and the residue, if any, shall be held by Tenant and applied in payment of future Rent as the same may become due and payable. If rentals received from reletting is less than that agreed to be paid by Subtenant or if Tenant is unable to relet the Subleased Premises, then Subtenant shall pay the deficiency to Tenant. The deficiency shall be paid monthly or as otherwise specified by Tenant. No re-entry or taking possession of the Subleased Premises by Tenant shall be construed as an election to terminate this Sublease unless Tenant expressly elects in writing to terminate all Subtenant's rights in and to the Subleased Premises.

**26.5** Notwithstanding a reletting without termination, Tenant may at any time elect to terminate this Sublease for a previous Default. If Tenant at any time terminates this Sublease for any material breach, then in addition to its other remedies, Tenant may recover from Subtenant all damages incurred by reason of the breach, including the cost of recovering the Subleased Premises, and include in the worth of its claim against Subtenant at the time of termination the amount, if any, by which Rent and charges equivalent to Rent reserved in this Sublease for the remainder of the Term exceed the then reasonable rental value of the Subleased Premises for the remainder of the Term.

**26.6** Neither Tenant nor Subtenant shall be liable or responsible for a non-monetary Default if it was caused by strike, war, riot or revolution, or by any act of God, including floods and droughts, or by any delay resulting from fire, accident, breakdown of machinery, governmental restrictions or requirements, or similar causes or by any other unavoidable cause other than Subtenant's negligence, lack of diligence or deliberate act.

**26.7** In addition to all other remedies, in the event of a Default by Subtenant, upon prior written notice to Subtenant, Tenant may cure the Default for the account and at the expense of Subtenant. If Tenant incurs any expense, including attorneys' fees, the sum or sums advanced by Tenant, together with interest of 1% per month, from date of payment by Tenant, together with all costs and damages, shall be deemed to be Rent and shall be due and payable as Rent. In the event of a Default, in addition to all other remedies and damages recoverable as defined above or at law or in equity, Tenant shall be entitled to recover the unamortized value (based on the Term of the Sublease) of Subtenant Improvement costs incurred by Tenant as part of the Subtenant Improvement Allowance, if any, provided pursuant to this Sublease using as the amortization period the total number of months under the original Term of this Sublease.

## **27. SECURITY DEPOSIT.**

**27.1** In the event of a transfer by Subtenant of any interest in this Sublease Tenant may demand a "Security Deposit" in the amount defined above to be posted by the new Subtenant as a Security Deposit as security for performance of its obligations under this Sublease, including without limitation, the surrender of the possession of the Subleased Premises to Tenant. Tenant may co-mingle these funds and is not required to maintain a separate account for Security Deposits. No interest shall be paid by Tenant to Subtenant on the Security Deposit. If Tenant applies any part of the Security Deposit to cure any Default of Subtenant, then Subtenant shall, within ten days after receipt of written demand, deposit

with Tenant the amount thus applied so that Tenant will have the full deposit on hand at all times during the Term of the Sublease. Tenant may apply the Security Deposit toward any item, including without limitation, Rent, Additional Rent, payment of lien claims, or any other obligation of Subtenant under this Sublease.

**27.2** Following any late payment of Rent, Tenant may, in its sole discretion (a) require that beginning with the next payment, Rent may no longer be paid in annual installments but shall be payable quarterly three months in advance, and/or (b) require that Subtenant increase the amount, if any, of the Security Deposit required under Section 1 to equal the Rent due for up to 24 months as a Security Deposit.

**28. AUTHORITY TO BIND SUBTENANT.** Subtenant represents and warrants that it is duly formed and in good standing, and has full corporate power and authority to enter into this Sublease and has taken all appropriate action to carry out the transaction contemplated herein, so that when executed, this Sublease constitutes a valid and binding obligation enforceable in accordance with its terms. Upon request, Subtenant shall provide Tenant with corporate resolutions or other proof in a form acceptable to Tenant, authorizing the execution of this Sublease at the time of such execution. The person signing below on behalf of Subtenant warrants and personally guarantees that he or she has the actual legal authority to bind the entity named as Subtenant to all terms and conditions of this Sublease.

**29. LIENS.** Subtenant shall keep the Subleased Premises free and clear of all liens arising out of or claimed by reason of any work performed, material furnished or obligations incurred by or at the instance of Subtenant and shall indemnify, defend and save Tenant harmless from all liens or claims of lien and all attorneys' fees and other costs and expenses. No liens of any character created or suffered by Subtenant shall in any way or to any extent attach to or affect the rights of Tenant in the Subleased Premises.

**30. GENERAL.**

**30.1** All of the terms, conditions, covenants and obligations shall inure to the benefit of and bind the heirs, executors, administrators, personal representatives, successors and assigns of the parties. All rights and interest of Tenant are fully transferable.

**30.2** Time is of the essence of this Sublease and of every covenant of Subtenant.

**30.3** This Agreement will be interpreted and construed under and in accordance with the laws of the State of Arizona. The forum selected for any proceeding or suit related to this Sublease shall be either the federal or state court located in the county where the property is located; the parties consent to personal jurisdiction in these courts.

**30.4** If Subtenant holds possession of all or any part of the Subleased Premises after the expiration of the Term of this Sublease (or any renewal or extension of it) then the holding over shall constitute a tenancy from month to month only, subject to all applicable terms, covenants and conditions contained in this Sublease except that the rental rate for the Subleased Premises shall be at the rental rate equal to 150% of the Rent applicable at the end of the Term of the Sublease and paid monthly by the first day of the month. Tenant may, at any time, upon five days notice, demand that Subtenant vacate the Subleased Premises at the end of any month for which Rent has been paid.

**30.5** This Sublease constitutes the entire agreement between the parties; no prior agreement or understanding pertaining to the Sublease of the Subleased Premises shall be effective for any purpose. No provision of this Sublease may be amended or added to except by an agreement in writing signed by the parties or their successors in interest.

**30.6** The waiver by Tenant of any breach of any term, covenant or condition of this Sublease shall not be deemed to be a waiver of the term, covenant or condition or any subsequent breach of the same or any other term, covenant or condition. The acceptance of Rent shall not be construed to be a waiver of any breach by Subtenant of any Term, covenant or condition of this Sublease. The remedies

available to Tenant are cumulative; the exercise of any one remedy by Tenant shall not be to the exclusion of any other remedy.

**30.7** The voluntary or other surrender of this Sublease by Subtenant, or a mutual cancellation, shall not work a merger, but shall, at the option of Tenant, terminate all or any existing subleases or subtenancies, or may, at the option of Tenant, operate as an assignment to it of any subleases or subtenancies.

**30.8** This Sublease shall be construed as a whole according to its fair meaning and not strictly for nor against either Tenant or Subtenant. Section headings in this Sublease are for convenience only and are not to be construed as a part of this Sublease or in any way defining, limiting or amplifying those provisions. The words "Tenant" and "Subtenant" include the plural as well as the singular. The neuter gender includes the masculine and feminine. If there is more than one Subtenant, then the obligations to be performed are joint and several. If any term, covenant or condition contained is judicially held to be invalid or void, then the invalidity of that term, covenant or condition shall not affect any other term, covenant or condition.

**IN WITNESS OF THESE TERMS AND CONDITIONS, the parties executed this Sublease to be legally binding as of the Effective Date defined above.**

**TENANT**

**Hillsong Phoenix, LLC**  
a Texas limited liability company

By:   
Terry M. Crist, Jr., Manager

**SUBTENANT:**

**Hillsong College LLC,**  
a Virginia limited liability company

By:   
Lee Burns, Manager

Signed for the sole purpose of consenting to this Sublease:

**LANDLORD:**

**PHX Property Holdings, LLC**  
a Texas limited liability company

By:   
Jason Lliteras, Manager

**EXHIBIT A**

**LEGAL DESCRIPTION**

**(655 E. University Drive, Mesa, AZ 85203)**



**EXHIBIT B**  
Omitted

**EXHIBIT C**  
**“Scriptural Beliefs”**

**Statement of Belief**

We believe that the Bible is God’s Word. It is accurate, authoritative and applicable to our everyday lives (2 Timothy 3:16-17, 2 Peter 1:19-21).

We believe in one eternal God who is the Creator of all things. He exists in three Persons: God the Father, God the Son and God the Holy Spirit. He is totally loving and completely holy (Genesis 1:1, Isaiah 43:10-11, Matthew 28:19, John 17:11, 1 John 4:16).

We believe that sin has separated each of us from God and His purpose for our lives (Isaiah 59:2, Romans 3:23, Romans 6:23).

We believe that the Lord Jesus Christ as both God and man is the only One who can reconcile us to God. He lived a sinless and exemplary life, died on the cross in our place, and rose again to prove His victory and empower us for life (Isaiah 53:4-6, John 1:1-14, John 14:6, Colossians 2:13-15, 1 Corinthians 15:20).

We believe that in order to receive forgiveness and the ‘new birth’ we must repent of our sins, believe in the Lord Jesus Christ, and submit to His will for our lives (John 3:3, Acts 2:38, Romans 10:9, Ephesians 2:8-9, 1 John 1:9).

We believe that in order to live the holy and fruitful lives that God intends for us, we need to be baptized in water and be filled with the power of the Holy Spirit. The Holy Spirit enables us to use spiritual gifts, including speaking in tongues (Mark 16:16, Acts 1:8, Acts 2:4, Galatians 5:22-23).

We believe in the power and significance of the Church and the necessity of believers to meet regularly together for fellowship, prayer and the ‘breaking of bread’ (Matthew 16:17-19, Acts 2:42, 1 Corinthians 11:17-34).

We believe that God has individually equipped us so that we can successfully achieve His purpose for our lives which is to worship God, fulfill our role in the Church and serve the community in which we live (John 4:23-24, Galatians 6:10, Ephesians 2:10).

We believe that God wants to heal and transform us so that we can live healthy and blessed lives in order to help others more effectively (Joshua 1:8, Matthew 8:16-17, 1 Thessalonians 5:23, 3 John 2, 2 Corinthians 9:11).

We believe that our eternal destination of either Heaven or hell is determined by our response to the Lord Jesus Christ (John 3:36, John 5:28-29, 2 Thessalonians 1:8-9, Revelation 20:11-15).

We believe that the Lord Jesus Christ is coming back again as He promised (John 14:1-3, Acts 1:11, 1 Thessalonians 4:13-18).



**Hillsong Stewardship Fund, Inc. as the sole Member of  
PHX Property Holdings, LLC.  
EIN: 90-1242215**

**Directors Resolution**

**Date:** <insert date>

**Present:** George Aghajanian  
Melinda Dwight  
Grant Thomson  
Timothy Whincop

Resolved by all of the Directors of PHX Property Holdings, LLC as Borrower ("Borrower") to authorize Jason Lliteras ("Manager"), as Manager of Borrower, to borrow and obtain from BOKF, NA dba Bank of Arizona ("Lender") a non-revolving loan in the aggregate sum of \$715,000.

Borrower and Lender are parties to that certain Business Loan Agreement dated April 1, 2019 (as amended, restates, amended and restated, supplemented and/or otherwise modified prior to the Effective Date, the "Existing Loan Agreement" and the Promissory Notes in the amounts of \$13,535,503.50 and \$1,000,000 ("Loan 1 and Loan 2")

Whereas, due to the global spread of a novel strain of coronavirus, SARS-CoV-2, which commonly referred to as "COVID-19" (the "COVID-19 Pandemic"), the Directors authorized, and the Lender has agreed, to provide funds in the form of an additional loan ("Loan 3"). Loan 3 shall be cross-defaulted and cross-collateralized with Loan 1 and Loan 2.

The sole permitted purpose and use of Loan 3 is to satisfy the monthly aggregate payments for Loan 1 and Loan 2 and its related Swap Settlements for the next succeeding six (6) principal and interest payments for the six (6) month period commencing July 1, 2020 and ending December 1, 2020.

Due to the delayed closing of Loan 3, the regular schedule principal and interest payment obligations for July 1, 2020 was paid from the Borrower's own funds. Therefore, the proceeds for the first advance of Loan 3 shall be remitted to Borrower to reimburse the Borrower for the funds paid by Borrower for the principal and interest payable on July 1, 2020. Following the full disbursement of the proceeds of Loan 3, the Borrower shall pay all such regularly scheduled principal and interest payments respecting Loan 1, Loan 2 and

Loan 3 in accordance with the terms and provisions of the applicable loan documents and all other Related Documents commencing January 1, 2020.

The Directors acknowledge that the impact of the Lender's making of Loan 3 may result in the amount of Indebtedness due and payable upon maturity being greater than the Indebtedness which would have been due upon maturity if Lender had not agreed to make Loan 3.

In this regard, the Directors hereby authorize Manager to execute such promissory notes and the loan documents, grant security, execute Security Documents, open depository accounts, negotiate items, and undertake all other and further acts related to, evidencing and/or securing Loan 3 and the transactions contemplated therein or requested or desirable by Lender.

All actions taken by the Manager prior to the date of this Resolution are hereby ratified and reaffirmed in all respects and for all purposes.

The undersigned certify that they are Directors or Officers of Hillsong Stewardship Fund, Inc. and that the foregoing is a true and correct copy of the resolution duly adopted on <insert date>.

Signed: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

Signed: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_





## Hillsong Phoenix

655 E. University Drive  
Mesa, AZ 85203

Phone: 480.834.1822

E-Mail: [Jason.Lliteras@Hillsong.com](mailto:Jason.Lliteras@Hillsong.com)

Web: [www.hillsong.com/phoenix](http://www.hillsong.com/phoenix)

## Memo (STEW BN 20.001)

To: Board of Directors, Hillsong Stewardship Fund, Inc  
From: Jason Lliteras, Manager – PHX Property Holdings, LLC  
CC: Ps Terry Crist, Lead Pastor  
Date: August 10, 2020  
Re: Bank of Oklahoma Mortgage Payment Deferral

**Background:** When the global pandemic began in Q1 of 2020, it became clear that economic uncertainty was looming as unemployment rose quickly and the marketplace seized-up under shutdown orders. We developed a multifaceted strategy to withstand the challenges (including austerity measures, governmental assistance, mortgage deferral, and more).

Because a traditional payment deferral would be very complicated and more costly, Bank of Oklahoma Financial (BOKF) worked on a custom deferral program to accommodate the complexities inherent with our interest-rate Swap instrument (namely securities oversight and third-party involvement with the derivative mechanism). It took the bank longer due to the overload of PPP loan applications and legal work, but they were able to successfully implement a 6-month deferral solution for us.

Payment deferral covers the following debt load:

• Existing Mortgage:	\$13,535,503 ("Loan 1")
• Construction Loan:	\$1,000,000 ("Loan 2")
• Maturity:	06/02/25
• Rate:	4.68% primary mortgage, 4.9% on project financing
• Monthly Payment:	\$96,311
• LTV Ratio:	31.9%


**Key Deferral Mechanics:** a custom Line of Credit deferral was created giving us the same effect as a traditional payment deferral and up to 6 months worth of payment coverage (all at less cost than a traditional deferral). We are saving approximately \$30K-\$40K+ by utilizing this approach. The key mechanics include:

• Payments:	maintain original payment & amortization schedule (serviced by LOC)
• Draw Period:	6 months, floating (1-mo LIBOR index)
• Pricing:	3.75% (fixed in Jan 2021)
• Maturity:	co-terminus with existing SWAP (June 2025)

The LOC was opened at \$715,000 to include costs and interest through the remainder of the loan term (see attached summary from Lesley Malmstrom and Loan 1 Amortization Schedule). This deferral has already covered July and August payments, and we are in need to take Sep-Dec.

**Conclusion:** We are signed and funded, now BOKF is requesting a follow-up resolution from the Board to complete their files.

*Attachments: Summary email, Amortization Schedule, Resolution*

**From:** Malmstrom, Lesley LMalmstrom@bokf.com   
**Subject:** Resolution  
**Date:** August 17, 2020 at 7:24 PM  
**To:** Jason Lliteras jason.lliteras@hillsong.com  
**Cc:** Teran, Myrna MTeran@bokf.com

Hi Jason,

My apologies this has been sitting for some finishes for a little while. Attached is a proposed resolution for the new "Deferral Loan." Please review and let me know if you have any questions.

I owe you some back-up calculations for the \$715M, but the most general description is:

- You will draw principal of somewhere around \$600,000. We will not let you draw \$715,000, the draws are restricted to 6 months payments.
- If you draw all 5 payments, the principal (approximately \$600,000) will convert to a term loan at the end of January 2021.
- Once the balance converts, you will have no required payments until maturity, but this balance will accrue interest (unless you make additional prepayments).
- To accommodate this accrual, we booked the larger facility and filed a Deed in the same amount, expecting that your balance will actually be increasing during the term-out, not decreasing.
- The difference of \$115M is the expected advances for accruing interest.

Hopefully that makes a little sense, I have the calculations done for the large loan and need to finish the smaller loan, but I believe we just estimated the interest at one point and used the \$715M figure because of those estimates. The resolution is specific and states you may only draw the 6 months of payments, starting in July and ending in December. Your draws on the facility are capped.

Lesley Malmstrom  
Senior Vice President | Market Team Lead | Commercial Banking  
BOK Financial  
2151 E. Broadway Rd., Ste. 101  
Tempe, AZ 85282  
(480) 835-3056 | Direct  
(480) 766-8427 | Cell  
(480) 426-7833 | Fax  
[lmalmstrom@bokf.com](mailto:lmalmstrom@bokf.com) | Email



2020-08-03  
Hillson...Y.docx

**BOK Financial Loan Amortization Schedule**

Customer Name	
Account Number	

Enter Values	
Loan Amount	\$ 14,500,000.00
Annual Interest Rate	4.88 %
Loan Period in Years	25
Number of Payments Per Year	12
Start Date of Loan	02/05/2016
Start Date of Pmt	01/06/2016
Days Basis	Actual/360
Estimated Payment	\$82,625.32
Actual Scheduled Payment	\$ 83,895.89
Optional Extra Payments	

Loan Summary	
Scheduled Number of Payments	300
Actual Number of Payments	106
Total Early Payments	\$ -
Total Principal	\$ 14,500,000.00
Total Interest	\$ 5,493,206.65

NOTE: This is an estimated loan amortization schedule. Actual amounts may vary if payments are made on different dates or in different amounts.

Pmt No.	Payment Date	Beginning Balance	Scheduled Payment	Extra Payment	Total Payment	Principal	Interest	Ending Balance
1	01/06/2016	\$ 14,500,000.00	\$ 83,895.89	\$ -	\$ 83,895.89	\$ 27,345.80	\$ 6,550.00	\$ 14,472,654.31
2	01/07/2016	14,472,654.31	83,895.89	-	83,895.89	27,452.34	58,443.35	14,445,201.97
3	01/08/2016	14,445,201.97	83,895.89	-	83,895.89	25,681.53	58,214.16	14,419,520.45
4	01/09/2016	14,419,520.45	83,895.89	-	83,895.89	25,765.02	58,110.67	14,393,755.42
5	01/10/2016	14,393,755.42	83,895.89	-	83,895.89	27,780.12	58,135.57	14,368,975.30
6	01/11/2016	14,368,975.30	83,895.89	-	83,895.89	28,000.81	57,894.88	14,339,974.49
7	01/12/2016	14,339,974.49	83,895.89	-	83,895.89	27,968.79	55,925.80	14,312,004.70
8	01/01/2017	14,312,004.70	83,895.89	-	83,895.89	28,218.31	57,677.38	14,285,786.39
9	01/02/2017	14,285,786.39	83,895.89	-	83,895.89	28,323.97	57,571.72	14,259,462.42
10	01/03/2017	14,259,462.42	83,895.89	-	83,895.89	31,991.25	51,904.44	14,227,471.17
11	01/04/2017	14,227,471.17	83,895.89	-	83,895.89	26,556.98	57,336.71	14,200,914.19
12	01/05/2017	14,200,914.19	83,895.89	-	83,895.89	28,512.13	55,383.56	14,172,400.06
13	01/06/2017	14,172,400.06	83,895.89	-	83,895.89	26,780.92	57,114.77	14,145,619.14
14	01/07/2017	14,145,619.14	83,895.89	-	83,895.89	28,727.78	55,167.91	14,116,891.37
15	01/08/2017	14,116,891.37	83,895.89	-	83,895.89	27,804.52	56,891.07	14,089,886.75
16	01/09/2017	14,089,886.75	83,895.89	-	83,895.89	27,113.45	56,782.24	14,062,773.30
17	01/10/2017	14,062,773.30	83,895.89	-	83,895.89	29,050.87	54,844.82	14,033,722.43
18	01/11/2017	14,033,722.43	83,895.89	-	83,895.89	27,339.78	56,555.90	14,006,382.64
19	01/12/2017	14,006,382.64	83,895.89	-	83,895.89	29,270.80	54,624.89	13,977,111.84
20	01/01/2018	13,977,111.84	83,895.89	-	83,895.89	27,587.93	56,327.76	13,949,523.91
21	01/02/2018	13,949,523.91	83,895.89	-	83,895.89	27,878.03	56,218.66	13,921,645.88
22	01/03/2018	13,921,645.88	83,895.89	-	83,895.89	33,220.10	50,675.59	13,888,425.78
23	01/04/2018	13,888,425.78	83,895.89	-	83,895.89	27,824.45	55,871.24	13,860,601.33
24	01/05/2018	13,860,601.33	83,895.89	-	83,895.89	29,838.88	54,056.81	13,830,762.45
25	01/06/2018	13,830,762.45	83,895.89	-	83,895.89	28,157.24	55,738.45	13,802,724.21
26	01/07/2018	13,802,724.21	83,895.89	-	83,895.89	30,065.07	53,830.62	13,772,659.15
27	01/08/2018	13,772,659.15	83,895.89	-	83,895.89	28,381.57	55,503.82	13,744,267.27
28	01/09/2018	13,744,267.27	83,895.89	-	83,895.89	28,506.29	55,389.40	13,715,760.98
29	01/10/2018	13,715,760.98	83,895.89	-	83,895.89	30,404.22	53,491.47	13,685,356.76
30	01/11/2018	13,685,356.76	83,895.89	-	83,895.89	28,743.70	55,151.98	13,656,613.06
31	01/12/2018	13,656,613.06	83,895.89	-	83,895.89	30,834.90	53,260.79	13,625,778.16
32	01/01/2019	13,625,778.16	83,895.89	-	83,895.89	28,983.00	54,912.89	13,596,795.16
33	01/02/2019	13,596,795.16	83,895.89	-	83,895.89	28,099.80	64,795.89	13,567,695.36
34	01/03/2019	13,567,695.36	83,895.89	-	83,895.89	34,508.55	49,387.14	13,533,386.81
35	01/04/2019	13,533,386.81	83,895.89	-	83,895.89	28,358.14	64,539.55	13,504,030.57
36	01/05/2019	13,504,030.57	83,895.89	-	83,895.89	31,229.97	52,665.72	13,472,800.70
37	01/06/2019	13,472,800.70	83,895.89	-	83,895.89	29,600.30	64,298.39	13,443,200.39
38	01/07/2019	13,443,200.39	83,895.89	-	83,895.89	31,467.21	52,428.48	13,411,733.19
39	01/08/2019	13,411,733.19	83,895.89	-	83,895.89	29,846.41	54,049.28	13,381,886.78
40	01/09/2019	13,381,886.78	83,895.89	-	83,895.89	29,386.69	53,929.00	13,351,920.09
41	01/10/2019	13,351,920.09	83,895.89	-	83,895.89	31,823.20	52,072.49	13,320,096.89
42	01/11/2019	13,320,096.89	83,895.89	-	83,895.89	30,215.70	53,679.99	13,289,881.19
43	01/12/2019	13,289,881.19	83,895.89	-	83,895.89	32,085.15	51,850.54	13,257,795.04
44	01/01/2020	13,257,795.04	83,895.89	-	83,895.89	30,460.68	53,433.00	13,227,334.36
45	01/02/2020	13,227,334.36	83,895.89	-	83,895.89	30,886.47	53,306.22	13,196,758.89
46	01/03/2020	13,196,758.89	83,895.89	-	83,895.89	34,143.81	49,751.78	13,162,615.07
47	01/04/2020	13,162,615.07	83,895.89	-	83,895.89	30,830.35	53,045.34	13,131,784.72
48	01/05/2020	13,131,784.72	83,895.89	-	83,895.89	32,881.80	51,212.89	13,099,882.92
49	01/06/2020	13,099,882.92	83,895.89	-	83,895.89	31,108.38	52,789.31	13,067,774.44
50	01/07/2020	13,067,774.44	83,895.89	-	83,895.89	32,830.88	50,985.11	13,035,468.88
51	01/08/2020	13,035,468.88	83,895.89	-	83,895.89	31,384.45	52,531.24	13,003,884.41
52	01/09/2020	13,003,884.41	83,895.89	-	83,895.89	31,480.85	52,404.84	12,972,191.56

Loan Draw	0.00		
	83,895.89	0.00	83,895.89
	83,895.89	266.47	188,057.65
	83,895.89	533.79	252,487.33
	83,895.89	776.09	337,159.11





## PURCHASE PROPOSAL

**RE:** 132 PROSPECT STREET, STAMFORD, CT

**TO:** HILLSONG CHURCH  
C/O: Ben Habeck

**FROM:** WELLBUILT INVESTMENT FUND LLC  
(and/or entity to be formed at later date on behalf of)  
C/O: Wellbuilt Investment Fund LLC  
Name: Mitch Kidd  
Email: Mitch@wellbuiltco.com  
Phone: 970 379 0615

Please allow this communication to serve as a non-binding proposal regarding the PURCHASE of 132 Prospect St, Stamford, CT.

**ABOUT PURCHASER:** Wellbuilt Investment Fund LLC, and/or its subsidiary companies, affiliates and agents invest, own, manage and develop real property.

**TERMS/CONDITIONS:** The following are terms and conditions, which, if agreed to by the seller, would allow the parties to move forward with negotiating a Contract for Purchase with the expectation of execution as soon as possible:

<b>1. PURCHASER:</b>	WELLBUILT INVESTMENT LLC and owned in whole by its assignees.
<b>2. SELLER:</b>	Seller as fee seller and/or authorized agents thereof.
<b>3. PREMISES:</b>	All the land and improvements and other rights including but not limited to any and all approvals for construction procured for/at the property.
<b>4. PURCHASE:</b>	The buyer is proposing to purchase the property using a purchase & sale contract for <b>\$1,000,000 (one million dollars)</b> .
<b>5. DEPOSIT:</b>	5% Percent Deposit at Contract Execution/signing ( <b>\$50,000</b> ) <b>*Deposit shall go non-refundable upon expiration of the 180 day due Diligence period.</b>
<b>6. DUE DILIGENCE:</b>	<b>180 days</b> – During this time the purchaser will engage with consultants to perform planning and zoning assessments and meet with the Town officials to discuss the re-development of the property.
<b>7. EXCLUSIVITY:</b>	Due to the nature of the purchase and the Purchaser's business, which requires significant architectural and engineering studies to establish feasibility, for a <b>period of 180 days</b> , the seller agrees not to market all or any portion of the Property/Premises for sale or lease either personally or with a broker and will not negotiate nor sign another contract or offer for the Premises during such time.
<b>8. CLOSING:</b>	<b>180 days</b> following the expiration of the Due Diligence or approval from the City of Stamford ( whichever occurs sooner)



9. SELLER TO PROVIDE:	During such period, the seller will deliver or make available to Purchaser ALL files and documentation pertinent to the sale of the property including but not limited to: construction and design approvals and renderings, filings, and approvals granted by the town and state agencies, Historic preservation commission and/or Dept. of Buildings, building files, plans, environmental reports, Certificate of Occupancy for the existing property as is, Operating expenses, Leases, known fines, liens, lawsuits, and violations, title search report, and other pertinent information about the property.
10. USE:	The property may be used for any legally permitted purpose including but not limited to those previously approved uses issued by the City of Stamford.
11. COMPLIANCE WITH LAWS:	Seller shall be responsible for clearance of <u>any and all existing violations</u> at the subject property including but not limited to clearance of all DOB, ECB, DEP, DOT, MTA, STATE OF CT.
12. BROKERAGE:	No broker(s) have been involved in the safe transaction or are owed any fee(s) from the purchaser; any commission fees are the responsibility of the seller.
13. CONFIDENTIALITY:	Both seller and PURCHASER hereby agree to keep the terms of this offer and any information regarding the Premises completely confidential .
14. NON-BINDING:	Except for the Due Dillgence, Exclusivity, and Confidentiality provisions above (which are binding upon the parties), neither party shall have any obligation to the other party unless and until a contract is executed and delivered by both parties.
15. OFFER TERM:	Offer will expire at 5 pm, May 21st, 2022

**IF THE SELLER IS IN AGREEMENT AND ACCEPTANCE OF TERMS OUTLINED ABOVE PLEASE SIGN BELOW AND WE WILL MOVE FORWARD TO CONTRACT SIGNING. PLEASE NOTE THAT THE SIGNING OF THIS AGREEMENT PREVENTS ANY FURTHER NEGOTIATIONS WITH ANY OTHER PROSPECTIVE BUYERS INTERESTED IN THE PROPERTY.**

**SELLER:**

NAME: \_\_\_\_\_

SIGN: \_\_\_\_\_

DATE: \_\_\_\_\_

Please contact us with any questions/comments.

**Mitch Kidd  
Wellbuilt Investment Fund, llc**

<b>Hillsong Church: Briefing Note</b>	
BN Number	16.0010
Topic	Newport Property Loan Agreement
Date	27 April 2016
Prepared for	Audit Risk & Compliance Committee
Prepared by	Peter Ridley
Approved by	
Attachment(s)	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No

### Purpose

Enclosed is a loan agreement for the funds provided for the purchase of the global offices in Newport USA, for consideration and execution.

### Background

The purchase of the property was discussed in the Board meeting dated 26 March 2015 and the following minute was recorded:

The Board approved the purchase of a Hillsong Global Office building in Orange County LA. Further details to be provided regarding funding and the legal entity which should own the building.

All agreed

Subsequent to this meeting it was decided to establish an entity in the USA called 'HC Property LLC' for the ownership of the property, per the attached email sent by George Aghajanian following.

The terms of this loan are as follows:

- Lender: Hillsong Church Ltd
- Borrower: HC Property Holdings LLC
- Amount lent \$3 million USD
- Loan term 5 years
- Loan commencement date: 7 April 2015
- No principle payments are due until the end of the loan period
- Interest rate 0%

**Required of the ARCC**

Review terms of the loan agreement and if satisfied agree to execute the agreement in the upcoming ARCC meeting.

**From:** George Aghajanian  
**Sent:** Wednesday, 22 April 2015 6:13 PM  
**Subject:** Progress on property purchase in Newport

Dear Board,

I am writing to update you on the progress of the purchase of the property in Newport Beach which was discussed at the previous Board Meeting and provide you with an opportunity to ask any further questions you may have.

The property will serve as Hillsong Global offices, a TV/sound recording studio and accommodation for people travelling through California. The details of the property can be viewed at <http://telesproperties.com/properties/503-30th-street/>.



503 30th Street | Newport Beach,  
CA | Teles Properties

The Cannery Lofts represent state-of-the-art 'loft style' live/work residences. The loft offers separate bedrooms, elegant bathrooms, cont...

[Read more...](#)

#### **Who will own the property?**

We have looked into whether the property should be purchased by an Australian entity or a dedicated asset holding entity in the USA.

After receiving advice from our US attorneys, we believe it is best to purchase the property from a US entity and therefore have established a Limited Liability company called HC Property Holdings.

There are a number of reasons we have drawn this conclusion:

1. Purchasing the property in the USA helps us to build a financial footprint in the USA which may help us with future dealings there.
2. Foreign owners of a property are subject to 10% withholding tax when selling property. If an Australian entity owned the property we are not confident we could recoup the withholding tax at the time we decide to sell the property.
3. Hillsong Church Ltd (Sydney) can achieve satisfactory control over the funds loaned from Sydney to purchase the property as HC Property Holdings is owned by Hillsongs USA which in turn is owned by Hillsong Church Ltd (Sydney).
4. By establishing a dedicated property holding entity, the asset is protected should any of our other US entities be sued.

#### **How will the purchase be funded?**

To provide the greatest protection for foreign exchange differences between the amount borrowed and the asset itself, we are pursuing a USD loan from the NAB.

As the asset is in the US and the revenue streams to service the loan are from the US, it makes sense for the loan to also be in US dollars.

The interest rate proposed by the NAB is in the vicinity of 2.5% p.a. The repayment term we have requested is 15 years. The security for the loan will be supplied from Australian assets as it is not cost effective for the bank to use a property in a foreign country as security due to difficulties in exercising recourse should the loan default.

The loan being requested is \$2,600,000 USD being:

\$2,180,000 purchase price

\$20,000 for purchasing costs

\$400,000 allowance for building refurbishments and fitout

The allowance for refurbishment and fit out costs are an estimate at this point.

### **Inspections**

The property inspection has been completed and the owner has agreed to fix the main repairs highlighted in the report. There is an Engineer inspecting the property on Wednesday to look at some cracks in the brickwork, whilst we don't expect these to be a major issue we will have results later this week. Depending on the results of the survey we may ask the owner to contribute to the repair of these also.

### **Settlement**

Settlement is set for the 28<sup>th</sup> of April subject to the results of the Engineers Report.

### **Any questions**

If you have any questions or would like to raise anything relevant regarding the purchase, please feel free to do so. As of tomorrow we will be transferring the funds necessary to finalise this sale.

Thanks for your consideration of this matter.

Kind regards

George Aghajanaian



SCLC BANK BALANCE 31/12/16 2,782,888.64

SCLC BANK BALANCE 29/3/17 658,190.64

Church Loan from SCLC 1,500,000.00

SCLC BANK BALANCE TOTAL 17 2,158,190.64

HC PROPERTY DONATION 3,822,283.57

Difference between Donation  
and Bank Balance in 2017 1,664,092.93

**A-HCL**

**008MTY**

ABSA9009586 SCLC-HCL SCLC\_HCL\_HC\_PROP N 1913230.32 Creditor - Sydney Christian Li

AACS0061684 SCLC-HCL SCLC\_HCL\_HC\_PROP N -1913230.32 Other Income

ABSA9008586 SCLC-HCL SCLC\_HCL\_HC\_PROP N 1909053.25 Debtor - Sydney Christian Life

AACS0061684 SCLC-HCL SCLC\_HCL\_HC\_PROP N -1909053.25 Other Income

**G-SCLC**

**008MTZ**

GPFB5504117 SCLC-HCL SCLC\_HCL\_HC\_PROP N 1913230.32 Donation - Hillsong Church Ltd

GBSA9008572 SCLC-HCL SCLC\_HCL\_HC\_PROP N -1913230.32 Debtor - Hillsong Church Ltd

GPFB5504117 SCLC-HCL SCLC\_HCL\_HC\_PROP N 1909053.25 Donation - Hillsong Church Ltd

GBSA9009572 SCLC-HCL SCLC\_HCL\_HC\_PROP N -1909053.25 Creditor - Hillsong Church Ltd



10:37 AM  
 05/23/18  
 Accrual Basis

**HC Property LLC**  
**Balance Sheet Prev Year Comparison**  
 As of December 31, 2016

	Dec 31, 16	Dec 31, 15	\$ Change
<b>ASSETS</b>			
<b>Fixed Assets</b>			
Furniture and Equipment	111,725.39	78,758.05	32,967.34
Land & Building	2,822,687.11	2,316,348.85	506,338.26
Vehicles	69,170.18	69,170.18	0.00
<b>Total Fixed Assets</b>	<b>3,003,582.68</b>	<b>2,464,277.08</b>	<b>539,305.60</b>
<b>TOTAL ASSETS</b>	<b>3,003,582.68</b>	<b>2,464,277.08</b>	<b>539,305.60</b>
<b>LIABILITIES &amp; EQUITY</b>			
<b>Liabilities</b>			
<b>Long Term Liabilities</b>			
Intercompany Loan			
Hillsong Church Limited	0.00	2,476,239.51	-2,476,239.51
Hillsong Events LLC	5,784.52	1,169.76	4,614.76
<b>Total Intercompany Loan</b>	<b>5,784.52</b>	<b>2,477,409.27</b>	<b>-2,471,624.75</b>
<b>Total Long Term Liabilities</b>	<b>5,784.52</b>	<b>2,477,409.27</b>	<b>-2,471,624.75</b>
<b>Total Liabilities</b>	<b>5,784.52</b>	<b>2,477,409.27</b>	<b>-2,471,624.75</b>
<b>Equity</b>			
Members Equity	-13,132.19	-390.00	-12,742.19
Net Income	3,010,930.35	-12,742.19	3,023,672.54
<b>Total Equity</b>	<b>2,997,798.16</b>	<b>-13,132.19</b>	<b>3,010,930.35</b>
<b>TOTAL LIABILITIES &amp; EQUITY</b>	<b>3,003,582.68</b>	<b>2,464,277.08</b>	<b>539,305.60</b>

10:37 AM  
05/23/18  
Accrual Basis

**HC Property LLC**  
**Balance Sheet Prev Year Comparison**  
As of December 31, 2016

---

	% Change
<b>ASSETS</b>	
<b>Fixed Assets</b>	
Furniture and Equipment	41.9%
Land & Building	21.9%
Vehicles	0.0%
<b>Total Fixed Assets</b>	21.9%
<b>TOTAL ASSETS</b>	<u>21.9%</u>
<b>LIABILITIES &amp; EQUITY</b>	
<b>Liabilities</b>	
<b>Long Term Liabilities</b>	
Intercompany Loan	
Hillsong Church Limited	-100.0%
Hillsong Events LLC	394.5%
<b>Total Intercompany Loan</b>	-99.8%
<b>Total Long Term Liabilities</b>	-99.8%
<b>Total Liabilities</b>	-99.8%
<b>Equity</b>	
Members Equity	-3,267.2%
Net Income	23,729.6%
<b>Total Equity</b>	22,927.9%
<b>TOTAL LIABILITIES &amp; EQUITY</b>	<u>21.9%</u>

10:37 AM

05/23/18

Accrual Basis

**HC Property LLC**  
**Profit & Loss Prev Year Comparison**  
**January through December 2016**

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	<u>Jan - Dec 16</u>	<u>Jan - Dec 15</u>	<u>\$ Change</u>	<u>% Change</u>
<b>Ordinary Income/Expense</b>				
<b>Income</b>				
Donations	3,063,595.04	0.00	3,063,595.04	100.0%
<b>Total Income</b>	<u>3,063,595.04</u>	<u>0.00</u>	<u>3,063,595.04</u>	<u>100.0%</u>
<b>Expense</b>				
Insurance Expense	10,555.80	11,962.43	-1,406.63	-11.8%
Legal Expenses	701.50	0.00	701.50	100.0%
Office Expense	3,165.98	0.00	3,165.98	100.0%
Tax	36,792.63	0.00	36,792.63	100.0%
Utilities	1,448.78	779.76	669.02	85.8%
<b>Total Expense</b>	<u>52,664.69</u>	<u>12,742.19</u>	<u>39,922.50</u>	<u>313.3%</u>
<b>Net Ordinary Income</b>	<u>3,010,930.35</u>	<u>-12,742.19</u>	<u>3,023,672.54</u>	<u>23,729.6%</u>
<b>Net Income</b>	<u>3,010,930.35</u>	<u>-12,742.19</u>	<u>3,023,672.54</u>	<u>23,729.6%</u>





Unanimous Consent of Members  
in Lieu of Annual Meeting for  
HC Property Holdings, LLC

---

2016

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The undersigned, being the sole Member of the Company, does, by his signature below, record the following information as a report on the activities of the Company for the above referenced year:

1. Conduct of the Business: The business of the company was operated in its normal course and the financial results of the business for the last fiscal year are available from the Managing Member.

2. Activities of Special Note: The Company has made alterations of their buildings and received donations of \$2,765,804.

3. Changes in Membership: There have been no changes in the names and business address of each member of the Company.

4. Changes in Articles: There have been no changes in the Articles of Organization.

5. Changes in Operating Agreement: There have been no changes in the written Operating Agreement.

6. No Dissolving Event: There are no events which require the Company to be dissolved and its affairs wound up.

7. Election of Officers and Managers. The following person is elected and appointed to the position listed across from his/her name, to serve until the next annual meeting of the Members of the Company or until his/her respective successors are appointed and qualify, unless earlier removed:

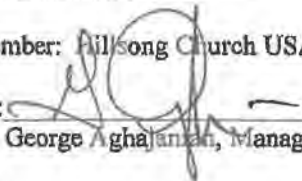
George Aghajanian

Manager/Chairman

8. Ratification: The Members ratify all actions taken by the Members, Officers and Managers from the date of the last meeting of the Members through the date that these minutes are executed, as corporate actions.

This consent was executed and delivered by the undersigned to the Company on the date set forth opposite his/ her signature, and the actions taken hereby are effective on that date specified above.

Member: Hillsong Church USA, Inc.

By:   
George Aghajanian, Manager/Chairman

\_\_\_\_\_  
Date



Hillsong Church Ltd.

(Lender)

HC Property Holdings LLC

(Borrower)

## **Deed of Loan Agreement**

# Deed of Loan Agreement

## Parties

**Hillsong Church Ltd.** (ABN. 37 002 745 879) of 1-5 Solent Circuit, Baulkham Hills NSW 2153, Australia hereinafter referred to as the ("Lender") of one part;

and

**HC Property Holdings LLC**, 2610 Potters Road #108, Virginia Beach, VA 23452 USA hereinafter referred to as the ("Borrower") of the other part.

## Introduction

- A. The Borrower has requested the Lender to advance to the Borrower the Principal Sum for the purposes of the Borrower.
- B. The Lender has agreed to advance the Principal Sum to the Borrower on the terms and conditions set out in this Agreement.
- C. The Lender and the Borrower now wish to record the arrangements with respect to this loan made on the loan commencement date and with respect to any further moneys which may be advanced by the Lender to the Borrower after the date of this deed.

## Agreed terms

### 1. Definitions and interpretation

#### 1.1 Definitions

In this agreement except to the extent that such interpretation should be excluded by or be repugnant to the context:

**"due date for repayment"** means the date five (5) years from the loan commencement date.

**"Interest rate"** means the interest rate provided in the rules of the Supreme Court of New South Wales on judgment debts due and owing as if the Principal Sum had been adjudged as a debt due and owing by the Borrower to the Lender and such rate shall vary from time to time in accordance with the changes in interest rate provided for by the Supreme Court of New South Wales in its rules.

**"Principal Sum"** shall mean the sum of US\$2,600,000 advanced by the Lender to the Borrower.

**"Loan Commencement Date"** shall mean the date that initial funds were loaned being the 7<sup>th</sup> April 215.



## **1.2 Interpretation**

**In this document unless the context otherwise indicates:**

- a) words importing the singular include the plural and vice versa;
- b) headings are of convenience only and do not affect the interpretation of this agreement;
- c) a reference to a clause, paragraph or schedule is a reference to a clause, paragraph or schedule in this agreement;
- d) where any word or phrase is given a definite meaning in this agreement, any part of speech or other grammatical form of that word or phrase has a corresponding meaning;
- e) an expression importing a natural person includes a body corporate, partnership, joint venture, association or other legal entity;
- f) a references to a statute, statute provision or regulation includes all amendments, consolidations or replacements thereof;
- g) a reference to a party to a document includes that party's legal personal representatives, successors and permitted assigns;
- h) a covenant or agreement on the part of or for the benefit of 2 or more persons binds them jointly and severally; and
- i) reference to a body, whether statutory or not, which ceases to exist, or whose powers or functions are transferred to another body, is a reference to the body which replaces it or which substantially succeeds its powers and functions

## **2 Advances and Repayments**

- 2.1 The Borrower hereby acknowledges receipt of the Principal Sum.
- 2.2 The Borrower will pay to the Lender interest on the Principal Sum or so much of the Principal Sum as for the time being remains unpaid and upon any judgment or order at the Interest Rate calculated at daily rests on the Principal Sum calculated from one hundred and eighty (180) days after the due date for repayment
- 2.3 The Borrower agrees to repay the Principal Sum to the Lender upon the due date for repayment.
- 2.4 The Lender and the Borrower agree that the interest shall be waived by the Lender and shall not be payable until the earlier of:
  - a) any breach of this deed of loan agreement;
  - b) a failure to repay the Principal Sum on the due date for repayment or at the end of the notice requiring repayment.
- 2.5 The Borrower and Lender agree that the Principal Sum was advanced on the date

of this deed or has already been advanced by the Borrower to the Lender in which case this deed confirms the advance of the Principal Sum.

### **3 Security**

The Borrower hereby charges its interest in its units for the repayment of the Principal Sum.

### **4 Repayment**

4.1 The Borrower will be entitled to repay to the Lender at any time prior to the due date any part or the total balance of the Principal Sum then owing with interest calculated thereon.

4.2 Manner of repayment

A payment made pursuant to this agreement may be made in cash or bank cheque or by any other cheque which is substantially honoured on presentation or by direct payment to a bank account or bank accounts nominated by the Lender;

4.3 Repayment

The Borrower covenants to repay the Principal Sum and all unpaid accrued interest to the Lender on or before the due date for repayment.

### **5 Default**

5.1 If any of the events described in clause 5.2 occurs, the Principal Sum together with all interest accrued on the Principal Sum and not then paid and all other amounts payable under this agreement and unpaid will, at the option of the Lender and notwithstanding any delay or previous waiver of the right to exercise that option, immediately become due and payable without the necessity for demand or notice to the Borrower.

5.2 Each of the following events is an event of default:

**(a) Payment default**

If the Borrower fails to repay the Principal Sum and the interest accrued thereon but unpaid on the due date; or

**(b) other default**

If the Borrower fails to perform or observe any of the covenants or provisions of this agreement on the part of the Borrower to be performed or observed; or upon the happening of any event of default under any mortgage of the Property which has priority over the mortgage; or

**(c) False or misleading statements**

If the Lender ascertains that the Borrower has made any false, incorrect or misleading statements having in the Lender's opinion, a material effect on the provision by the Lender of the Principal Sum or the maintenance of a loan or in relation to the making of this agreement or any relation or collateral document; or

**(d) Bankruptcy**

If any application for the bankruptcy of the Borrower is presented and the Borrower cannot within 10 days reasonably satisfy the Lender that the application is frivolous or vexatious; or

**(e) Execution**

If any execution or other process of any court or authority is issued against, or levied upon, the assets of the Borrower and is not discharged or a stay of execution is not obtained within 20 business days; or

**(f) Death**

If the Borrower dies then the Principal Sum shall be repayable from the Borrower's estate.

**6 Notices**

6.1 A notice or other communication required or permitted to be given by one party to another must be in writing and:

- a) delivered personally;
- b) sent by pre-paid mail to the address of the addressee specified in this agreement; or
- c) sent by facsimile transmission to the facsimile number of the addressee with acknowledgment of receipt from the facsimile machine of the addressee.

6.2 A notice or other communications taken to have been given (unless otherwise provided):

- a) if mailed, on the second business day after posting; or
- b) if sent by facsimile before 4.00 pm on a business day at the place of receipt, on the day it is sent and otherwise on the next business day at the place of receipt.

6.3 A party may change its address for service by giving notice of that change in writing to the other parties.

**7. Waiver or Variation**

- 7.1 A party's failure or delay to exercise a power or right does not operate as a waiver of that power or right;
- 7.2 The exercise of a power or right does not preclude:
- a) its future exercise; or
  - b) the exercise of any other right or power.
- 7.3 The variation or waiver of a provision of this agreement or a party's consent to a departure from the provisions by another party will be ineffective unless in writing executed by the parties.

**8. Governing Law and Jurisdiction**

- 8.1 This agreement is governed by the laws of the state of New South Wales.
- 8.2 Each party irrevocably submits to the non-exclusive restriction of the courts of New South Wales
9. Further Assurance
- 9.1 Each party will from time to time do all things (including executing documents) necessary or desirable to give effect to this agreement.

**10. Whole Agreement**

- 10.1 In relation to the subject matter of this agreement:
- a) This agreement is the whole agreement between the parties; and
  - b) This agreement supersedes all oral and written communication by or on behalf of the other parties.

Executed as a Deed of Loan Agreement on \_\_\_\_\_ of \_\_\_\_\_ 2016.

**SIGNED, SEALED & DELIVERED** )  
for and on behalf of )  
**HC Property Holdings LLC** )  
by )

\_\_\_\_\_  
in the presence of:

\_\_\_\_\_  
Witness

In: Sydney  
**SIGNED, SEALED & DELIVERED** )  
for and on behalf of )  
**HILLSONG CHURCH LTD** )  
by )

\_\_\_\_\_  
in the presence of:

\_\_\_\_\_  
Witness





**From:** [Kylee Tranter](#)  
**To:** [Claire Fair](#)  
**Cc:** [Jessica Irwin](#)  
**Subject:** FW: Revised CoF and Operating Agreement  
**Date:** Monday, 11 May 2020 4:06:06 PM

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Hi Claire,

Could you also save a copy of this email as a PDF in our 'Legal and Accounting Advice' folder on the LDrive: Finance/Legal and Accounting Advice.

With the heading in the filename 'LLC Manager diversification'

Thanks

Kylee

**From:** Timothy Whincop <tim.whincop@hillsong.com>  
**Sent:** Monday, 11 May 2020 3:01 PM  
**To:** Kylee Tranter <kylee.tranter@hillsong.com>; Jeffrey Coombs <jcoombs@ectlawyers.com>  
**Cc:** Reni Kumar <reni.kumar@volunteer.hillsong.com>  
**Subject:** Re: Revised CoF and Operating Agreement

Hi Kylee

As mentioned, as an Australian lawyer, I can't advise on US law. Re Laura Lang advice on separation of managers, the below indicates it was a conversation from late April 2017 and only seems to be confirmed as below. I'd also have a file note on this conversation that I'll need to dig up if you need it.

Also, Jeff and I spoke on Friday regarding doing an insurance intercompany agreement for the global insurance policy to also put protections in place around making sure this wasn't another 'limb' as discussed.

To ensure the veil does not get pierced, we need to keep separation of control. As discussed, from what Jeff mentioned even last week, the laws vary from state to state and generally there is a presumption by the courts that the veil should not be pierced. The types of scenarios where this would occur would include where there is central control, where there is a sharing of assets/intermingling of assets, and where it appears something has been set up specifically to escape liability. As Jeff mentioned, it's a little of a test of conglomeration of the factors and is obviously based on the facts of a particular circumstance.

Jeff – This conversation pertains to whether we should have independent managers of our LLC's – do you mind confirming this in writing for us? I don't appear to have anything in writing from either you or Laura Lang on this.

Kind regards,

Tim



**Timothy Whincop** BMus, LLB, GDip Leg Prac, MBA

**General Counsel**

**Hillsong Church**

a: Norwest Business Park | 1-5 Solent Circuit | Norwest NSW 2153 | Australia

a: PO Box 1195 | Castle Hill NSW 1765 | Australia

m: +61 (0)420 300 560 | d: +61 2 8853 5374 | [www.hillsong.com](http://www.hillsong.com)

*This email (including any attachments) is confidential and may be subject to legal professional privilege. If you are not the intended addressee, please delete it and notify the sender immediately.*

Thanks so much!

Tim

---

**From:** Laura Lang <[llang@brewerjackson.com](mailto:llang@brewerjackson.com)>

**Date:** Tuesday, 2 May 2017 at 7:25 am

**To:** Timothy Whincop <[tim.whincop@hillsong.com](mailto:tim.whincop@hillsong.com)>

**Cc:** Kylee Tranter <[kylee.tranter@hillsong.com](mailto:kylee.tranter@hillsong.com)>, Reni Kumar <[reni.kumar@volunteer.hillsong.com](mailto:reni.kumar@volunteer.hillsong.com)>

**Subject:** Revised CoF and Operating Agreement

Dear Tim

Per our conversation, I have amended the CoF and Operating Agreement to reflect you as the manager.

Also, I have removed the highlighting in the operating agreement as you confirmed that the Newport Beach address was the appropriate principal place of business.

Please confirm these are the final changes and let me know when I am authorized to file the Certificate of Formation.

Yours truly,

Laura

**Laura Lang**  
Brewer Jackson & Lang, PC  
920 South Main Street, Suite 100  
Grapevine, Texas 76051  
(972) 870-9898 telephone  
(817) 764-1723 telephone  
(972) 870-9053 facsimile  
[llang@brewerjackson.com](mailto:llang@brewerjackson.com)





**Hillsong Stewardship Fund, Inc. (EIN: 82-3753888)  
as the sole corporate Member of  
HC Property Holdings, LLC**

**Directors' Resolution**

**Date:** 27 October 2021

**Directors:** George AGHAJANIAN  
Melinda DWIGHT  
Amanda TAY  
Timothy WHINCOP

RESOLVED to authorize George Aghajanian, as the manager ("Manager") of HC Property Holdings, LLC to lend collateral security for the indebtedness of Invorto, LLC ("Borrower"), made in favor of BOKF, NA dba BOK Financial ("Lender") for the sum of \$3,000,000, as evidenced within that certain promissory note. In this regard, the Manager, on behalf of the LLC, is authorized to Execute Notes, Grant Security, Execute Security Documents, Open Depository Accounts, (including, without limitation, assignments of rents and subordination agreements), Negotiate Items, and Further Acts related to this matter.

Without limitation of any of the foregoing, the Manager is also hereby authorized to carry out any other actions related to the foregoing and as may be necessary or proper or as requested by Lender, including, without limitation, as however may be expressly provided for within those certain authorizing resolutions executed by and on behalf of the LLC and delivered to the Lender with the intent of the Lender's reliance thereon.

This Resolution may be executed in one or more counterparts, each of which shall be an original, but all of which together will constitute one instrument, binding upon all parties hereto, notwithstanding that all of such parties may not have executed the same counterpart.

The undersigned certify that they are Directors of Hillsong Stewardship Fund, Inc. and that the foregoing is a true and correct copy of the resolution duly adopted by written consent on 27 October 2021.

Signed:   
Name: Timothy Whincop  
Title: Director  
Date: 28 October 2021

Signed:   
Name: Peter Ridley  
Title: Company Secretary  
Date: 29 October 2021



**The Activities of Hillsong Church Australia**  
**Combined Financial Report**  
**31 December 2021**

**CONTENTS**

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Statement of Financial Position	2
Statement of Changes in Equity	3
Statement of Cash Flows	4
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Directors' Declaration	20
Auditors Independence Declaration	21
Independent Auditor's Report	22 – 24

**Statement of Comprehensive Income**  
**For the Year Ended 31 December 2021**

	<b>2021</b>	<b>2020</b>
<b>Note</b>	<b>\$</b>	<b>\$</b>
General tithes and offerings	47,602,479	51,870,446
Other donations	14,295,537	11,862,847
Conference registration income	1,150,775	2,869,590
Training and resource	93,986	101,685
Welfare program funding and donations	1,708,938	1,537,047
Medical, counselling and services income	3,288,073	2,838,369
Other revenue	5,643,530	6,693,556
Government grant income	3,169,098	9,977,775
<b>Total revenue</b>	<u>76,952,416</u>	<u>87,751,315</u>
Church and other benevolent activities	(69,813,296)	(74,864,157)
Resources	(197,483)	(259,729)
Conference expenses	(2,150,123)	(3,508,630)
Other expenses	(3,762,241)	(3,919,458)
<b>Total expenses</b>	<u>(75,923,143)</u>	<u>(82,551,974)</u>
<b>Surplus from operations</b>	1,029,273	5,199,341
Financial income	5 465,579	503,778
Financial expenses	5 (980,534)	(1,006,572)
<b>Net surplus available for church and ministry projects</b>	514,318	4,696,547
Other comprehensive income	-	-
<b>Total comprehensive surplus for the period</b>	<u>514,318</u>	<u>4,696,547</u>

The accompanying notes form part of these financial statements



**Statement of Financial Position**  
As At 31 December 2021

	2021	2020
Note	\$	\$
<b>ASSETS</b>		
Cash and cash equivalents	6 19,053,104	11,124,708
Trade and other receivables	7 855,494	1,653,993
Inventories	8 254,058	225,804
Other assets	7 36,933	698,116
<b>Total current assets</b>	<u>20,199,589</u>	<u>13,702,621</u>
Other receivables	7 23,056,626	27,542,048
Property, plant and equipment	9 29,607,235	32,148,890
<b>Total non-current assets</b>	<u>52,663,861</u>	<u>59,690,938</u>
<b>TOTAL ASSETS</b>	<u>72,863,450</u>	<u>73,393,559</u>
<b>LIABILITIES</b>		
Trade and other payables	10 2,913,309	1,306,090
Lease liabilities	11 3,094,291	3,318,972
Employee benefits	12 5,308,009	5,524,552
Unearned income	13 3,235,046	4,396,438
<b>Total current liabilities</b>	<u>14,550,655</u>	<u>14,546,052</u>
Other payables	10 4,423,122	5,026,683
Lease liabilities	11 17,299,368	17,813,974
Employee benefits	12 710,806	641,669
<b>Total non-current liabilities</b>	<u>22,433,296</u>	<u>23,482,326</u>
<b>TOTAL LIABILITIES</b>	<u>36,983,951</u>	<u>38,028,378</u>
<b>NET ASSETS</b>	<u>35,879,499</u>	<u>35,365,181</u>
<b>ACCUMULATED FUNDS</b>		
Common control reserve	15 17,451,665	17,451,665
Retained surplus	18,427,834	17,913,516
<b>TOTAL ACCUMULATED FUNDS</b>	<u>35,879,499</u>	<u>35,365,181</u>

The accompanying notes form part of these financial statements.

**Statement of Changes in Equity**  
For the Year Ended 31 December 2021

	<b>Common control reserve \$</b>	<b>Retained surplus \$</b>	<b>Total \$</b>
Balance at 1 January 2021	17,451,665	17,913,516	35,365,181
Total comprehensive income for the period	-	514,318	514,318
Balance at 31 December 2021	<u>17,451,665</u>	<u>18,427,834</u>	<u>35,879,499</u>

	<b>Common control reserve \$</b>	<b>Retained surplus \$</b>	<b>Total \$</b>
Balance at 1 January 2020	15,535,762	12,997,419	28,533,181
Related party debt forgiveness	2,135,453	-	2,135,453
Total comprehensive income for the period	-	4,696,547	4,696,547
Transfer of reserve	(219,550)	219,550	-
Balance at 31 December 2020	<u>17,451,665</u>	<u>17,913,516</u>	<u>35,365,181</u>

The accompanying notes form part of these financial statements.

**Statement of Cash Flows**  
**For the Year Ended 31 December 2021**

	2021	2020
Note	\$	\$
<b>Cash flows from operating activities:</b>		
Cash receipts in the course of operations	77,677,078	86,314,032
Cash payments in the course of operations	(69,628,115)	(79,884,785)
Interest received	465,579	503,778
Interest paid	(980,534)	(1,006,572)
<b>Net cash provided by operating activities</b>	<u>14(b) 7,534,008</u>	<u>5,926,453</u>
<b>Cash flows from investing activities:</b>		
Payments for property, plant and equipment	(1,006,346)	(2,111,567)
Proceeds from sale of asset	7,273	43,181
<b>Net cash used in investing activities</b>	<u>(999,073)</u>	<u>(2,068,386)</u>
<b>Cash flows from financing activities:</b>		
Loans to related Hillsong entities	(2,399,487)	(10,852,557)
Repayments from related Hillsong entities	7,591,642	2,802,542
Loans from related Hillsong entities	1,520,415	6,629,583
Repayments to related Hillsong entities	(2,123,977)	(223,779)
Payments of lease liabilities	(3,195,132)	(2,160,774)
<b>Net cash provided by/(used in) financing activities</b>	<u>1,393,461</u>	<u>(3,804,985)</u>
<b>Net increase in cash and cash equivalents</b>	7,928,396	53,083
Cash and cash equivalents at beginning of year	11,124,708	11,071,625
<b>Cash and cash equivalents at end of year</b>	<u>14(a) 19,053,104</u>	<u>11,124,708</u>

The accompanying notes form part of these financial statements.

## Notes to the Financial Statements (continued)

### 1 Corporate Information

The entities of the Activities of Hillsong Church Australia (“Hillsong Church Australia” or “the Church”) are not-for-profit entities domiciled in Australia.

The principal place of business and registered office of Hillsong Church Australia is 1-9 Solent Circuit, Norwest, NSW, Australia. This financial report only includes the Australian activities of the Hillsong Church as defined in Note 2.

The financial report was authorised for issue by the directors of the entities of Hillsong Church Australia on 16 June 2022.

### 2 Summary of Significant Accounting Policies

#### (a) Basis of preparation

This combined financial report has been prepared for distribution to the members of each of the related entities identified in Note 2(b). The accounting policies used in the preparation of this combined financial report, as described below, are consistent with previous years to the extent described below and are, in the opinion of the directors of each of the related entities comprising Hillsong Church Australia identified in Note 2(b) (the ‘common directors’), appropriate to meet the needs of the members:

- (i) The financial report has been prepared on an accrual basis of accounting, including the historical cost convention and the going concern assumption;
- (ii) The combined Activities of Hillsong Church Australia is not a reporting entity because, in the opinion of the common directors of each of the related entities identified in Note 2(b), there are unlikely to exist users of the financial report who are unable to command the preparation of reports tailored so as to satisfy specifically all of their information needs, as the entities together operate an open book policy with its congregation in accordance with the Financial Charter of each of the related entities identified in Note 2(b).

The financial report complies with the measurement and recognition requirements of Australian Accounting Standards, except AASB 127 ‘*Consolidated and Separate Financial Statements*’. The basis upon which the combined financial report has been prepared is described in Note 2(b).

The common directors of each of the related entities identified in Note 2(b) have prepared the financial report in accordance with the disclosure requirements of AASB 101 ‘*Presentation of Financial Statements*’, AASB 107 ‘*Statement of Cash Flow*’, AASB 108 ‘*Accounting Policies, Changes in Accounting Estimates and Errors*’, AASB 1031 ‘*Materiality*’ and AASB 1048 ‘*Interpretation and Application of Accounting Standards*’.

The following accounting policies have been applied consistently to all periods presented in the financial report unless otherwise disclosed below. The combined financial report is presented in Australian dollars, which is the functional currency of all entities included in this financial report. Non-current assets are stated at the lower of carrying amount and fair value.

## **Notes to the Financial Statements (continued)**

### **2 Summary of Significant Accounting Policies (continued)**

#### **(b) Basis of combining entities**

The combined financial report comprises the aggregate of the financial statements of certain related entities as at and for the period ended 31 December each year which undertake charitable program primarily funded by congregation giving within the geographic region of Australia.

The combined financial report is not prepared on the basis of the identification of a head entity and the consolidation of all of the entities it controls or controlled during the financial period. The related entities have the same reporting period and apply consistent accounting policies. In preparing the combined financial statements, all intercompany balances, transactions, unrealized gains and losses resulting from intra-group transactions and dividends have been eliminated in full.

The entities included in the Hillsong Church Australia combined group for the year ended 31 December 2021, are as follows:

- Hillsong CityCare Ltd
- The Trustee for Hillsong Church Australia
- Hillsong Child Care Ltd
- Hillsong Media & Performing Arts Ltd

#### **(c) Statement of compliance**

This special purpose financial report complies with Australian Accounting Standards to the extent described in Note 2(a).

Certain Australian Accounting Standards and Interpretations have recently been issued or amended but are not yet effective and have not been adopted by Hillsong Church Australia for the annual reporting period ended 31 December 2021. The directors have not early adopted any of these new or amended standards or interpretations. The directors have not yet fully assessed the impact of these new or amended standards (to the extent relevant to the entities of Hillsong Church Australia) and interpretations.

#### **(d) Functional and presentation currency**

The combined financial report is presented in Australian dollars, which is the functional currency of all Hillsong Church Australia entities.

#### **(e) Use of estimates and judgements**

The preparation of financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected.



## Notes to the Financial Statements (continued)

### 2 Summary of Significant Accounting Policies (continued)

#### (f) Foreign currency transactions

Transactions in foreign currencies are translated at the foreign exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are translated to Australian dollars at the foreign exchange rate ruling at that date. Foreign exchange differences arising on translation are recognised in the Statement of Comprehensive Income. Non-monetary assets and liabilities that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction. Non-monetary assets and liabilities denominated in foreign currencies that are stated at fair value are translated to Australian dollars at foreign exchange rates ruling at the dates the fair value was determined.

#### (g) Plant and equipment

##### (i) Owned assets

Items of property, plant and equipment are stated at cost or deemed cost less accumulated depreciation (see below) and impairment losses (see Note 2(h)). The cost of self-constructed assets includes the cost of materials, direct labour, the initial estimate, where relevant, of the costs of dismantling and removing the items and restoring the site on which they are located, and an appropriate proportion of production overheads.

Where parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items of property, plant and equipment.

For assets identified as qualifying assets, the attributable borrowing costs have been capitalised in accordance with AASB 123 "Borrowing costs".

##### (ii) Subsequent costs

Hillsong Church Australia recognises in the carrying amount of an item of plant and equipment the cost of replacing part of such an item when that cost is incurred if it is probable that the future economic benefits embodied within the item will flow to Hillsong Church Australia and the cost of the item can be measured reliably. All other costs are recognised in the Statement of Comprehensive Income as an expense as incurred.

##### (iii) Depreciation

Depreciation is charged to the Statement of Comprehensive Income on a straight-line basis over the estimated useful lives of each part of an item of plant and equipment. The estimated useful lives in the current and comparative periods are as follows:

• Buildings and building improvements	5 – 33 years
• Plant and equipment, leased plant and equipment	2 – 50 years
• Capital improvements	3 – 33 years
• Leasehold improvements	5 – 20 years

The residual value, if not insignificant, is reassessed annually.

## **Notes to the Financial Statements (continued)**

### **2 Summary of Significant Accounting Policies (continued)**

#### **(h) Impairment**

The carrying amounts of Hillsong Church Australia's assets, other than inventories (see Note 2(j)) are reviewed at each Statement of Financial Position date to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated (see below).

An impairment loss is recognised whenever the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. Impairment losses are recognised in the Statement of Comprehensive Income.

##### *(i) Calculation of recoverable amount*

The recoverable amount of Hillsong Church Australia's receivables carried at amortised cost are calculated as the present value of estimated future cash flows, discounted at the original effective interest rate (i.e. the effective interest rate computed at initial recognition of these financial assets). Receivables with a short duration are not discounted.

Impairment of receivables is not recognised until objective evidence is available that a loss event has occurred.

The recoverable amount of other assets is the greater of their fair value less costs to sell and value in use. Where the future economic benefits of an asset is not primarily dependent on the asset's ability to generate net cash inflows and where Hillsong Church Australia would if deprived of the asset, replace its remaining future economic benefits, value in use is determined as the asset's fair value. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For an asset that does not generate largely independent cash inflows, the recoverable amount is determined for the cash-generating unit to which the asset belongs.

The recoverable amount of Hillsong Church Australia's receivables carried at amortised cost are calculated as the present value of estimated future cash flows, discounted at the original effective interest rate (i.e. the effective interest rate computed at initial recognition of these financial assets). Receivables with a short duration are not discounted.

##### *(ii) Reversals of impairment*

An impairment loss in respect of receivables carried at amortised cost is reversed if the subsequent increase in recoverable amount can be related objectively to an event occurring after the impairment loss was recognised.

An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

## Notes to the Financial Statements (continued)

### 2 Summary of Significant Accounting Policies (continued)

#### (i) Trade and other receivables

Trade and other receivables are stated at their amortised cost using the effective interest method less impairment losses (see Note 2(h)). Related party receivables are non-interest bearing.

#### (j) Inventories

Inventories relate mainly to food and other items held to be sold to the community through the Hillsong Citycare supermarket. Inventories are stated at the lower of cost and net realisable value. Cost is based on the weighted average cost principle. Net realisable value is determined on the basis of the normal selling patterns.

#### (k) Cash and cash equivalents

Cash and short-term deposits in the Statement of Financial Position comprise cash at banks and on hand and short-term deposits with a maturity of three months or less. For the purpose of the Statement of Cash Flows, cash and cash equivalents consist of cash and short-term deposits as defined above, net of outstanding bank overdrafts.

#### (l) Employee benefits

##### *(i) Defined contribution plans*

Obligations for contributions to defined contribution pension plans are recognised as an expense in the Statement of Comprehensive Income as incurred.

##### *(ii) Long-term service benefits*

The provision for employee entitlements to long service leave represents the present value of the estimated future cash flows to be made by the employer resulting from employee's services provided up to the balance date. In determining the liability for employee entitlements, consideration has been given to Hillsong Church Australia's experience with staff departures. Related on-costs have been included in the liability.

##### *(iii) Wages, salaries and annual leave*

Liabilities for employee entitlements to wages, salaries and annual leave represent present obligations resulting from employee's services provided up to the balance date. The liabilities have been calculated at discounted amounts based on remuneration that Hillsong Church Australia expects to pay and include related on-costs.

Whilst all employees are technically employed by a particular entity within the group, a recharge of salaries and wages expenses can be made through each of the entities which receive the benefits of these employees' services. This recharge includes the Entity's allocation of annual leave and long service leave expense. However, the provision for employee entitlements is retained in the employing entity.

##### *(iv) Comparatives*

When required, prior year comparatives have been reclassified in the financial report to be consistent with current year presentation.

## **Notes to the Financial Statements (continued)**

### **2 Summary of Significant Accounting Policies (continued)**

#### **(m) Trade and other payables**

Trade and other payables are stated at amounts contracted with other parties.

#### **(n) Revenue and other income**

##### *(i) General tithes and offerings*

General tithes and donations are made by Hillsong Church Australia congregation members. Revenue is recognised when received.

##### *(ii) Other donations*

Other voluntary donations are made by Hillsong Church Australia congregation members. These include specific purpose offerings, which are taken to fund a specific project or event and missions offerings collected to support Christian ministries who reach outside of Hillsong Church Australia's congregations. Revenue is recognised when entitled to be received. Donations received from related Hillsong entities are recognised when earned.

##### *(iii) Conference registration income*

There are three annual conferences held for which registration income is received. Revenue is recognised in the period in which the conference is held. Conference registration income received for conferences to be held in future periods is recognised on the Statement of Financial Position as income in advance.

##### *(iv) Welfare program funding and donations*

Revenue for welfare projects funding is received via government grants and general donations. Revenue from government grants is recognised in the same period in which expenses for the specific grant have been incurred and performance obligations fulfilled. Revenue received where expenditure has not occurred, and performance obligations not met is recognised in the Statement of Financial Position as income in advance. Undesignated donations are recognised when they are received.

##### *(v) Medical, counselling and services income*

Medical, counselling and service income is recognised as the underlying services are delivered.

##### *(vi) Financial income*

Interest income is recognised in the Statement of Comprehensive Income as it accrues, using the effective interest method.

##### *(vii) Grant income*

Grant income is recognised in the Statement of Comprehensive Income when performance obligations under the agreement are met.

## **Notes to the Financial Statements (continued)**

### **2 Summary of Significant Accounting Policies (continued)**

#### **(o) Leases**

The Church has equipment and commercial property leases for offices and Sunday services. With the exception of short-term leases and leases of low-value underlying assets, each lease is reflected on the balance sheet as a right-of-use asset and a lease liability. Variable lease payments which do not depend on an index or a rate (such as lease payments based on a percentage of the Entity sales) are excluded from the initial measurement of the lease liability and asset. The Entity classifies its right-of-use assets in a consistent manner to its property, plant and equipment.

#### **(p) Income taxes**

All of the individual entities within the Activities of Hillsong Church Australia combined financial report, have tax exempt status pursuant to section 50 - 5 Item 1.2 of the Income Tax Assessment Act 1997.

#### **(q) Goods and services tax (GST)**

Revenues, expenses and assets are recognised net of the amount of goods and services tax (GST), except where the amount of GST incurred is not recoverable from the Australian Taxation Office (ATO). In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of expense.

Receivables and payables are stated with the amount of GST included.

The net amount of GST recoverable from, or payable to, the ATO is included as a current asset or liability in the Statement of Financial Position.

Cash flows are included in the Statement of Cash Flows on a gross basis. The GST components of cash flows arising from investing and financing activities, which are recoverable from, or payable to, the ATO are classified as operating cash flows.



## Notes to the Financial Statements (continued)

### 2 Summary of Significant Accounting Policies (continued)

#### (r) Financial assets

##### *Initial recognition and measurement*

Financial assets shall be measured at amortised cost if it is held within a business model whose objective is to hold assets in order to collect contractual cash flows which arise on specified dates and that are solely principal and interest. All other financial assets are classified and measured at fair value through profit or loss. The Church determines the classification of its financial assets at initial recognition.

Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the Church commits to purchase or sell the asset.

##### *Subsequent measurement*

AASB 9 impairment requires the use of an expected credit loss ("ECL") model to recognise an allowance for those financial assets initially recognised at amortised cost. Impairment is measured using a 12-month ECL method unless the credit risk on a financial instrument has increased significantly since initial recognition in which case the lifetime ECL method is adopted. For trade receivables, a simplified approach to measuring expected credit losses using a lifetime expected loss allowance is available.

#### (s) Comparatives

When required, prior year comparatives have been reclassified in the financial report to be consistent with current year presentation.

## Notes to the Financial Statements (continued)

	2021	2020
	\$	\$
<b>3 Auditors' remuneration</b>		
<b><u>Audit services:</u></b>		
<i>The auditor of the entities of the Activities of Hillsong Church Australia is Ernst &amp; Young</i>		
Audit of the financial report	72,580	84,179
	<hr/>	<hr/>
<b>4 Expense items</b>		
Wages and salaries	26,171,870	28,205,901
Contributions to defined contribution plans	2,273,941	2,432,450
	<hr/>	<hr/>
	28,445,811	30,638,351
	<hr/>	<hr/>
Depreciation and amortisation	5,996,608	5,253,224
	<hr/>	<hr/>
<b>5 Net financing income</b>		
Interest received	465,579	503,764
Interest paid	(980,534)	(997,976)
	<hr/>	<hr/>
	(514,955)	(494,212)
	<hr/>	<hr/>
<b>6 Cash and cash equivalents</b>		
Cash on hand	119,568	149,246
Cash at bank	17,920,871	9,965,937
Short-term bank deposits	1,012,665	1,009,525
	<hr/>	<hr/>
	19,053,104	11,124,708
	<hr/>	<hr/>
<b>7 Trade and other receivables</b>		
<b><u>Current</u></b>		
Trade and other receivables	332,871	1,653,993
Security deposits	174,481	173,434
Prepayment	385,075	524,682
	<hr/>	<hr/>
	892,427	2,352,109
	<hr/>	<hr/>

**Notes to the Financial Statements (continued)**

	2020	2019
	\$	\$
<b>7 Trade and other receivables (continued)</b>		
<b>Non-current</b>		
Other receivables	706,729	-
Amounts receivable from related Hillsong entities	22,349,897	27,593,715
	<u>23,056,626</u>	<u>27,593,715</u>
<b>8 Inventories</b>		
Finished goods - at cost	254,058	225,804
	<u>254,058</u>	<u>225,804</u>
<b>9 Property, plant and equipment</b>		
<b>Land</b>		
Cost		
Balance at 1 January	330,000	330,000
Acquisitions	-	-
Balance at 31 December	<u>330,000</u>	<u>330,000</u>
Carrying value – Land	<u>330,000</u>	<u>330,000</u>
<b>Buildings</b>		
Cost		
Balance at 1 January	2,207,974	2,207,974
Acquisitions	-	-
Balance at 31 December	<u>2,207,974</u>	<u>2,207,974</u>
Accumulated depreciation		
Balance at 1 January	(544,748)	(448,961)
Depreciation charge for the year	(95,788)	(95,787)
Balance at 31 December	<u>(640,536)</u>	<u>(544,748)</u>
Carrying value - Buildings	<u>1,567,438</u>	<u>1,663,226</u>

## Notes to the Financial Statements (continued)

	2021 \$	2020 \$
<b>9 Property, plant and equipment (continued)</b>		
<b>Leasehold improvements</b>		
Cost		
Balance at 1 January	197,340	197,340
Acquisitions	220,512	-
Balance at 31 December	<u>417,852</u>	<u>197,340</u>
Accumulated depreciation		
Balance at 1 January	(14,852)	(9,443)
Depreciation charge for the year	(5,734)	(5,409)
Balance at 31 December	<u>(20,586)</u>	<u>(14,852)</u>
Carrying value – Leasehold improvements	<u>397,266</u>	<u>182,488</u>
<b>Plant and equipment</b>		
Cost		
Balance at 1 January	24,319,708	22,744,904
Acquisitions	722,593	1,615,394
Transfer of Assets	496,172	-
Disposals	(15,000)	(40,590)
Balance at 31 December	<u>25,523,473</u>	<u>24,319,708</u>
Accumulated depreciation		
Balance at 1 January	(12,432,237)	(10,179,075)
Depreciation charge for the year	(2,485,896)	(2,274,754)
Disposals	7,763	21,592
Balance at 31 December	<u>(14,910,370)</u>	<u>(12,432,237)</u>
Carrying value – Plant and Equipment	<u>10,613,103</u>	<u>11,887,471</u>
<b>Capital Improvements</b>		
Cost		
Balance at 1 January	496,172	-
Acquisitions	63,241	496,172
Transfer of Assets	(496,172)	-
Balance at 31 December	<u>63,241</u>	<u>496,172</u>
Carrying value - Capital Improvements	<u>63,241</u>	<u>496,172</u>

**Notes to the Financial Statements (continued)**

	<b>2021</b>	<b>2020</b>
	<b>\$</b>	<b>\$</b>
<b>9 Property, plant and equipment (continued)</b>		
<b>Fixtures and fittings</b>		
<b>Cost</b>		
Balance at 1 January	4,718	4,718
Transfer of Assets	-	-
Balance at 31 December	<u>4,718</u>	<u>4,718</u>
<b>Accumulated depreciation</b>		
Balance at 1 January	(3,303)	(2,582)
Depreciation charge for the year	(583)	(721)
Balance at 31 December	<u>(3,886)</u>	<u>(3,303)</u>
Carrying value – Fixtures and fittings	<u>832</u>	<u>1,415</u>
<b>Right of use assets</b>		
<b>Cost</b>		
Balance at 1 January	22,487,356	18,331,530
Adoptions	2,455,845	4,155,826
Balance at 31 December	<u>24,943,201</u>	<u>22,487,356</u>
<b>Accumulated amortisation</b>		
Balance at 1 January	(4,899,239)	(2,022,685)
Amortisation charge for the year	(3,408,607)	(2,876,554)
Balance at 31 December	<u>(8,307,846)</u>	<u>(4,899,239)</u>
Carrying value – Right of use assets	<u>16,635,355</u>	<u>17,588,117</u>
<b>Property, plant and equipment</b>	<u>29,607,235</u>	<u>32,148,890</u>



## Notes to the Financial Statements (continued)

	2021	2020
	\$	\$
<b>10 Trade and other payables-</b>		
<b><u>Current</u></b>		
Trade payables	1,940,789	1,215,293
Other creditors and accruals	972,520	90,797
	<u>2,913,309</u>	<u>1,306,090</u>
<b><u>Non-current</u></b>		
Amounts payable to related Hillsong entities	4,423,122	5,078,350
	<u>4,423,122</u>	<u>5,078,350</u>
<b>11 Lease liabilities</b>		
<b><u>Current</u></b>		
Lease liabilities	<u>3,094,291</u>	<u>3,318,972</u>
<b><u>Non-current</u></b>		
Lease liabilities	<u>17,299,368</u>	<u>17,813,974</u>
The entity has short-term leases for commercial property leases for Sunday services that are not recognised as lease liabilities. The payments for the short-term leases are expensed on a straight-line basis when incurred.		
Short-term leases	<u>993,583</u>	<u>753,326</u>
	<u>993,583</u>	<u>753,326</u>
<b>12 Employee benefits</b>		
<b><u>Current</u></b>		
Liability for annual leave	3,199,108	3,164,417
Liability for long service leave	1,785,353	1,755,349
Liability for superannuation	323,548	604,786
	<u>5,308,009</u>	<u>5,524,552</u>
<b><u>Non-current</u></b>		
Liability for long service leave	<u>710,806</u>	<u>641,669</u>
	<u>710,806</u>	<u>641,669</u>

## Notes to the Financial Statements (continued)

	2021 \$	2020 \$
<b>13 Unearned income</b>		
Income in advance	3,235,046	4,396,438
<b>14 Reconciliation of cash flows from operating activities</b>		
<b>(a) Reconciliation of cash</b>		
For the purposes of the Statement of Cash Flows, cash includes cash on hand and at bank and short term deposits at call, net of outstanding overdrafts. Cash at the end of the financial year as shown in the Statement of Cash Flows is reconciled to the related items in the Statement of Financial Position as follows:		
Cash and cash equivalents (see note 6)	19,053,104	11,124,708
	<u>19,053,104</u>	<u>11,124,708</u>
<b>(b) Reconciliation of cash flow from operations with net surplus</b>		
Net surplus for the year	514,318	4,696,547
Cash flows excluded from profit attributable to operating activities		
Non-cash items:		
Depreciation	2,588,001	2,376,671
Amortisation	3,408,607	2,876,553
Gain on sale of equipment	(36)	(24,184)
	<u>6,510,890</u>	<u>9,925,587</u>
Changes in assets and liabilities after transfer of net assets		
Decrease/(increase) in trade and other receivables	91,769	(1,139,960)
Increase in inventories	(28,254)	(66,286)
Decrease/(increase) in other assets	661,183	(206,852)
Increase/(decrease) in trade payables, other creditors and accruals	1,607,218	(1,593,516)
(Decrease)/increase in employee benefits	(147,406)	544,193
Decrease income in advance	(1,161,392)	(1,536,713)
Net cash flow from operating activities	<u>7,534,008</u>	<u>5,926,453</u>

## 15 Common control reserve

In previous years, Hillsong Church Australia was part of a reorganisation with other related entities. Entities have transferred and received assets and liabilities by way of gift and similarly certain related party loans have been forgiven. Both the borrowing and lending entities are part of the same group effecting the transaction through the common control equity reserve.

## **Notes to the Financial Statements (continued)**

### **16 Key management personnel transactions**

Key management personnel include the Board along with some non-board positions. Directors serve in a voluntary capacity; those board members who are also employed by the Church are remunerated for their executive responsibilities.

From time to time, key management personnel including directors or their related entities may purchase or sell goods, make donations, or generally partake in church related services offered by the Church and its related Hillsong entities. These transactions are carried out under the same terms and conditions generally applicable in respect of such activities. The terms and conditions of the transactions with key management personnel and their related entities were no more favourable than those also available, or which might reasonably be expected to be available, on similar arm's length transactions to other third parties.

Apart from the above, no director has entered into a material contract with the Church since the end of the previous year and there were no material contracts involving director's interests subsisting at year ended 31 December 2021.

### **17 Other related party transactions**

#### *Transactions with related Hillsong entities*

All transactions with related Hillsong entities are on normal terms and conditions, apart from amounts receivable from and payable to Hillsong Group entities, which are interest free and not required to be repaid within the next twelve months. There are no related party loans to and from individuals, only to Hillsong related entities.

### **18 Significant events after balance sheet date**

There have been other significant events occurring after balance date which may affect either the Church's operations or results of those operations or the Church's state of affairs.

### **19 Contingent liabilities**

In the ordinary course of operation, from time to time, the Church receive claims in respect to the property matters. At this time, the Board do not believe there are any claims which are material, nor quantifiable that need to be disclosed in the financial statements.

## **Directors' Declaration**

In the opinion of the directors of each of the related entities comprising the Activities of Hillsong Church Australia ("Hillsong Church Australia") as identified in Note 2(b):

- (a) Hillsong Church Australia is not a reporting entity as defined in the Australian Accounting Standards;
- (b) the financial statements and notes are in accordance with Australian Accounting Standards as described in Note 2(a) to the financial statements including fairly presenting the financial position of Hillsong Church Australia as at 31 December 2021 and its performance, as represented by the results of its operations and its cash flows for the year ended on that date.
- (c) there are reasonable grounds to believe that Hillsong Church Australia will be able to pay its debts as and when they become due and payable.

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

Director: .....

Dated: 16 June 2022

**The Activities of Hillsong Church Australia**  
**Combined Financial Report**  
**31 December 2020**



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## **Directors' Report**

The directors present their report together with the financial statements of The Activities of Hillsong Church Australia ("Hillsong Church Australia" or "the Church") for the year ended 31 December 2020 and the auditor's report thereon.

To view our corporate governance statement, financial charter and other policies please visit:  
<http://hillsong.com/policies>.

### **Directors**

The names and details of the Church's directors in office during the financial year and until the date of this report are as follows. Directors were in office for this entire period unless otherwise stated.

<b>Name</b>	<b>Experience and special responsibilities</b>
Ps Brian Houston	Minister of Religion; Global Senior Pastor Hillsong Church.
Ms Amanda Tay	Business person (appointed 29 May 2019)
Mr Dane Gambrill	Business person.
Mr George Aghajanian	Global General Manager of Hillsong Church.
Mr Grant Thomson	Minister of Religion. (resigned 29 March 2021)
Mr John Cooper-Williams	Business person.
Mr Leigh Howard-Smith	Business person (resigned 22 January 2020)
Ps Melinda Dwight	Minister of Religion.
Mr Nabi Saleh	Business person.
Ps Peter Toganivalu	Minister of Religion.
Mr Phillip Denton	Business person.

## Directors' Report (continued)

### Directors' meetings

The number of directors' meetings and number of meetings attended by each of the directors of the entities of Hillsong Church Australia during the financial year were:

<i>Director</i>	<i>Board Meetings</i>		<i>Audit Committee</i>		<i>Remuneration Committee</i>	
	<i>A</i>	<i>B</i>	<i>A</i>	<i>B</i>	<i>A</i>	<i>B</i>
Ps Brian Houston	4	4	0	0	0	0
Ms Amanda Tay	4	4	0	0	2	3
Mr George Aghajanian	4	4	11	11	0	0
Mr Nabi Saleh	4	4	8	11	2	3
Mr John Cooper-Williams	4	4	11	11	1	1
Mr Leigh Howard-Smith	0	0	0	0	0	0
Ps Grant Thomson	4	4	6	6	0	0
Mr Dane Gambrell	4	4	0	0	0	0
Mr Phillip Denton	4	4	11	11	3	3
Ps Melinda Dwight	4	4	0	0	0	0
Ps Peter Toganivalu	4	4	0	0	0	0

*A – Number of meetings attended by Director/Committee Member*

*B – Number of meetings held during the time the director held office*

### Objectives

The short and long-term objectives of Hillsong Church and related entities are to carry out Christian and charitable activities.

Each of the services and programs are individually managed and assessed to ensure they are effectively contributing to the achievement of each entity's mission.

### Operating results

Hillsong Church Australia's net result amounted to a surplus of \$4,696,547 (2019: surplus of \$5,934,184).

## **Directors' Report (continued)**

### **State of affairs**

In the opinion of the directors there were no other significant changes in the Church's state of affairs that occurred during the financial year.

### **Environmental regulation**

Hillsong Church Australia's operations are not subject to any significant environmental regulations under either Commonwealth or State legislation. However, the Board believes that the Church has adequate systems in place for the management of its environmental requirements and is not aware of any breach of those environmental requirements as they apply to the Church.

### **Significant events after the balance sheet date**

There have been no events subsequent to the balance sheet date which have significantly affected or may significantly affect

- a. The operations;
- b. The results of those operations; or
- c. The state of affairs of The Trustee for Hillsong Church Australia in future financial years.

### **Likely developments**

Hillsong Church Australia intends to continue operations in line with and fulfilling its Objectives (as outlined previously)

### **Indemnification and insurance officers**

#### ***Indemnification***

Since the end of the previous financial year, Hillsong Church Australia has indemnified current and former directors of the Church against all liabilities to another person (other than the Church or a related body corporate) that may arise from their position as directors of the Church, except where the liability arises out of conduct involving a lack of good faith.

#### ***Insurance***

Since the end of the previous financial year, Hillsong Church Australia has paid insurance premiums and legal expenses in respect of directors' and officers' liability insurance contracts, for current and former directors and officers. The directors have not included details of the nature of the liabilities covered or the amount of the premium paid as such disclosure is prohibited under the terms of the contract.

### **Members guarantee**

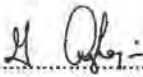
All entities within Hillsong Church Australia are not-for-profit companies limited by guarantee, with the exception of The Trustee for Hillsong Church Australia. If those entities which are companies limited by guarantee are wound up, the constitution states that each member is required to contribute a maximum of \$20 each towards meeting any outstanding obligations of the entities. The total amount members are liable to contribute varies depending on the size of the membership at any time but it is not expected to exceed \$1,000.

## **Directors' Report (continued)**

### **Auditor's independence declaration**

The directors of the entities of the Activities of Hillsong Church Australia received an independence declaration from the auditor, Ernst & Young. A copy has been included on page 26 of the report.

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

Director:  .....

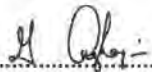
Dated: 25 May 2021

## **Directors' Declaration**

In the opinion of the directors of each of the related entities comprising the Activities of Hillsong Church Australia ("Hillsong Church Australia") as identified in Note 2(b):

- (a) Hillsong Church Australia is not a reporting entity as defined in the Australian Accounting Standards;
- (b) the financial statements and notes are in accordance with Australian Accounting Standards as described in Note 2(a) to the financial statements including fairly presenting the financial position of Hillsong Church Australia as at 31 December 2020 and its performance, as represented by the results of its operations and its cash flows for the year ended on that date.
- (c) there are reasonable grounds to believe that Hillsong Church Australia will be able to pay its debts as and when they become due and payable.

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

Director:  .....

Dated: 25 May 2021



## Statement of Comprehensive Income

For the Year Ended 31 December 2020

	2020	2019
Note	\$	\$
General tithes and offerings	51,870,446	56,167,039
Other donations	11,862,847	15,502,376
Conference registration income	2,869,590	8,233,673
Training and resource	101,685	151,238
Welfare program funding and donations	1,537,047	1,640,997
Medical, counselling and services income	2,838,369	2,954,554
Other revenue	6,693,556	9,257,627
Government grant income	9,977,775	-
<b>Total revenue</b>	<b>87,751,315</b>	<b>93,907,504</b>
Church and other benevolent activities	(74,864,157)	(72,930,540)
Resources	(259,729)	(246,912)
Conference expenses	(3,508,630)	(9,219,787)
Other expenses	(3,919,458)	(5,003,709)
<b>Total expenses</b>	<b>(82,551,974)</b>	<b>(87,400,948)</b>
<b>Surplus from operations</b>	<b>5,199,341</b>	<b>6,506,556</b>
Financial income	5 503,778	183,532
Financial expenses	5 (1,006,572)	(755,904)
<b>Net surplus available for church and ministry projects</b>	<b>4,696,547</b>	<b>5,934,184</b>
Other comprehensive income	-	-
<b>Total comprehensive surplus for the period</b>	<b>4,696,547</b>	<b>5,934,184</b>

## Statement of Financial Position

As At 31 December 2020

	Note	2020 \$	2019 \$
<b>ASSETS</b>			
Cash and cash equivalents	6	11,124,708	11,071,625
Trade and other receivables	7	1,653,993	493,587
Inventories	8	225,804	159,518
Other assets	7	698,116	491,263
<b>Total current assets</b>		<u>13,702,621</u>	<u>12,215,993</u>
Other receivables	7	27,542,048	19,512,480
Property, plant and equipment	9	32,148,890	31,153,718
<b>Total non-current assets</b>		<u>59,690,938</u>	<u>50,666,198</u>
<b>TOTAL ASSETS</b>		<u>73,393,559</u>	<u>62,882,191</u>
<b>LIABILITIES</b>			
Trade and other payables	10	1,306,090	2,899,608
Lease liabilities	11	3,318,972	2,839,702
Employee benefits	12	5,524,552	5,018,286
Unearned income	13	4,396,438	5,933,151
<b>Total current liabilities</b>		<u>14,546,052</u>	<u>16,690,747</u>
Other payables	10	5,026,683	756,331
Lease liabilities	11	17,813,974	16,298,190
Employee benefits	12	641,669	603,742
<b>Total non-current liabilities</b>		<u>23,482,326</u>	<u>17,658,263</u>
<b>TOTAL LIABILITIES</b>		<u>38,028,378</u>	<u>34,349,010</u>
<b>NET ASSETS</b>		<u>35,365,181</u>	<u>28,533,181</u>
<b>ACCUMULATED FUNDS</b>			
Common control reserve	15	17,451,665	15,535,762
Retained surplus		17,913,516	12,997,419
<b>TOTAL ACCUMULATED FUNDS</b>		<u>35,365,181</u>	<u>28,533,181</u>

The accompanying notes form part of these financial statements.

**Statement of Changes in Equity**  
For the Year Ended 31 December 2020

	<b>Common control reserve \$</b>	<b>Retained surplus \$</b>	<b>Total \$</b>
Balance at 1 January 2020	15,535,762	12,997,419	28,533,181
Related party debt forgiveness	2,135,453	-	2,135,453
Total comprehensive income for the period	-	4,696,547	4,696,547
Transfer of reserve	(219,550)	219,550	-
Balance at 31 December 2020	<u>17,451,665</u>	<u>17,913,516</u>	<u>35,365,181</u>

	<b>Common control reserve \$</b>	<b>Retained surplus \$</b>	<b>Total \$</b>
Balance at 1 January 2019	21,415,708	7,063,235	28,478,943
Transfer of assets	(2,952,347)	-	(2,952,347)
Related party debt forgiveness	(2,927,599)	-	(2,927,599)
Total comprehensive income for the period	-	5,934,184	5,934,184
Balance at 31 December 2019	<u>15,535,762</u>	<u>12,997,419</u>	<u>28,533,181</u>

**Statement of Cash Flows**  
 For the Year Ended 31 December 2020

	2020	2019
Note	\$	\$
<b>Cash flows from operating activities:</b>		
Cash receipts in the course of operations	86,314,032	97,178,039
Cash payments in the course of operations	(79,884,785)	(81,855,744)
Interest received	503,778	183,532
Interest paid	(1,006,572)	(755,904)
<b>Net cash provided by operating activities</b>	<b>14(b) 5,926,453</b>	<b>14,749,923</b>
<b>Cash flows from investing activities:</b>		
Payments for property, plant and equipment	(2,111,567)	(1,393,319)
Proceeds from sale of asset	43,181	-
<b>Net cash used in investing activities</b>	<b>(2,068,386)</b>	<b>(1,393,319)</b>
<b>Cash flows from financing activities:</b>		
Loans to related parties	(10,852,557)	(4,008,200)
Repayments from related parties	2,802,542	2,218,942
Loans from related parties	6,629,583	512,571
Repayments to related parties	(223,779)	(2,904,987)
Payments of lease liabilities	(2,160,774)	(1,199,124)
<b>Net cash used in financing activities</b>	<b>(3,804,985)</b>	<b>(5,380,798)</b>
<b>Net increase in cash and cash equivalents</b>	<b>53,083</b>	<b>7,975,806</b>
Cash and cash equivalents at beginning of year	11,071,625	3,095,819
<b>Cash and cash equivalents at end of year</b>	<b>14(a) 11,124,708</b>	<b>11,071,625</b>

The accompanying notes form part of these financial statements.

## **Notes to the Financial Statements (continued)**

### **1 Corporate Information**

The entities of the Activities of Hillsong Church Australia (“Hillsong Church Australia” or “the Church”) are not-for-profit entities domiciled in Australia.

The principal place of business and registered office of Hillsong Church Australia is 1-9 Solent Circuit, Norwest, NSW, Australia. This financial report only includes the Australian activities of the Hillsong Church as defined in Note 2.

The financial report was authorised for issue by the directors of the entities of Hillsong Church Australia on 25 May 2021.

### **2 Summary of Significant Accounting Policies**

#### **(a) Basis of preparation**

This combined financial report has been prepared for distribution to the members of each of the related entities identified in Note 2(b). The accounting policies used in the preparation of this combined financial report, as described below, are consistent with previous years to the extent described below and are, in the opinion of the directors of each of the related entities comprising Hillsong Church Australia identified in Note 2(b) (the ‘common directors’), appropriate to meet the needs of the members:

- (i) The financial report has been prepared on an accrual basis of accounting, including the historical cost convention and the going concern assumption;
- (ii) The combined Activities of Hillsong Church Australia is not a reporting entity because, in the opinion of the common directors of each of the related entities identified in Note 2(b), there are unlikely to exist users of the financial report who are unable to command the preparation of reports tailored so as to satisfy specifically all of their information needs, as the entities together operate an open book policy with its congregation in accordance with the Financial Charter of each of the related entities identified in Note 2(b).

The financial report complies with the measurement and recognition requirements of Australian Accounting Standards, except AASB 127 ‘*Consolidated and Separate Financial Statements*’. The basis upon which the combined financial report has been prepared is described in Note 2(b).

The common directors of each of the related entities identified in Note 2(b) have prepared the financial report in accordance with the disclosure requirements of AASB 101 ‘*Presentation of Financial Statements*’, AASB 107 ‘*Statement of Cash Flow*’, AASB 108 ‘*Accounting Policies, Changes in Accounting Estimates and Errors*’, AASB 1031 ‘*Materiality*’ and AASB 1048 ‘*Interpretation and Application of Accounting Standards*’.

The following accounting policies have been applied consistently to all periods presented in the financial report unless otherwise disclosed below. The combined financial report is presented in Australian dollars, which is the functional currency of all entities included in this financial report. Non-current assets are stated at the lower of carrying amount and fair value.

Current liabilities exceed current assets by \$843,431 (2019: \$4,474,754). Related parties have confirmed that they will provide financial support equal to the amount required to meet other creditor repayments as and when they fall due for a period of no less than twelve months from the date of approval of this financial report. The ability of the Entity to continue as going concern is strengthened by this support from related parties.

## **Notes to the Financial Statements (continued)**

### **2 Summary of Significant Accounting Policies (continued)**

#### **(b) Basis of combining entities**

The combined financial report is not prepared on the basis of the identification of a head entity and the consolidation of all of the entities it controls or controlled during the financial period. The combined financial report comprises the aggregate of the financial statements of certain related entities as at and for the period ended 31 December each year which undertake charitable initiatives within the geographic region of Australia.

The related entities have the same reporting period and apply consistent accounting policies. In preparing the combined financial statements, all intercompany balances, transactions, unrealized gains and losses resulting from intra-group transactions and dividends have been eliminated in full.

The entities included in the Hillsong Church Australia combined group for the year ended 31 December 2020, are as follows:

- Hillsong CityCare Ltd
- The Trustee for Hillsong Church Australia
- Hillsong Child Care Ltd
- Hillsong Media & Performing Arts Ltd

The prior year comparatives have been represented on a consistent basis for the above entities. In the adoption of AASB 16 'Leases', the prior year comparatives have been restated to in the combined financial report to be consistent with current year presentation.

#### **(c) Statement of compliance**

This special purpose financial report complies with Australian Accounting Standards to the extent described in Note 2(a).

Certain Australian Accounting Standards and Interpretations have recently been issued or amended but are not yet effective and have not been adopted by Hillsong Church Australia for the annual reporting period ended 31 December 2020. The directors have not early adopted any of these new or amended standards or interpretations. The directors have not yet fully assessed the impact of these new or amended standards (to the extent relevant to the entities of Hillsong Church Australia) and interpretations.

#### **(d) Functional and presentation currency**

The combined financial report is presented in Australian dollars, which is the functional currency of all Hillsong Church Australia entities.



## **Notes to the Financial Statements (continued)**

### **2 Summary of Significant Accounting Policies (continued)**

#### **(e) Use of estimates and judgements**

The preparation of financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected.

#### **(f) Foreign currency transactions**

Transactions in foreign currencies are translated at the foreign exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are translated to Australian dollars at the foreign exchange rate ruling at that date. Foreign exchange differences arising on translation are recognised in the Statement of Comprehensive Income. Non-monetary assets and liabilities that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction. Non-monetary assets and liabilities denominated in foreign currencies that are stated at fair value are translated to Australian dollars at foreign exchange rates ruling at the dates the fair value was determined.

#### **(g) Plant and equipment**

##### **(i) Owned assets**

Items of property, plant and equipment are stated at cost or deemed cost less accumulated depreciation (see below) and impairment losses (see Note 2(h)). The cost of self-constructed assets includes the cost of materials, direct labour, the initial estimate, where relevant, of the costs of dismantling and removing the items and restoring the site on which they are located, and an appropriate proportion of production overheads.

Where parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items of property, plant and equipment.

For assets identified as qualifying assets, the attributable borrowing costs have been capitalised in accordance with AASB 123 "Borrowing costs".

## Notes to the Financial Statements (continued)

### 2 Summary of Significant Accounting Policies (continued)

#### (g) Plant and equipment (continued)

##### (ii) Subsequent costs

Hillsong Church Australia recognises in the carrying amount of an item of plant and equipment the cost of replacing part of such an item when that cost is incurred if it is probable that the future economic benefits embodied within the item will flow to Hillsong Church Australia and the cost of the item can be measured reliably. All other costs are recognised in the Statement of Comprehensive Income as an expense as incurred.

##### (iii) Depreciation

Depreciation is charged to the Statement of Comprehensive Income on a straight-line basis over the estimated useful lives of each part of an item of plant and equipment. The estimated useful lives in the current and comparative periods are as follows:

- |   |              |
|---|--------------|
| • Buildings and building improvements             | 5 – 33 years |
| • Plant and equipment, leased plant and equipment | 2 – 50 years |
| • Capital improvements                            | 3 – 33 years |
| • Leasehold improvements                          | 5 – 20 years |

The residual value, if not insignificant, is reassessed annually.

#### (h) Impairment

The carrying amounts of Hillsong Church Australia's assets, other than inventories (see Note 2(j)) are reviewed at each Statement of Financial Position date to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated (see below).

An impairment loss is recognised whenever the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. Impairment losses are recognised in the Statement of Comprehensive Income.

##### (i) Calculation of recoverable amount

The recoverable amount of Hillsong Church Australia's receivables carried at amortised cost are calculated as the present value of estimated future cash flows, discounted at the original effective interest rate (i.e. the effective interest rate computed at initial recognition of these financial assets). Receivables with a short duration are not discounted.

Impairment of receivables is not recognised until objective evidence is available that a loss event has occurred.

## **Notes to the Financial Statements (continued)**

### **2 Summary of Significant Accounting Policies (continued)**

#### **(h) Impairment (continued)**

##### *(i) Calculation of recoverable amount (continued)*

The recoverable amount of other assets is the greater of their fair value less costs to sell and value in use. Where the future economic benefits of an asset is not primarily dependent on the asset's ability to generate net cash inflows and where Hillsong Church Australia would if deprived of the asset, replace its remaining future economic benefits, value in use is determined as the asset's fair value. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For an asset that does not generate largely independent cash inflows, the recoverable amount is determined for the cash-generating unit to which the asset belongs.

The recoverable amount of Hillsong Church Australia's receivables carried at amortised cost are calculated as the present value of estimated future cash flows, discounted at the original effective interest rate (i.e. the effective interest rate computed at initial recognition of these financial assets). Receivables with a short duration are not discounted.

##### *(ii) Reversals of impairment*

An impairment loss in respect of receivables carried at amortised cost is reversed if the subsequent increase in recoverable amount can be related objectively to an event occurring after the impairment loss was recognised.

An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

#### **(i) Trade and other receivables**

Trade and other receivables are stated at their amortised cost using the effective interest method less impairment losses (see Note 2(h)). Related party receivables are non-interest bearing.

#### **(j) Inventories**

Inventories relate mainly to food and other items held to be sold to the community through the Hillsong Citycare supermarket. Inventories are stated at the lower of cost and net realisable value. Cost is based on the weighted average cost principle. Net realisable value is determined on the basis of the normal selling patterns.

#### **(k) Cash and cash equivalents**

Cash and short-term deposits in the Statement of Financial Position comprise cash at banks and on hand and short-term deposits with a maturity of three months or less. For the purpose of the Statement of Cash Flows, cash and cash equivalents consist of cash and short-term deposits as defined above, net of outstanding bank overdrafts

## **Notes to the Financial Statements (continued)**

### **2 Summary of Significant Accounting Policies (continued)**

#### **(l) Employee benefits**

##### *(i) Defined contribution plans*

Obligations for contributions to defined contribution pension plans are recognised as an expense in the Statement of Comprehensive Income as incurred.

##### *(ii) Long-term service benefits*

The provision for employee entitlements to long service leave represents the present value of the estimated future cash flows to be made by the employer resulting from employee's services provided up to the balance date. In determining the liability for employee entitlements, consideration has been given to Hillsong Church Australia's experience with staff departures. Related on-costs have been included in the liability.

##### *(iii) Wages, salaries and annual leave*

Liabilities for employee entitlements to wages, salaries and annual leave represent present obligations resulting from employee's services provided up to the balance date. The liabilities have been calculated at discounted amounts based on remuneration that Hillsong Church Australia expects to pay and include related on-costs.

Whilst all employees are technically employed by a particular entity within the group, a recharge of salaries and wages expenses can be made through each of the entities which receive the benefits of these employees' services. This recharge includes the Entity's allocation of annual leave and long service leave expense. However, the provision for employee entitlements is retained in the employing entity.

##### *(iv) Comparatives*

When required, prior year comparatives have been reclassified in the financial report to be consistent with current year presentation.

#### **(m) Trade and other payables**

Trade and other payables are stated at amounts contracted with other parties.

#### **(n) Revenue and other income**

##### *(i) General tithes and offerings*

General tithes and donations are made by Hillsong Church Australia congregation members. Revenue is recognised when received.

##### *(ii) Other donations*

Other voluntary donations are made by Hillsong Church Australia congregation members. These include specific purpose offerings, which are taken to fund a specific project or event and missions offerings collected to support Christian ministries who reach outside of Hillsong Church Australia's congregations. Revenue is recognised when entitled to be received. Donations received from related parties are recognised when earned.

## **Notes to the Financial Statements (continued)**

### **2 Summary of Significant Accounting Policies (continued)**

#### **(n) Revenue and other income (continued)**

##### *(iii) Conference registration income*

There are three annual conferences held for which registration income is received. Revenue is recognised in the period in which the conference is held. Conference registration income received for conferences to be held in future periods is recognised on the Statement of Financial Position as income in advance.

##### *(iv) Welfare program funding and donations*

Revenue for welfare projects funding is received via government grants and general donations. Revenue from government grants is recognised in the same period in which expenses for the specific grant have been incurred and performance obligations fulfilled. Revenue received where expenditure has not occurred, and performance obligations not met is recognised in the Statement of Financial Position as income in advance. Undesignated donations are recognised when they are received.

##### *(v) Medical, counselling and services income*

Medical, counselling and service income is recognised as the underlying services are delivered.

##### *(vi) Financial income*

Interest income is recognised in the Statement of Comprehensive Income as it accrues, using the effective interest method.

##### *(vii) Grant income*

Grant income is recognised in the Statement of Comprehensive Income when performance obligations under the agreement are met.

## **Notes to the Financial Statements (continued)**

### **2 Summary of Significant Accounting Policies (continued)**

#### **(o) Leases**

The Church has equipment and commercial property leases for offices and Sunday services. With the exception of short-term leases and leases of low-value underlying assets, each lease is reflected on the balance sheet as a right-of-use asset and a lease liability. Variable lease payments which do not depend on an index or a rate (such as lease payments based on a percentage of the Entity sales) are excluded from the initial measurement of the lease liability and asset. The Entity classifies its right-of-use assets in a consistent manner to its property, plant and equipment.

#### **(p) Income taxes**

All of the individual entities within the Activities of Hillsong Church Australia combined financial report, have tax exempt status pursuant to section 50 - 5 Item 1.2 of the Income Tax Assessment Act 1997.

#### **(q) Goods and services tax (GST)**

Revenues, expenses and assets are recognised net of the amount of goods and services tax (GST), except where the amount of GST incurred is not recoverable from the Australian Taxation Office (ATO). In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of expense.

Receivables and payables are stated with the amount of GST included.

The net amount of GST recoverable from, or payable to, the ATO is included as a current asset or liability in the Statement of Financial Position.

Cash flows are included in the Statement of Cash Flows on a gross basis. The GST components of cash flows arising from investing and financing activities, which are recoverable from, or payable to, the ATO are classified as operating cash flows.



## **Notes to the Financial Statements (continued)**

### **2 Summary of Significant Accounting Policies (continued)**

#### **(r) Financial assets**

##### *Initial recognition and measurement*

Financial assets shall be measured at amortised cost if it is held within a business model whose objective is to hold assets in order to collect contractual cash flows which arise on specified dates and that are solely principal and interest. All other financial assets are classified and measured at fair value through profit or loss. The Church determines the classification of its financial assets at initial recognition.

Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the Church commits to purchase or sell the asset.

##### *Subsequent measurement*

AASB 9 impairment requires the use of an expected credit loss (“ECL”) model to recognise an allowance for those financial assets initially recognised at amortised cost. Impairment is measured using a 12-month ECL method unless the credit risk on a financial instrument has increased significantly since initial recognition in which case the lifetime ECL method is adopted. For trade receivables, a simplified approach to measuring expected credit losses using a lifetime expected loss allowance is available.

#### **(s) Comparatives**

When required, prior year comparatives have been reclassified in the financial report to be consistent with current year presentation.

## Notes to the Financial Statements (continued)

	2020	2019
	\$	\$
<b>3 Auditors' remuneration</b>		
<b><u>Audit services:</u></b>		
<i>The auditor of the entities of the Activities of Hillsong Church Australia is Ernst &amp; Young</i>		
Audit of the financial report	84,179	72,500
	<hr/>	<hr/>
<b>4 Expense items</b>		
Wages and salaries	28,205,901	26,970,342
Contributions to defined contribution plans	2,432,450	2,273,267
	<hr/>	<hr/>
	30,638,351	29,243,609
	<hr/>	<hr/>
Depreciation	5,253,224	4,739,823
	<hr/>	<hr/>
<b>5 Net financing income</b>		
Interest received	503,778	183,532
Interest paid	(1,006,572)	(755,904)
	<hr/>	<hr/>
	(502,794)	(572,372)
	<hr/>	<hr/>
<b>6 Cash and cash equivalents</b>		
Cash on hand	149,246	552,430
Cash at bank	9,965,937	9,519,195
Short-term bank deposits	1,009,525	1,000,000
	<hr/>	<hr/>
	11,124,708	11,071,625
	<hr/>	<hr/>
<b>7 Trade and other receivables</b>		
<b><u>Current</u></b>		
Trade and other receivables	1,653,993	305,655
Security deposits	173,434	187,932
Prepayment	524,682	491,263
	<hr/>	<hr/>
	2,352,109	984,850
	<hr/>	<hr/>

## Notes to the Financial Statements (continued)

	2020	2019
	\$	\$
<b>7 Trade and other receivables (continued)</b>		
<b>Non-current</b>		
Other receivables	-	20,446
Amounts receivable from related parties	<u>27,542,048</u>	<u>19,492,034</u>
	<u>27,542,048</u>	<u>19,512,480</u>
<b>8 Inventories</b>		
Finished goods - at cost	<u>225,804</u>	<u>159,518</u>
	<u>225,804</u>	<u>159,518</u>
<b>9 Property, plant and equipment</b>		
<b>Land</b>		
Cost		
Balance at 1 January	330,000	330,000
Acquisitions	<u>-</u>	<u>-</u>
Balance at 31 December	<u>330,000</u>	<u>330,000</u>
Carrying value – Land	<u>330,000</u>	<u>330,000</u>
<b>Buildings</b>		
Cost		
Balance at 1 January	2,207,974	2,207,974
Acquisitions	<u>-</u>	<u>-</u>
Balance at 31 December	<u>2,207,974</u>	<u>2,207,974</u>
Accumulated depreciation		
Balance at 1 January	(448,961)	(353,175)
Depreciation charge for the year	<u>(95,787)</u>	<u>(95,786)</u>
Balance at 31 December	<u>(544,748)</u>	<u>(448,961)</u>
Carrying value - Buildings	<u>1,663,226</u>	<u>1,759,013</u>

## Notes to the Financial Statements (continued)

	2020 \$	2019 \$
<b>9 Property, plant and equipment (continued)</b>		
<b>Leasehold improvements</b>		
Cost		
Balance at 1 January	197,340	151,291
Acquisitions	-	46,049
Balance at 31 December	<u>197,340</u>	<u>197,340</u>
Accumulated depreciation		
Balance at 1 January	(9,443)	(5,372)
Depreciation charge for the year	(5,409)	(4,071)
Balance at 31 December	<u>(14,852)</u>	<u>(9,443)</u>
Carrying value – Leasehold improvements	<u>182,488</u>	<u>187,897</u>
<b>Plant and equipment</b>		
Cost		
Balance at 1 January	22,807,010	24,310,896
Acquisitions	1,615,394	1,347,269
Transfer of Assets	-	(2,851,155)
Disposals	(40,590)	-
Balance at 31 December	<u>24,381,814</u>	<u>22,807,010</u>
Accumulated depreciation		
Balance at 1 January	(10,241,181)	(7,624,663)
Depreciation charge for the year	(2,274,754)	(2,616,518)
Disposals	21,592	-
Balance at 31 December	<u>(12,494,343)</u>	<u>(10,241,181)</u>
Carrying value – Plant and Equipment	<u>11,887,471</u>	<u>12,565,829</u>
<b>Capital Improvements</b>		
Cost		
Balance at 1 January	-	-
Acquisitions	496,172	101,189
Transfer of Assets	-	(101,189)
Balance at 31 December	<u>496,172</u>	<u>-</u>
Carrying value - Capital Improvements	<u>496,172</u>	<u>-</u>

## Notes to the Financial Statements (continued)

	2020	2019
	\$	\$
<b>9 Property, plant and equipment (continued)</b>		
<b>Fixtures and fittings</b>		
Cost		
Balance at 1 January	4,718	4,718
Transfer of Assets	-	-
Balance at 31 December	<u>4,718</u>	<u>4,718</u>
Accumulated depreciation		
Balance at 1 January	(2,582)	(1,820)
Depreciation charge for the year	(721)	(762)
Balance at 31 December	<u>(3,303)</u>	<u>(2,582)</u>
Carrying value – Fixtures and fittings	<u>1,415</u>	<u>2,136</u>
<b>Right of use assets</b>		
Cost		
Balance at 1 January	18,331,530	-
Adoption	-	18,331,530
Acquisitions	4,155,826	-
Balance at 31 December	<u>22,487,356</u>	<u>18,331,530</u>
Accumulated amortisation		
Balance at 1 January	(2,022,685)	-
Amortisation charge for the year	(2,876,554)	(2,022,685)
Balance at 31 December	<u>(4,899,239)</u>	<u>(2,022,685)</u>
Carrying value – Right of use assets	<u>17,588,117</u>	<u>16,308,845</u>
<b>Property, plant and equipment</b>	<u>32,148,890</u>	<u>31,153,718</u>

## Notes to the Financial Statements (continued)

	2020 \$	2019 \$
<b>10 Trade and other payables-</b>		
<b><u>Current</u></b>		
Trade payables	1,215,293	2,862,840
Other creditors and accruals	90,797	36,768
	<u>1,306,090</u>	<u>2,899,608</u>
<b><u>Non-current</u></b>		
Amounts payable to related parties	5,026,683	756,331
	<u>5,026,683</u>	<u>756,331</u>
<b>11 Lease liabilities</b>		
<b><u>Current</u></b>		
Lease liabilities	<u>3,318,972</u>	<u>2,839,702</u>
<b><u>Non-current</u></b>		
Lease liabilities	<u>17,813,974</u>	<u>16,298,190</u>
The entity has short-term leases for commercial property leases for Sunday services that are not recognised as lease liabilities. The payments for the short-term leases are expensed on a straight-line basis when incurred.		
Short-term leases	<u>753,326</u>	<u>2,598,943</u>
	<u>753,326</u>	<u>2,598,943</u>
<b>12 Employee benefits</b>		
<b><u>Current</u></b>		
Liability for annual leave	3,164,417	3,120,838
Liability for long service leave	1,755,349	1,657,614
Liability for superannuation	604,786	239,834
	<u>5,524,552</u>	<u>5,018,286</u>
<b><u>Non-current</u></b>		
Liability for long service leave	641,669	603,742
	<u>641,669</u>	<u>603,742</u>



## Notes to the Financial Statements (continued)

	2020	2019
	\$	\$
<b>13 Unearned income</b>		
Income in advance	4,396,438	5,933,151
	4,396,438	5,933,151
<b>14 Reconciliation of cash flows from operating activities</b>		
<b>(a) Reconciliation of cash</b>		
<p>For the purposes of the Statement of Cash Flows, cash includes cash on hand and at bank and short term deposits at call, net of outstanding overdrafts. Cash at the end of the financial year as shown in the Statement of Cash Flows is reconciled to the related items in the Statement of Financial Position as follows:</p>		
Cash and cash equivalents (see note 7)	11,124,708	11,071,625
	11,124,708	11,071,625
<b>(b) Reconciliation of cash flow from operations with net surplus</b>		
Net surplus for the year	4,696,547	5,934,184
Cash flows excluded from profit attributable to operating activities		
Non-cash items:		
Depreciation	2,376,671	2,717,136
Amortisation	2,876,553	2,022,687
Gain on sale of equipment	(24,184)	-
	9,925,587	10,674,007
Changes in assets and liabilities after transfer of net assets		
(Increase)/decrease in trade and other receivables	(1,139,960)	3,270,534
Increase in inventories	(66,286)	(47,578)
Increase in other assets	(206,852)	(164,316)
(Decrease)/increase in trade payables, other creditors and accruals	(1,593,516)	507,427
Increase in employee benefits	544,193	664,676
(Decrease)/increase in income in advance	(1,536,713)	(154,827)
Net cash flow from operating activities	5,926,453	14,749,923

## 15 Common control reserve

In 2016, 2017, 2019 & 2020 Hillsong Church Australia was part of a reorganisation with other related entities. Entities have transferred and received assets and liabilities by way of gift and similarly certain related party loans have been forgiven. Both the borrowing and lending entities are part of the same group effecting the transaction through the common control equity reserve.

## **Notes to the Financial Statements (continued)**

### **16 Key management personnel transactions**

Key management personnel include the Board along with some non-board positions. Directors serve in a voluntary capacity; those board members who are also employed by the Church are remunerated for their executive responsibilities.

From time to time, key management personnel including directors or their related entities may purchase or sell goods, make donations, or generally partake in church related services offered by the Church and its related parties. These transactions are carried out under the same terms and conditions generally applicable in respect of such activities. The terms and conditions of the transactions with key management personnel and their related entities were no more favourable than those also available, or which might reasonably be expected to be available, on similar arm's length transactions to other third parties.

Apart from the above, no director has entered into a material contract with the Church since the end of the previous year and there were no material contracts involving director's interests subsisting at year ended 31 December 2020.

### **17 Other related party transactions**

#### *Transactions with related parties*

All transactions with related parties are on normal terms and conditions, apart from amounts receivable from and payable to Hillsong Group entities, which are interest free and not required to be repaid within the next twelve months.

### **18 Significant events after balance sheet date**

There have been other significant events occurring after balance date which may affect either the Church's operations or results of those operations or the Church's state of affairs.

### **19 Contingent liabilities**

In the ordinary course of operation, from time to time, the Church receive claims in respect to the property matters. At this time, the Board do not believe there are any claims which are material, nor quantifiable that need to be disclosed in the financial statements.



**Building a better  
working world**

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## **Auditor's Independence Declaration to the Common Directors of the related entities comprising The Activities of Hillsong Church Australia**

As auditor of The Activities of Hillsong Church Australia for the financial year ended 31 December 2020, I declare to the best of my knowledge and belief, there have been no contraventions of any applicable code of professional conduct in relation to the audit.

Ernst & Young

Anthony Jones  
Partner  
Sydney  
25 May 2021

**The Activities of Hillsong Church Australia**  
**Combined Financial Report**  
**31 December 2020**

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## **Directors' Report**

The directors present their report together with the financial statements of The Activities of Hillsong Church Australia ("Hillsong Church Australia" or "the Church") for the year ended 31 December 2020 and the auditor's report thereon.

To view our corporate governance statement, financial charter and other policies please visit:  
<http://hillsong.com/policies>.

### **Directors**

The names and details of the Church's directors in office during the financial year and until the date of this report are as follows. Directors were in office for this entire period unless otherwise stated.

<b>Name</b>	<b>Experience and special responsibilities</b>
Ps Brian Houston	Minister of Religion; Global Senior Pastor Hillsong Church.
Ms Amanda Tay	Business person (appointed 29 May 2019)
Mr Dane Gambrell	Business person.
Mr George Aghajanian	Global General Manager of Hillsong Church.
Mr Grant Thomson	Minister of Religion. (resigned 29 March 2021)
Mr John Cooper-Williams	Business person.
Mr Leigh Howard-Smith	Business person (resigned 22 January 2020)
Ps Melinda Dwight	Minister of Religion.
Mr Nabi Saleh	Business person.
Ps Peter Toganivalu	Minister of Religion.
Mr Phillip Denton	Business person.



## Directors' Report (continued)

### Directors' meetings

The number of directors' meetings and number of meetings attended by each of the directors of the entities of Hillsong Church Australia during the financial year were:

<i>Director</i>	<i>Board Meetings</i>		<i>Audit Committee</i>		<i>Remuneration Committee</i>	
	<i>A</i>	<i>B</i>	<i>A</i>	<i>B</i>	<i>A</i>	<i>B</i>
Ps Brian Houston	4	4	0	0	0	0
Ms Amanda Tay	4	4	0	0	2	3
Mr George Aghajanian	4	4	11	11	0	0
Mr Nabi Saleh	4	4	8	11	2	3
Mr John Cooper-Williams	4	4	11	11	1	1
Mr Leigh Howard-Smith	0	0	0	0	0	0
Ps Grant Thomson	4	4	6	6	0	0
Mr Dane Gambrill	4	4	0	0	0	0
Mr Phillip Denton	4	4	11	11	3	3
Ps Melinda Dwight	4	4	0	0	0	0
Ps Peter Toganivalu	4	4	0	0	0	0

*A* – Number of meetings attended by Director/Committee Member

*B* – Number of meetings held during the time the director held office

### Objectives

The short and long-term objectives of Hillsong Church and related entities are to carry out Christian and charitable activities.

Each of the services and programs are individually managed and assessed to ensure they are effectively contributing to the achievement of each entity's mission.

### Operating results

Hillsong Church Australia's net result amounted to a surplus of \$4,696,547 (2019: surplus of \$5,882,518).

## **Directors' Report (continued)**

### **State of affairs**

In the opinion of the directors there were no other significant changes in the Church's state of affairs that occurred during the financial year.

### **Environmental regulation**

Hillsong Church Australia's operations are not subject to any significant environmental regulations under either Commonwealth or State legislation. However, the Board believes that the Church has adequate systems in place for the management of its environmental requirements and is not aware of any breach of those environmental requirements as they apply to the Church.

### **Significant events after the balance sheet date**

There have been no events subsequent to the balance sheet date which have significantly affected or may significantly affect

- a. The operations;
- b. The results of those operations; or
- c. The state of affairs of The Trustee for Hillsong Church Australia in future financial years.

### **Likely developments**

Hillsong Church Australia intends to continue operations in line with and fulfilling its Objectives (as outlined previously)

### **Indemnification and insurance officers**

#### ***Indemnification***

Since the end of the previous financial year, Hillsong Church Australia has indemnified current and former directors of the Church against all liabilities to another person (other than the Church or a related body corporate) that may arise from their position as directors of the Church, except where the liability arises out of conduct involving a lack of good faith.

#### ***Insurance***

Since the end of the previous financial year, Hillsong Church Australia has paid insurance premiums and legal expenses in respect of directors' and officers' liability insurance contracts, for current and former directors and officers. The directors have not included details of the nature of the liabilities covered or the amount of the premium paid as such disclosure is prohibited under the terms of the contract.

### **Members guarantee**

All entities within Hillsong Church Australia are not-for-profit companies limited by guarantee, with the exception of The Trustee for Hillsong Church Australia. If those entities which are companies limited by guarantee are wound up, the constitution states that each member is required to contribute a maximum of \$20 each towards meeting any outstanding obligations of the entities. The total amount members are liable to contribute varies depending on the size of the membership at any time but it is not expected to exceed \$1,000.

## **Directors' Report (continued)**

### **Auditor's independence declaration**

The directors of the entities of the Activities of Hillsong Church Australia received an independence declaration from the auditor, Ernst & Young. A copy has been included on page 28 of the report.

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

Director: .....

Dated: 29 April 2021

**Statement of Financial Position**  
As At 31 December 2020

	Note	2020 \$	2019 \$
<b>ASSETS</b>			
Cash and cash equivalents	6	11,124,708	11,071,625
Trade and other receivables	7	1,653,993	493,587
Inventories	8	225,804	159,518
Other assets	7	698,116	491,263
<b>Total current assets</b>		<u>13,702,621</u>	<u>12,215,993</u>
Other receivables	7	27,542,048	19,564,146
Property, plant and equipment	9	32,148,890	31,153,718
<b>Total non-current assets</b>		<u>59,690,637</u>	<u>50,717,864</u>
<b>TOTAL ASSETS</b>		<u>73,393,558</u>	<u>62,933,857</u>
<b>LIABILITIES</b>			
Trade and other payables	10	1,306,090	2,899,608
Interest bearing liabilities	11	3,318,972	2,839,702
Employee benefits	12	5,524,552	5,018,286
Unearned income	13	4,396,438	5,933,151
<b>Total current liabilities</b>		<u>14,546,052</u>	<u>16,690,748</u>
Other payables	10	5,026,682	807,998
Interest bearing liabilities	11	17,813,974	16,298,192
Employee benefits	12	641,669	603,742
<b>Total non-current liabilities</b>		<u>23,482,325</u>	<u>17,709,932</u>
<b>TOTAL LIABILITIES</b>		<u>38,028,377</u>	<u>34,400,680</u>
<b>NET ASSETS</b>		<u>35,365,181</u>	<u>28,533,181</u>
<b>ACCUMULATED FUNDS</b>			
Common control reserve	15	17,451,665	15,535,762
Retained surplus		<u>17,913,516</u>	<u>12,997,419</u>
<b>TOTAL ACCUMULATED FUNDS</b>		<u>35,365,181</u>	<u>28,533,181</u>

The accompanying notes form part of these financial statements.

**Statement of Changes in Equity**  
For the Year Ended 31 December 2020

	<b>Common control reserve \$</b>	<b>Retained surplus \$</b>	<b>Total \$</b>
Balance at 1 January 2020	15,535,762	12,997,419	28,533,181
Related party debt forgiveness	2,135,453	-	2,135,453
Total comprehensive income for the period	-	4,696,547	4,696,547
Transfer of reserve	(219,550)	219,550	-
Balance at 31 December 2020	<u>17,451,665</u>	<u>17,913,516</u>	<u>35,365,181</u>

	<b>Common control reserve \$</b>	<b>Retained surplus \$</b>	<b>Total \$</b>
Balance at 1 January 2019	21,415,708	7,114,901	28,530,609
Transfer of assets	(2,952,347)	-	(2,952,347)
Related party debt forgiveness	(2,927,599)	-	(2,927,599)
Total comprehensive income for the period	-	5,882,518	5,882,518
Balance at 31 December 2019	<u>15,535,762</u>	<u>12,997,419</u>	<u>28,533,181</u>

The accompanying notes form part of these financial statements.

**Statement of Cash Flows**  
**For the Year Ended 31 December 2020**

	2020	2019
Note	\$	\$
<b>Cash flows from operating activities:</b>		
Cash receipts in the course of operations	86,586,048	97,178,039
Cash payments in the course of operations	(80,156,800)	(81,563,505)
Interest received	503,778	183,532
Interest paid	(1,006,572)	(947,300)
<b>Net cash provided by operating activities</b>	14(b) 5,926,453	14,850,766
<b>Cash flows from investing activities:</b>		
Payments for property, plant and equipment	(2,111,567)	(1,097,770)
Proceeds from sale of asset	43,181	-
<b>Net cash used in investing activities</b>	(2,068,386)	(1,097,770)
<b>Cash flows from financing activities:</b>		
Loans to related parties	(10,852,557)	(4,008,200)
Repayments from related parties	2,802,542	2,218,942
Loans from related parties	6,629,583	512,571
Repayments to related parties	(223,779)	(2,904,987)
Payments of lease liabilities	(2,160,774)	-
Receipts from borrowing lease liabilities	-	21,732,953
<b>Net cash used in financing activities</b>	(3,804,985)	17,551,279
<b>Net increase in cash and cash equivalents</b>	53,083	7,975,806
Cash and cash equivalents at beginning of year	11,071,625	3,095,819
<b>Cash and cash equivalents at end of year</b>	14(a) 11,124,708	11,071,625

The accompanying notes form part of these financial statements.



## Notes to the Financial Statements (continued)

### 1 Corporate Information

The entities of the Activities of Hillsong Church Australia ("Hillsong Church Australia" or "the Church") are not-for-profit entities domiciled in Australia.

The principal place of business and registered office of Hillsong Church Australia is 1-9 Solent Circuit, Norwest, NSW, Australia. This financial report only includes the Australian activities of the Hillsong Church as defined in Note 2.

The financial report was authorised for issue by the directors of the entities of Hillsong Church Australia on 29 April 2021.

### 2 Summary of Significant Accounting Policies

#### (a) Basis of preparation

This combined financial report has been prepared for distribution to the members of each of the related entities identified in Note 2(b). The accounting policies used in the preparation of this combined financial report, as described below, are consistent with previous years to the extent described below and are, in the opinion of the directors of each of the related entities comprising Hillsong Church Australia identified in Note 2(b) (the 'common directors'), appropriate to meet the needs of the members:

- (i) The financial report has been prepared on an accrual basis of accounting, including the historical cost convention and the going concern assumption;
- (ii) The combined Activities of Hillsong Church Australia is not a reporting entity because, in the opinion of the common directors of each of the related entities identified in Note 2(b), there are unlikely to exist users of the financial report who are unable to command the preparation of reports tailored so as to satisfy specifically all of their information needs, as the entities together operate an open book policy with its congregation in accordance with the Financial Charter of each of the related entities identified in Note 2(b).

The financial report complies with the measurement and recognition requirements of Australian Accounting Standards, except AASB 127 '*Consolidated and Separate Financial Statements*'. The basis upon which the combined financial report has been prepared is described in Note 2(b).

The common directors of each of the related entities identified in Note 2(b) have prepared the financial report in accordance with the disclosure requirements of AASB 101 '*Presentation of Financial Statements*', AASB 107 '*Statement of Cash Flow*', AASB 108 '*Accounting Policies, Changes in Accounting Estimates and Errors*', AASB 1031 '*Materiality*' and AASB 1048 '*Interpretation and Application of Accounting Standards*'.

The following accounting policies have been applied consistently to all periods presented in the financial report unless otherwise disclosed below. The combined financial report is presented in Australian dollars, which is the functional currency of all entities included in this financial report. Non-current assets are stated at the lower of carrying amount and fair value.

Current liabilities exceed current assets by \$1,009,423. Related parties have confirmed that they will provide financial support equal to the amount required to meet other creditor repayments as and when they fall due for a period of no less than twelve months from the date of approval of this financial report. The ability of the Entity to continue as going concern is strengthened by this support from related parties.

## **Notes to the Financial Statements (continued)**

### **2 Summary of Significant Accounting Policies (continued)**

#### **(b) Basis of combining entities**

The combined financial report is not prepared on the basis of the identification of a head entity and the consolidation of all of the entities it controls or controlled during the financial period. The combined financial report comprises the aggregate of the financial statements of certain related entities as at and for the period ended 31 December each year which undertake charitable initiatives within the geographic region of Australia.

The related entities have the same reporting period and apply consistent accounting policies. In preparing the combined financial statements, all intercompany balances, transactions, unrealized gains and losses resulting from intra-group transactions and dividends have been eliminated in full.

The entities included in the Hillsong Church Australia combined group for the year ended 31 December 2020, are as follows:

- Hillsong CityCare Ltd
- The Trustee for Hillsong Church Australia
- Hillsong Child Care Ltd
- Hillsong Media & Performing Arts Ltd

The prior year comparatives have been represented on a consistent basis for the above entities.

#### **(c) Statement of compliance**

This special purpose financial report complies with Australian Accounting Standards to the extent described in Note 2(a).

Certain Australian Accounting Standards and Interpretations have recently been issued or amended but are not yet effective and have not been adopted by Hillsong Church Australia for the annual reporting period ended 31 December 2020. The directors have not early adopted any of these new or amended standards or interpretations. The directors have not yet fully assessed the impact of these new or amended standards (to the extent relevant to the entities of Hillsong Church Australia) and interpretations.

#### **(d) Functional and presentation currency**

The combined financial report is presented in Australian dollars, which is the functional currency of all Hillsong Church Australia entities.

## Notes to the Financial Statements (continued)

### 2 Summary of Significant Accounting Policies (continued)

#### (e) Use of estimates and judgements

The preparation of financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected.

#### (f) Foreign currency transactions

Transactions in foreign currencies are translated at the foreign exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are translated to Australian dollars at the foreign exchange rate ruling at that date. Foreign exchange differences arising on translation are recognised in the Statement of Comprehensive Income. Non-monetary assets and liabilities that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction. Non-monetary assets and liabilities denominated in foreign currencies that are stated at fair value are translated to Australian dollars at foreign exchange rates ruling at the dates the fair value was determined.

#### (g) Plant and equipment

##### (i) Owned assets

Items of property, plant and equipment are stated at cost or deemed cost less accumulated depreciation (see below) and impairment losses (see Note 2(h)). The cost of self-constructed assets includes the cost of materials, direct labour, the initial estimate, where relevant, of the costs of dismantling and removing the items and restoring the site on which they are located, and an appropriate proportion of production overheads.

Where parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items of property, plant and equipment.

For assets identified as qualifying assets, the attributable borrowing costs have been capitalised in accordance with AASB 123 "Borrowing costs".

##### (ii) Leased assets

Leases where Hillsong Church Australia assumes substantially all the risks and rewards of ownership are classified as finance leases. Upon initial recognition the leased asset is measured at an amount equal to the lower of its fair value and the present value of the minimum lease payments. Subsequent to initial recognition, the asset is accounted for in accordance with the accounting policy applicable to that asset. Lease payments are accounted for as described in Note 2(o).

## Notes to the Financial Statements (continued)

### 2 Summary of Significant Accounting Policies (continued)

#### (g) Plant and equipment (continued)

##### (iii) Subsequent costs

Hillsong Church Australia recognises in the carrying amount of an item of plant and equipment the cost of replacing part of such an item when that cost is incurred if it is probable that the future economic benefits embodied within the item will flow to Hillsong Church Australia and the cost of the item can be measured reliably. All other costs are recognised in the Statement of Comprehensive Income as an expense as incurred.

##### (iv) Depreciation

Depreciation is charged to the Statement of Comprehensive Income on a straight-line basis over the estimated useful lives of each part of an item of plant and equipment. The estimated useful lives in the current and comparative periods are as follows:

• Buildings and building improvements	5 – 33 years
• Plant and equipment, leased plant and equipment	2 – 50 years
• Capital improvements	3 – 33 years
• Leasehold improvements	5 – 20 years

The residual value, if not insignificant, is reassessed annually.

#### (h) Impairment

The carrying amounts of Hillsong Church Australia's assets, other than inventories (see Note 2(j)) are reviewed at each Statement of Financial Position date to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated (see below).

An impairment loss is recognised whenever the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. Impairment losses are recognised in the Statement of Comprehensive Income.

##### (i) Calculation of recoverable amount

The recoverable amount of Hillsong Church Australia's receivables carried at amortised cost are calculated as the present value of estimated future cash flows, discounted at the original effective interest rate (i.e. the effective interest rate computed at initial recognition of these financial assets). Receivables with a short duration are not discounted.

Impairment of receivables is not recognised until objective evidence is available that a loss event has occurred.

## **Notes to the Financial Statements (continued)**

### **2 Summary of Significant Accounting Policies (continued)**

#### **(h) Impairment (continued)**

##### *(i) Calculation of recoverable amount (continued)*

The recoverable amount of other assets is the greater of their fair value less costs to sell and value in use. Where the future economic benefits of an asset is not primarily dependent on the asset's ability to generate net cash inflows and where Hillsong Church Australia would if deprived of the asset, replace its remaining future economic benefits, value in use is determined as the asset's fair value. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For an asset that does not generate largely independent cash inflows, the recoverable amount is determined for the cash-generating unit to which the asset belongs.

The recoverable amount of Hillsong Church Australia's receivables carried at amortised cost are calculated as the present value of estimated future cash flows, discounted at the original effective interest rate (i.e. the effective interest rate computed at initial recognition of these financial assets). Receivables with a short duration are not discounted.

##### *(ii) Reversals of impairment*

An impairment loss in respect of receivables carried at amortised cost is reversed if the subsequent increase in recoverable amount can be related objectively to an event occurring after the impairment loss was recognised.

An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

#### **(i) Trade and other receivables**

Trade and other receivables are stated at their amortised cost using the effective interest method less impairment losses (see Note 2(h)). Related party receivables are non-interest bearing.

#### **(j) Inventories**

Inventories relate mainly to food and other items held to be sold to the community through the Hillsong Citycare supermarket. Inventories are stated at the lower of cost and net realisable value. Cost is based on the weighted average cost principle. Net realisable value is determined on the basis of the normal selling patterns.

#### **(k) Cash and cash equivalents**

Cash and short-term deposits in the Statement of Financial Position comprise cash at banks and on hand and short-term deposits with a maturity of three months or less. For the purpose of the Statement of Cash Flows, cash and cash equivalents consist of cash and short-term deposits as defined above, net of outstanding bank overdrafts



## Notes to the Financial Statements (continued)

### 2 Summary of Significant Accounting Policies (continued)

#### (l) Employee benefits

##### *(i) Defined contribution plans*

Obligations for contributions to defined contribution pension plans are recognised as an expense in the Statement of Comprehensive Income as incurred.

##### *(ii) Long-term service benefits*

The provision for employee entitlements to long service leave represents the present value of the estimated future cash flows to be made by the employer resulting from employee's services provided up to the balance date. In determining the liability for employee entitlements, consideration has been given to Hillsong Church Australia's experience with staff departures. Related on-costs have been included in the liability.

##### *(iii) Wages, salaries and annual leave*

Liabilities for employee entitlements to wages, salaries and annual leave represent present obligations resulting from employee's services provided up to the balance date. The liabilities have been calculated at discounted amounts based on remuneration that Hillsong Church Australia expects to pay and include related on-costs.

Whilst all employees are technically employed by a particular entity within the group, a recharge of salaries and wages expenses can be made through each of the entities which receive the benefits of these employees' services. This recharge includes the Entity's allocation of annual leave and long service leave expense. However, the provision for employee entitlements is retained in the employing entity.

##### *(iv) Comparatives*

When required, prior year comparatives have been reclassified in the financial report to be consistent with current year presentation.

#### (m) Trade and other payables

Trade and other payables are stated at amounts contracted with other parties.

#### (n) Revenue and other income

##### *(i) General tithes and offerings*

General tithes and donations are made by Hillsong Church Australia congregation members. Revenue is recognised when received.

##### *(ii) Other donations*

Other voluntary donations are made by Hillsong Church Australia congregation members. These include specific purpose offerings, which are taken to fund a specific project or event and missions offerings collected to support Christian ministries who reach outside of Hillsong Church Australia's congregations. Revenue is recognised when entitled to be received. Donations received from related parties are recognised when earned.



## **Notes to the Financial Statements (continued)**

### **2 Summary of Significant Accounting Policies (continued)**

#### **(n) Revenue and other income (continued)**

##### *(iii) Conference registration income*

There are three annual conferences held for which registration income is received. Revenue is recognised in the period in which the conference is held. Conference registration income received for conferences to be held in future periods is recognised on the Statement of Financial Position as income in advance.

##### *(iv) Welfare program funding and donations*

Revenue for welfare projects funding is received via government grants and general donations. Revenue from government grants is recognised in the same period in which expenses for the specific grant have been incurred and performance obligations fulfilled. Revenue received where expenditure has not occurred, and performance obligations not met is recognised in the Statement of Financial Position as income in advance. Undesignated donations are recognised when they are received.

##### *(v) Medical, counselling and services income*

Medical, counselling and service income is recognised as the underlying services are delivered.

##### *(vi) Financial income*

Interest income is recognised in the Statement of Comprehensive Income as it accrues, using the effective interest method.

##### *(vii) Grant income*

Grant income is recognised in the Statement of Comprehensive Income when performance obligations under the agreement are met.

## Notes to the Financial Statements (continued)

### 2 Summary of Significant Accounting Policies (continued)

#### (o) Leases

The determination of whether an arrangement is or contains a lease is based on the substance of the arrangement and requires an assessment of whether the fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset.

##### *(i) Operating leases*

Payments made under operating leases are recognised in the Statement of Comprehensive Income on a straight-line basis over the term of the lease. Lease incentives received are recognised in the Statement of Comprehensive Income as an integral part of the total lease expense and spread over the lease term. The Church has elected to not adopt AASB 16 *Leases* in its special purpose financial statement to recognise right of use assets and liabilities in the balance sheet.

##### *(ii) Finance leases*

Finance leases, which transfer to Hillsong Church Australia substantially all the risks and benefits incidental to ownership of the leased item, are capitalised at the inception of the lease at the fair value of the leased asset or, if lower, at the present value of the minimum leased payment. Minimum lease payments are apportioned between the finance charge and the reduction of the outstanding liability. The finance charge is allocated to each period during the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability. Finance charges are recognised as an expense in the Statement of Comprehensive Income.

#### (p) Income taxes

All of the individual entities within the Activities of Hillsong Church Australia combined financial report, have tax exempt status pursuant to section 50 - 5 Item 1.2 of the Income Tax Assessment Act 1997.

## Notes to the Financial Statements (continued)

### 2 Summary of Significant Accounting Policies (continued)

#### (q) Goods and services tax (GST)

Revenues, expenses and assets are recognised net of the amount of goods and services tax (GST), except where the amount of GST incurred is not recoverable from the Australian Taxation Office (ATO). In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of expense.

Receivables and payables are stated with the amount of GST included.

The net amount of GST recoverable from, or payable to, the ATO is included as a current asset or liability in the Statement of Financial Position.

Cash flows are included in the Statement of Cash Flows on a gross basis. The GST components of cash flows arising from investing and financing activities, which are recoverable from, or payable to, the ATO are classified as operating cash flows.

#### (r) Financial assets

##### *Initial recognition and measurement*

Financial assets shall be measured at amortised cost if it is held within a business model whose objective is to hold assets in order to collect contractual cash flows which arise on specified dates and that are solely principal and interest. All other financial assets are classified and measured at fair value through profit or loss. The Church determines the classification of its financial assets at initial recognition.

Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the Church commits to purchase or sell the asset.

##### *Subsequent measurement*

AASB 9 impairment requires the use of an expected credit loss ("ECL") model to recognise an allowance for those financial assets initially recognised at amortised cost. Impairment is measured using a 12-month ECL method unless the credit risk on a financial instrument has increased significantly since initial recognition in which case the lifetime ECL method is adopted. For trade receivables, a simplified approach to measuring expected credit losses using a lifetime expected loss allowance is available.

#### (s) Comparatives

When required, prior year comparatives have been reclassified in the financial report to be consistent with current year presentation.

## Notes to the Financial Statements (continued)

	2020	2019
	\$	\$
<b>3 Auditors' remuneration</b>		
<b><u>Audit services:</u></b>		
<i>The auditor of the entities of the Activities of Hillsong Church Australia is Ernst &amp; Young</i>		
Audit of the financial report	84,179	72,500
	<hr/>	<hr/>
<b>4 Expense items</b>		
Wages and salaries	28,205,901	26,970,342
Contributions to defined contribution plans	2,432,450	2,273,267
	<hr/>	<hr/>
	30,638,351	29,243,609
	<hr/>	<hr/>
Depreciation	5,253,224	4,739,823
	<hr/>	<hr/>
<b>5 Net financing income</b>		
Interest received	503,764	183,532
Interest paid	(997,976)	(947,300)
	<hr/>	<hr/>
	(494,212)	(763,768)
	<hr/>	<hr/>
<b>6 Cash and cash equivalents</b>		
Cash on hand	149,246	552,430
Cash at bank	9,965,937	9,519,195
Short-term bank deposits	1,009,525	1,000,000
	<hr/>	<hr/>
	11,124,708	11,071,625
	<hr/>	<hr/>
<b>7 Trade and other receivables</b>		
<b><u>Current</u></b>		
Trade and other receivables	1,653,993	305,655
Security deposits	173,434	187,932
Prepayment	524,682	491,263
	<hr/>	<hr/>
	2,352,109	984,850
	<hr/>	<hr/>

## Notes to the Financial Statements (continued)

	2020	2019
	\$	\$
<b>7 Trade and other receivables (continued)</b>		
<b><u>Non-current</u></b>		
Other receivables	-	20,446
Amounts receivable from related parties	27,606,114	19,492,034
	<u>27,606,114</u>	<u>19,512,480</u>
<b>8 Inventories</b>		
Finished goods - at cost	225,804	159,518
	<u>225,804</u>	<u>159,518</u>
<b>9 Property, plant and equipment</b>		
<b>Land</b>		
Cost		
Balance at 1 January	330,000	330,000
Acquisitions	-	-
Balance at 31 December	<u>330,000</u>	<u>330,000</u>
Carrying value – Land	<u>330,000</u>	<u>330,000</u>
<b>Buildings</b>		
Cost		
Balance at 1 January	2,207,974	2,207,974
Acquisitions	-	-
Balance at 31 December	<u>2,207,974</u>	<u>2,207,974</u>
Accumulated depreciation		
Balance at 1 January	(448,961)	(353,175)
Depreciation charge for the year	(95,787)	(95,786)
Balance at 31 December	<u>(544,748)</u>	<u>(448,961)</u>
Carrying value - Buildings	<u>1,663,226</u>	<u>1,759,013</u>

## Notes to the Financial Statements (continued)

	2020	2019
	\$	\$
<b>9 Property, plant and equipment (continued)</b>		
<b>Leasehold improvements</b>		
Cost		
Balance at 1 January	197,340	151,291
Acquisitions	-	46,049
Balance at 31 December	<u>197,340</u>	<u>197,340</u>
Accumulated depreciation		
Balance at 1 January	(9,443)	(5,372)
Depreciation charge for the year	(5,409)	(4,071)
Balance at 31 December	<u>(14,852)</u>	<u>(9,443)</u>
Carrying value – Leasehold improvements	<u>182,488</u>	<u>187,897</u>
<b>Plant and equipment</b>		
Cost		
Balance at 1 January	22,807,010	24,310,896
Acquisitions	1,615,394	1,347,269
Transfer of Assets	-	(2,851,155)
Disposals	(40,590)	-
Balance at 31 December	<u>24,381,814</u>	<u>22,807,010</u>
Accumulated depreciation		
Balance at 1 January	(10,241,181)	(7,624,663)
Depreciation charge for the year	(2,274,754)	(2,616,518)
Disposals	21,592	-
Balance at 31 December	<u>(12,494,343)</u>	<u>(10,241,181)</u>
Carrying value – Plant and Equipment	<u>11,887,471</u>	<u>12,565,829</u>
<b>Capital Improvements</b>		
Cost		
Balance at 1 January	-	-
Acquisitions	496,172	101,189
Transfer of Assets	-	(101,189)
Balance at 31 December	<u>496,172</u>	<u>-</u>
Carrying value - Capital Improvements	<u>496,172</u>	<u>-</u>



## Notes to the Financial Statements (continued)

	2020	2019
	\$	\$
<b>9 Property, plant and equipment (continued)</b>		
<b>Fixtures and fittings</b>		
Cost		
Balance at 1 January	4,718	4,718
Transfer of Assets	-	-
Balance at 31 December	<u>4,718</u>	<u>4,718</u>
Accumulated depreciation		
Balance at 1 January	(2,582)	(1,820)
Depreciation charge for the year	(721)	(762)
Balance at 31 December	<u>(3,303)</u>	<u>(2,582)</u>
Carrying value – Fixtures and fittings	<u>1,415</u>	<u>2,136</u>
<b>Right of use assets</b>		
Cost		
Balance at 1 January	18,331,530	-
Acquisitions	4,155,826	18,331,530
Balance at 31 December	<u>22,487,356</u>	<u>18,331,530</u>
Accumulated depreciation		
Balance at 1 January	(2,022,685)	-
Depreciation charge for the year	(2,876,554)	(2,022,685)
Balance at 31 December	<u>(4,899,239)</u>	<u>(2,022,685)</u>
Carrying value – Right of use assets	<u>17,588,117</u>	<u>16,308,845</u>
<b>Property, plant and equipment</b>	<u>32,148,890</u>	<u>31,153,721</u>

## Notes to the Financial Statements (continued)

	2020	2019
	\$	\$
<b>10 Trade and other payables-</b>		
<b><u>Current</u></b>		
Trade payables	1,215,293	2,862,840
Other creditors and accruals	90,797	36,768
	<u>1,306,090</u>	<u>2,899,608</u>
<b><u>Non-current</u></b>		
Amounts payable to related parties	<u>5,090,750</u>	<u>808,018</u>
	<u>2,090,750</u>	<u>808,018</u>
<b>11 Interest bearing liabilities</b>		
<b><u>Current</u></b>		
Finance lease commitments	752,865	662,080
Operating lease liabilities	2,566,107	2,177,621
	<u>3,318,972</u>	<u>2,839,701</u>
<b><u>Non-current</u></b>		
Finance lease commitments	1,826,820	1,758,863
Operating lease liabilities	15,987,154	14,539,329
	<u>17,813,974</u>	<u>16,298,192</u>

## Notes to the Financial Statements (continued)

### 11 Interest bearing liabilities (continued)

#### (a) Finance lease commitments

The Church has finance leases and hire purchase contracts for equipment. The Church's obligations under finance leases are secured by the lessor's title to the leased assets. Future minimum lease payments under finance leases and hire purchase contracts together with the present value of the net minimum lease payments are as follows:

	2020		2019	
	Minimum payments	Present value of payments	Minimum payments	Present value of payments
Within one year	852,225	752,865	757,437	662,080
After one year but not more than five years	1,955,836	1,826,820	1,908,813	1,758,863
Total minimum lease payments	2,808,061	2,579,685	2,666,250	2,420,943
Less amounts representing finance charges	(228,376)	-	(245,307)	-
Present value of minimum lease payments	2,579,685	2,579,685	2,420,943	2,420,943
			2020	2019
			\$	\$

### 12 Employee benefits

#### Current

Liability for annual leave	3,164,417	3,120,838
Liability for long service leave	1,755,349	1,657,614
Liability for superannuation	604,786	239,834
	5,524,552	5,018,286

#### Non-current

Liability for long service leave	641,669	603,742
	641,669	603,742

### 13 Unearned income

Income in advance	4,396,438	5,933,151
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## Notes to the Financial Statements (continued)

	2020 \$	2019 \$
<b>14 Reconciliation of cash flows from operating activities</b>		
<b>(a) Reconciliation of cash</b>		
For the purposes of the Statement of Cash Flows, cash includes cash on hand and at bank and short term deposits at call, net of outstanding overdrafts. Cash at the end of the financial year as shown in the Statement of Cash Flows is reconciled to the related items in the Statement of Financial Position as follows:		
Cash and cash equivalents (see note 7)	11,124,708	11,071,625
	<u>11,124,708</u>	<u>11,071,625</u>
<b>(b) Reconciliation of cash flow from operations with net surplus</b>		
Net surplus for the year	4,696,500	5,882,517
Cash flows excluded from profit attributable to operating activities		
Non-cash items:		
Depreciation	2,376,671	(1,238,350)
Amortisation	2,876,553	(1,999,951)
Gain on sale of equipment	(24,184)	-
	<u>9,925,590</u>	<u>10,388,713</u>
Changes in assets and liabilities after transfer of net assets		
(Increase)/decrease in trade and other receivables	(1,139,960)	3,270,535
Increase in inventories	(66,286)	(47,578)
Increase in other assets	(206,853)	(164,316)
(Decrease)/increase in trade payables, other creditors and accruals	(1,593,517)	507,429
Increase in employee benefits	544,193	664,676
(Decrease)/increase in income in advance	(1,536,713)	(154,827)
Net cash flow from operating activities	<u>5,926,453</u>	<u>14,698,258</u>

## 15 Common control reserve

In 2016, 2017, 2019 & 2020 Hillsong Church Australia was part of a reorganisation with other related entities. Entities have transferred and received assets and liabilities by way of gift and similarly certain related party loans have been forgiven. Both the borrowing and lending entities are part of the same group effecting the transaction through the common control equity reserve.

## 16 Key management personnel transactions

Key management personnel include the Board along with some non-board positions. Directors serve in a voluntary capacity; those board members who are also employed by the Church are remunerated for their executive responsibilities.

## **Notes to the Financial Statements (continued)**

### **16 Key management personnel transactions (continued)**

From time to time, key management personnel including directors or their related entities may purchase or sell goods, make donations, or generally partake in church related services offered by the Church and its related parties. These transactions are carried out under the same terms and conditions generally applicable in respect of such activities. The terms and conditions of the transactions with key management personnel and their related entities were no more favourable than those also available, or which might reasonably be expected to be available, on similar arm's length transactions to other third parties.

Apart from the above, no director has entered into a material contract with the Church since the end of the previous year and there were no material contracts involving director's interests subsisting at year ended 31 December 2020.

### **17 Other related party transactions**

#### *Transactions with related parties*

All transactions with related parties are on normal terms and conditions, apart from amounts receivable from and payable to Hillsong Group entities, which are interest free and not required to be repaid within the next twelve months.

### **18 Significant events after balance sheet date**

There have been other significant events occurring after balance date which may affect either the Church's operations or results of those operations or the Church's state of affairs.

### **19 Contingent liabilities**

In the ordinary course of operation, from time to time, the Church receive claims in respect to the property matters. At this time, the Board do not believe there are any claims which are material, nor quantifiable that need to be disclosed in the financial statements.

**The Trustee for Hillsong International**

ABN 81 254 249 210

**Annual Financial Report**

**For the Year Ended 31 December 2021**



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## **Directors' Report**

The directors of Hillsong International Ltd ("the Trustee") present their report together with the financial statements of The Trustee for Hillsong International ("the Entity") for the year ending 31 December 2021 and the auditor's report thereon.

To view our corporate governance statement, financial charter and other policies please visit:  
<http://hillsong.com/policies>.

### **Directors**

The names and details of the Entity's directors in office during the period and until the date of this report are as follows. Directors were in office for this entire period unless otherwise stated.

<b>Name</b>	<b>Experience and special responsibilities</b>
Ps Brian Houston	Minister of Religion; Global Senior Pastor Hillsong Church. (resigned 17 Aug 2021)
Ps Benjamin Houston	Minister of Religion. Lead Pastor Hillsong Church Los Angeles. (resigned 23 Mar 2022)
Ps Gary Clarke	Minister of Religion; Lead Pastor Hillsong Church UK.
Mr George Aghajanian	Global General Manager of Hillsong Church.
Mr Nabi Saleh	Business person.
Mr Phillip Denton	Business person.
Ps Phillip Dooley	Minister of Religion; Interim Global Senior Pastor Hillsong Church
Mr Russell Barclay Dacre	Business person.
Dr Stephen Crouch	Business person.
Ps Darren Kitto	Minister of Religion; International Ministry Director Hillsong Church.
Ps Tolulope Badders	Executive Pastor & Chief Operating Officer Hillsong Church East Coast.

## Directors' Report (continued)

### Directors' meetings

The number of directors' meetings and number of meetings attended by each of the directors of the Trustee for the Entity during the period were:

Director	Board Meetings		Audit Committee		Remuneration Committee	
	A	B	A	B	A	B
Ps Brian Houston	4	5	0	0	0	0
Mr George Aghajanian	13	13	7	8	0	0
Mr Nabi Saleh	12	13	8	8	2	2
Dr Stephen Crouch	13	13	8	8	2	2
Ps Phillip Dooley	11	13	0	0	0	0
Ps Benjamin Houston	9	13	0	0	0	0
Ps Gary Clarke	11	13	0	0	0	0
Mr Russell Dacre	10	13	0	0	1	2
Mr Phillip Denton	13	13	8	8	2	2
Ps Darren Kitto	13	13	0	0	0	0
Ps Tolulope Badders	12	13	0	0	0	0

A – Number of meetings attended by Director/Committee Member

B – Number of meetings held during the time the director held office

### Objectives

The short and long-term objectives of the Entity is to advance the Christian faith as expressed in the Statement of Belief of Hillsong Church and its ministries locally and globally, through:

- providing leadership to Hillsong Church, Hillsong Family, and Hillsong Network globally
- producing Christian music and media content
- providing corporate services to the various ministries.

### Operating results

The Entity's net surplus amounted to \$4,222,360 (2020: \$74,944).

### Dividends

The Entity is not permitted by its Constitution to pay dividends and consequently the directors do not recommend and have not provided for the payment of a dividend.

### State of affairs

In the opinion of the directors of the Trustee there were no other significant changes in the Entity's state of affairs that occurred during the year.

## **Directors' Report (continued)**

### **Environmental regulation**

The Entity's operations are not subject to any significant environmental regulations under either Commonwealth or State legislation. However, the Board believes that the Entity has adequate systems in place for the management of its environmental requirements and is not aware of any breach of those environmental requirements as they apply to the Entity.

### **Significant events after the balance date**

There have been no events subsequent to the balance sheet date which have significantly affected or may significantly affect

- a. The operations;
- b. The results of those operations; or
- c. The state of affairs of The Trustee for Hillsong International in future financial years.

### **Likely developments**

The Entity intends to continue operations in line with and fulfilling its objectives (as outlined previously).

### **Indemnification and insurance officers**

#### ***Indemnification***

Since its incorporation, the Entity has indemnified current and former directors of the Trustee against all liabilities to another person (other than the Entity or a related body corporate) that may arise from their position as directors of the Trustee for the Entity, except where the liability arises out of conduct involving a lack of good faith.

#### ***Insurance***

Since its incorporation, the Entity has paid insurance premiums and legal expenses in respect of Trustee's directors' and officers' liability insurance contracts, for current and former directors and officers. The directors have not included details of the nature of the liabilities covered or the amount of the premium paid as such disclosure is prohibited under the terms of the contract.

## **Directors' Report (continued)**

### **Auditor's independence declaration**

The directors of the Trustee received an independence declaration from the auditor, Ernst & Young. A copy has been included on page 24 of the report.

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

Director: .....

Dated: 16 June 2022

DRAFT

## **Directors' Declaration**

In the opinion of the directors of Hillsong International Ltd ("the Trustee"):

- (a) the Entity is not a reporting entity as defined in the Australian Accounting Standards;
- (b) the financial statements and notes of the Entity are in accordance with the terms of the Trust Deed dated 19 October 2016 and the Australian Charities and Not-for-Profits Commission Act 2012, including:
  - (i) giving a true and fair view of the financial position of the Entity as at 31 December 2021 and of its performance, as represented by the results of its operations and its cash flows for the period ended on that date; and
  - (ii) complying with Australian Accounting Standards and the Australian Charities and Not-for-Profits Commission Regulation 2013 to the extent described in Note 2 to the financial statements, and
- (c) the Entity has operated during the year ended 31 December 2021 in accordance with the provisions of the Trust Deed dated 19 October 2016;
- (d) there are reasonable grounds to believe that the Entity will be able to pay its debts as and when they become due and payable.

This declaration is made and signed in accordance with a resolution of the directors of Hillsong International Ltd ("the Trustee");

Director: .....

Dated: 16 June 2022



**Statement of Comprehensive Income**  
For the Year Ended 31 December 2021

	Note	2021 \$	2020 \$
Music royalty income		12,310,054	13,045,390
Training and resource revenue		692,221	1,411,607
Donations		10,956,400	6,736,775
Government grant income		2,429,735	4,664,010
Other revenue		15,468,532	15,465,502
<b>Total revenue</b>		41,856,942	41,323,284
Administrative expenses		(19,243,272)	(17,504,541)
Royalties expenses		(9,743,329)	(11,354,529)
Resources expenses		(4,751,186)	(5,624,804)
Mission expenses		(3,873,828)	(6,987,589)
<b>Total expenses</b>		(37,611,615)	(41,471,463)
<b>(Loss)/Surplus from operations</b>		4,245,327	(148,179)
Financial income	5	88,783	294,203
Financial expenses	5	(111,750)	(71,080)
<b>Surplus for the period</b>		4,222,360	74,944
Other comprehensive income		-	-
<b>Total comprehensive income for the period</b>		4,222,360	74,944

The accompanying notes form part of these financial statements.

**Statement of Financial Position**  
As at 31 December 2021

	Note	2020 \$	2019 \$
<b>ASSETS</b>			
Cash and cash equivalents	6	9,286,554	2,397,139
Trade and other receivables	7	5,941,511	7,204,656
Inventories	8	1,487,624	1,530,874
<b>Total current assets</b>		<u>16,715,689</u>	<u>11,132,669</u>
Trade and other receivables	7	7,148,084	7,892,516
Property, plant and equipment	9	5,615,534	6,980,223
<b>Total non-current assets</b>		<u>12,763,618</u>	<u>14,872,739</u>
<b>TOTAL ASSETS</b>		<u>29,479,307</u>	<u>26,005,408</u>
<b>LIABILITIES</b>			
Trade and other payables	10	10,436,808	11,389,531
Employee benefits	11	2,743,305	3,059,211
<b>Total current liabilities</b>		<u>13,180,113</u>	<u>14,448,742</u>
Trade and other payables	10	11,390,344	10,908,650
Employee benefits	11	367,144	328,670
<b>Total non-current liabilities</b>		<u>11,757,488</u>	<u>11,237,320</u>
<b>TOTAL LIABILITIES</b>		<u>24,937,601</u>	<u>25,686,062</u>
<b>NET ASSETS</b>		<u>4,541,706</u>	<u>319,346</u>
<b>ACCUMULATED FUNDS</b>			
Retained earnings		4,541,706	319,346
Common control reserve	14	-	-
<b>TOTAL ACCUMULATED FUNDS</b>		<u>4,541,706</u>	<u>319,346</u>

The accompanying notes form part of these financial statements.

**Statement of Changes in Equity**  
For the Year Ended 31 December 2021

	<b>Retained Earnings</b>	<b>Common control reserve</b>	<b>Total</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>
Balance at 1 January 2020	319,346	-	319,346
Total comprehensive income for the period	4,222,360	-	4,222,360
Balance at 31 December 2020	4,541,706	-	4,541,706
Balance at 1 January 2020	(7,884,417)	8,128,820	244,403
Total comprehensive income for the period	74,944	-	74,944
Transfer of reserve	8,128,820	(8,128,820)	-
Balance at 31 December 2020	319,346	-	319,346

**Statement of Cash Flows**  
For the Year Ended 31 December 2020

	2020	2019
Note	\$	\$
<b>Cash flows from operating activities:</b>		
Cash receipts in the course of operations	44,543,667	48,469,254
Cash payments to suppliers and employees	(37,149,616)	(45,323,789)
Interest received	88,783	648
Interest paid	(111,750)	(183,254)
<b>Net cash provided by operating activities</b>	12(b) <u>7,371,084</u>	<u>2,962,859</u>
<b>Cash flows from investing activities:</b>		
Payments for property, plant and equipment	(832,417)	(3,249,931)
<b>Net cash used in investing activities</b>	<u>(832,417)</u>	<u>(3,249,931)</u>
<b>Cash flows from financing activities:</b>		
Loans to related parties	(3,867,641)	(5,096,076)
Loans from related parties	1,559,214	2,641,939
Repayments to related parties	(3,137,715)	(2,439,026)
Repayments from related parties	2,637,911	4,836,163
Payments of lease liabilities	3,158,979	(405,360)
<b>Net cash provided by/(used in) by financing activities</b>	<u>350,748</u>	<u>(462,360)</u>
<b>Net increase/(decrease) in cash and cash equivalents</b>	6,889,415	(750,803)
Cash and cash equivalents at beginning of period	<u>2,397,139</u>	<u>3,147,942</u>
<b>Cash and cash equivalents at end of period</b>	12(a) <u>9,286,554</u>	<u>2,397,139</u>

The accompanying notes form part of these financial statements.

## **Notes to the Financial Statements**

### **1 Corporate Information**

The Trustee for Hillsong International ("the Entity") is a trust established under the Trust Deed dated 30 November 2016 and domiciled in Australia.

The Trustee is Hillsong International Limited, an entity incorporated and domiciled in Australia. The registered office and the principal place of business for both the Trust and the Trustee is 1-9 Solent Circuit, Norwest, NSW, Australia.

The financial report was authorised for issue by the directors of the Trustee on 16 June 2022.

### **2 Summary of Significant Accounting Policies**

#### **(a) Statement of compliance**

This special purpose financial report complies with Australian Accounting Standards as described below.

Certain Australian Accounting Standards and Interpretations have recently been issued or amended but are not yet effective and have not been adopted by the Entity for the annual reporting period ended 31 December 2021. The directors have not early adopted any of these new or amended standards or interpretations. The directors have not yet fully assessed the impact of these new or amended standards (to the extent relevant to the Entity) and interpretations.

#### **(b) Basis of preparation**

This special purpose financial report has been prepared for distribution to the Trustee to fulfill the directors' financial reporting requirements under the Trust Deed dated 30 November 2016 and the Australian Charities and Not-for-Profits Commission Act 2012 and the Australian Charities and Not-for-Profits Commission Regulation 2013. The accounting policies used in the preparation of this financial report, as described below, are consistent since incorporation, and are, in the opinion of the directors, appropriate to meet the needs of the stakeholders:

- (i) The financial report has been prepared on an accrual basis of accounting including the historical cost convention and the going concern assumption.
- (ii) The Entity is not a reporting entity because in the opinion of the Trustees there are unlikely to exist users of the financial report who are unable to command the preparation of reports tailored so as to satisfy specifically all of their information needs. The board of the Trustee have elected to prepare special purpose financial statements to reduce the preparation and administrative time and costs as the Entity operates an open book policy with its congregation in accordance with the Financial Charter of the Hillsong Group.

Accordingly, the financial report has been prepared in accordance with the Trust Deed dated 19 October 2016 and the Australian Charities and Not-for-Profits Commission Regulation 2013, the basis accounting specified by all the Accounting Standards and Interpretations and the disclosure requirements of AASB 101 'Presentation of Financial Statements', AASB 107 'Statement of Cash Flow', AASB 108 'Accounting Policies, Changes in Accounting Estimates and Errors', AASB 1031 'Materiality' and AASB 1048 'Interpretation and Application of Standards' which apply to all entities required to prepare financial reports under the Australian Charities and Not-for-Profits Commission Regulation 2013.

## Notes to the Financial Statements (continued)

### 2 Summary of Significant Accounting Policies (continued)

#### (b) Basis of preparation (continued)

The directors of the Trustee have determined that in order for the financial report to give a true and fair view of the Entity's performance, cash flows and financial position, the requirements of Australian Accounting Standards and other financial reporting requirements in Australia relating to the recognition and measurement of assets, liabilities, revenues, expenses and equity should be complied with.

The financial report is presented in Australian dollars. The financial report has been prepared for the single entity Hillsong International.

#### (c) Foreign currency transactions

Transactions in foreign currencies are translated at the foreign exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are translated to Australian dollars at the foreign exchange rate ruling at that date. Foreign exchange differences arising on translation are recognised in the Statement of Comprehensive Income. Non-monetary assets and liabilities that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction. Non-monetary assets and liabilities denominated in foreign currencies that are stated at fair value are translated to Australian dollars at foreign exchange rates ruling at the dates the fair value was determined.

#### (d) Plant and equipment

##### (i) Owned assets

Items of property, plant and equipment are stated at cost or deemed cost less accumulated depreciation (see below) and impairment losses (Note 2(i)). The cost of self-constructed assets includes the cost of materials, direct labour, the initial estimate, where relevant, of the costs of dismantling and removing the items and restoring the site on which they are located, and an appropriate proportion of production overheads.

Where parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items of property, plant and equipment.

For assets identified as qualifying assets, the attributable borrowing costs have been capitalised in accordance with AASB 123 "Borrowing costs".

##### (iii) Subsequent costs

The Entity recognises in the carrying amount of an item of plant and equipment the cost of replacing part of such an item when that cost is incurred if it is probable that the future economic benefits embodied within the item will flow to the Entity and the cost of the item can be measured reliably. All other costs are recognised in the Statement of Comprehensive Income as an expense as incurred.



## **Notes to the Financial Statements (continued)**

### **2 Summary of Significant Accounting Policies (continued)**

#### **(d) Plant and Equipment (continued)**

##### **(iv) Depreciation**

Depreciation is charged to the Statement of Comprehensive Income on a straight-line basis over the estimated useful lives of each part of an item of plant and equipment. The estimated useful lives in the current and comparative periods are as follows:

• Plant and equipment	3 – 33 years
• Fixtures and fittings	3 – 20 years
• Computer Equipment	3 – 14 years
• Motor vehicles	10 – 14 years

The residual value, if not insignificant, is reassessed annually.

#### **(e) Intangible assets**

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses. Internally generated intangibles, excluding capitalised development costs, are not capitalised and the related expenditure is reflected in profit or loss in the period in which the expenditure is incurred. The useful lives of intangible assets are assessed as either finite or indefinite.

#### **(f) Trade and other receivables**

Trade and other receivables are stated at their amortised cost using the effective interest method less impairment losses (Note 2(i)). Related party receivables are non-interest bearing.

#### **(g) Inventories**

Inventories relate mainly to the resources of Hillsong Music and include compact discs, digital video discs and books. Inventories are stated at the lower of cost and net realisable value. Cost is based on the weighted average cost principle. Net realisable value is determined on the basis of the normal selling patterns.

#### **(h) Cash and cash equivalents**

Cash and short-term deposits in the Statement of Financial Position comprise cash at banks and on hand and short-term deposits with a maturity of three months or less.

For the purpose of the Statement of Cash Flows, cash and cash equivalents consist of cash and short-term deposits as defined above.

## Notes to the Financial Statements (continued)

### 2 Summary of Significant Accounting Policies (continued)

#### (i) Impairment

The carrying amounts of the Entity's assets, other than inventories (Note 2(g)) are reviewed at each balance sheet date to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated (see below).

An impairment loss is recognised whenever the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. Impairment losses are recognised in the Statement of Comprehensive Income.

##### (i) Calculation of recoverable amount

The recoverable amount of the Entity's receivables carried at amortised cost are calculated as the present value of estimated future cash flows, discounted at the original effective interest rate (i.e. the effective interest rate computed at initial recognition of these financial assets). Receivables with a short duration are not discounted.

Impairment of receivables is not recognised until objective evidence is available that a loss event has occurred.

The recoverable amount of other assets is the greater of their fair value less costs to sell and value in use. Where the future economic benefits of an asset is not primarily dependent on the asset's ability to generate net cash inflows and where the Entity would if deprived of the asset, replace its remaining future economic benefits, value in use is determined as the asset's depreciated replacement cost, being the asset's current replacement cost less, where applicable, accumulated depreciation calculated on the basis of such cost to reflect the already consumed or expired economic benefits of the asset. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For an asset that does not generate largely independent cash inflows, the recoverable amount is determined for the cash-generating unit to which the asset belongs.

##### (ii) Reversals of impairment

An impairment loss in respect of receivables carried at amortised cost is reversed if the subsequent increase in recoverable amount can be related objectively to an event occurring after the impairment loss was recognised.

An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

## **Notes to the Financial Statements (continued)**

### **2 Summary of Significant Accounting Policies (continued)**

#### **(j) Employee benefits (continued)**

##### *(i) Defined contribution plans*

Obligations for contributions to defined contribution pension plans are recognised as an expense in the Statement of Comprehensive Income as incurred. (ii) Long-term service benefits

The provision for employee entitlements to long service leave represents the present value of the estimated future cash flows to be made by the employer resulting from employees' services provided up to the balance date. In determining the liability for employee entitlements, consideration has been given to the Entity's experience with staff departures. Related on-costs have been included in the liability.

##### *(iii) Wages, salaries and annual leave*

Liabilities for employee entitlements to wages, salaries and annual leave represent present obligations resulting from employees' services provided up to the balance date. The liabilities have been calculated at discounted amounts based on remuneration that the Entity expects to pay and include related on-costs.

Whilst all employees are technically employed by The Trustee for Hillsong International, a recharge of salaries and wages expenses is made through each of the entities which receive the benefits of these employees' services. This recharge includes the Entity's allocation of annual leave and long service leave expense. However, the provision for employee entitlements is retained in The Trustee for Hillsong International.

#### **(k) Trade and other payables**

Trade and other payables are stated at amounts contracted with other parties.

#### **(l) Revenue and other income**

##### *(i) Music royalty income*

Music royalty income is defined as international distributor revenue and the gross licence fee accrued from the licensing of songs published by Hillsong Publishing both from international and national publishers. The licence fees accrued are based on information provided by the licence users.

##### *(ii) Resource revenue*

Resource income is recognised when the significant risks and rewards of ownership of the resources goods have passed to the buyer and the costs incurred in respect of the transactions can be measured reliably. Risks and rewards of ownership are considered passed to the buyer at the time of delivery of the goods to the customer.

## **Notes to the Financial Statements (continued)**

### **2 Summary of Significant Accounting Policies (continued)**

#### **(l) Revenue and other income (continued)**

##### ***(iii) Other donations***

Other voluntary donations include specific purpose offerings to fund a specific project or event and missions offerings to support national and international Christian ministries. Revenue is recognised when received.

##### ***(iv) Financial income***

Interest income is recognised in the Statement of Comprehensive Income as it accrues, using the effective interest method.

##### ***(v) Government grant income***

Government grant income is recognised in the Statement of Comprehensive Income when performance obligations under the agreement are met.

#### **(m) Income taxes**

No income tax is payable by the Entity as it has a tax exempt status pursuant to section 50 - 5 Item 1.2 of the Income Tax Assessment Act 1997.

#### **(n) Goods and services tax (GST)**

Revenues, expenses and assets are recognised net of the amount of goods and services tax (GST), except where the amount of GST incurred is not recoverable from the Australian Taxation Office (ATO). In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of expense.

Receivables and payables are stated with the amount of GST included.

The net amount of GST recoverable from, or payable to, the ATO is included as a current asset or liability in the Statement of Financial Position.

Cash flows are included in the Statement of Cash Flows on a gross basis. The GST components of cash flows arising from investing and financing activities, which are recoverable from, or payable to, the ATO are classified as operating cash flows.

#### **(o) Use of estimates and judgements**

The preparation of financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income, and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected.

## Notes to the Financial Statements (continued)

### (p) Leases

The Entity has leases for IT equipment. With the exception of short-term leases and leases of low-value underlying assets, each lease is reflected on the balance sheet as a right-of-use asset and a lease liability. Variable lease payments which do not depend on an index or a rate (such as lease payments based on a percentage of the Entity sales) are excluded from the initial measurement of the lease liability and asset. The Entity classifies its right-of-use assets in a consistent manner to its property, plant and equipment.

### (q) Comparatives

When and as required in the adoption of new accounting standard, prior year comparatives have been reclassified or restated in the financial report to be consistent with current year presentation.

	2021 \$	2020 \$
<b>3 Auditors' remuneration</b>		
<b><u>Audit services:</u></b>		
<i>The auditor of The Trustee for Hillsong International is Ernst &amp; Young</i>		
Audit of the financial report	83,800	58,000
<b>4 Expenses</b>		
Wages and salaries	15,998,950	17,611,069
Contributions to defined contribution superannuation plans	1,304,646	1,447,701
	<u>17,303,596</u>	<u>19,058,770</u>
Bad and doubtful debts	2,966,580	1,033,049
Inventory write-offs	3,171	7,931
Inventory recognised as expense during the period	240,405	438,439
Depreciation	<u>1,756,452</u>	<u>1,336,610</u>
<b>5 Net financing income</b>		
Interest received	88,783	294,203
Interest paid	(111,750)	(71,080)
	<u>22,967</u>	<u>223,123</u>

## Notes to the Financial Statements (continued)

	2021 \$	2020 \$
<b>6 Cash and cash equivalents</b>		
Bank balances	9,261,786	2,372,371
Cash on hand	24,768	24,768
	<u>9,286,554</u>	<u>2,397,139</u>
<b>7 Trade and other receivables</b>		
<b><u>Current</u></b>		
Trade and other receivables	873,861	1,152,590
Expected credit loss	(318,163)	(147,090)
	<u>555,698</u>	<u>1,005,500</u>
Royalties receivable	4,810,611	5,388,463
GST receivable	54,940	266,300
Prepayments	520,262	544,393
	<u>5,941,511</u>	<u>7,204,656</u>
<b><u>Non-current</u></b>		
Amounts receivable from related parties	6,766,040	5,194,227
Sundry debtor	3,989,806	4,732,260
Expected credit loss	(3,607,762)	(2,033,971)
	<u>7,148,084</u>	<u>7,892,516</u>
Amounts receivable from related parties are not past due. It is expected that these amounts will be received when due.		
<b>8 Inventories</b>		
Finished goods - at cost	1,646,889	1,727,190
Less: Impairment allowance	(159,265)	(196,316)
	<u>1,487,624</u>	<u>1,530,874</u>



## Notes to the Financial Statements (continued)

	2021 \$	2020 \$
<b>9 Property, plant and equipment</b>		
<b>Furniture, fixtures and fittings</b>		
Cost		
Balance at 1 January	488,638	487,482
Acquisitions	-	1,156
Balance at 31 December	<u>488,638</u>	<u>488,638</u>
Accumulated depreciation		
Balance at 1 January	(79,181)	(53,450)
Depreciation charge for the period	(25,741)	(25,731)
Balance at 31 December	<u>(104,922)</u>	<u>(79,181)</u>
Carrying value – Furniture, fixtures and fittings	<u>383,716</u>	<u>409,457</u>
<b>Capital works in progress</b>		
Cost		
Balance at 1 January	2,746,420	-
Acquisitions	-	2,746,420
Transfer of asset	(2,746,420)	-
Balance at 31 December	<u>-</u>	<u>2,746,420</u>
Carrying value – Capital works in progress	<u>-</u>	<u>2,746,420</u>
<b>Plant and equipment</b>		
Cost		
Balance at 1 January	998,057	995,588
Acquisitions	158,633	2,469
Balance at 31 December	<u>1,156,690</u>	<u>998,057</u>
Accumulated depreciation		
Balance at 1 January	(317,676)	(189,816)
Depreciation charge for the period	(139,649)	(127,860)
Balance at 31 December	<u>(457,325)</u>	<u>(317,676)</u>
Carrying value – Plant and equipment	<u>699,365</u>	<u>680,381</u>

## Notes to the Financial Statements (continued)

	2021	2020
	\$	\$
<b>9 Property, plant and equipment (continued)</b>		
<b>Computer equipment</b>		
Cost		
Balance at 1 January	2,168,208	1,851,072
Acquisitions	673,784	317,136
Transfer of assets	2,746,420	-
Balance at 31 December	<u>5,588,412</u>	<u>2,168,208</u>
Accumulated depreciation		
Balance at 1 January	(1,107,771)	(639,993)
Depreciation charge for the period	<u>(1,108,627)</u>	<u>(467,784)</u>
Balance at 31 December	<u>(2,216,398)</u>	<u>(1,107,771)</u>
Carrying value – Computer equipment	<u>3,372,014</u>	<u>1,060,431</u>
<b>Motor vehicles</b>		
Cost		
Balance at 1 January	<u>215,410</u>	<u>215,410</u>
Balance at 31 December	<u>215,410</u>	<u>215,410</u>
Accumulated depreciation		
Balance at 1 January	(108,773)	(77,423)
Depreciation charge for the period	<u>(31,350)</u>	<u>(31,350)</u>
Balance at 31 December	<u>(140,123)</u>	<u>(108,773)</u>
Carrying value – Motor vehicles	<u>75,287</u>	<u>106,637</u>
<b>Software</b>		
Cost		
Balance at 1 January	1,342,457	1,159,707
Acquisitions	-	182,750
Balance at 31 December	<u>1,342,457</u>	<u>1,342,457</u>

## Notes to the Financial Statements (continued)

	2021	2020
	\$	\$
<b>9 Property, plant and equipment (continued)</b>		
<b>Software (continued)</b>		
Accumulated depreciation		
Balance at 1 January	(453,686)	(182,322)
Depreciation charge for the period	(294,828)	(271,364)
Balance at 31 December	<u>(748,514)</u>	<u>(453,686)</u>
Carrying value – Software	<u>593,943</u>	<u>888,771</u>
<b>Right of use</b>		
Cost		
Balance at 1 January	1,719,674	1,719,674
Right of use written off	(440,659)	-
Balance at 31 December	<u>1,279,015</u>	<u>1,719,674</u>
Accumulated Amortisation		
Balance at 1 January	(631,549)	(219,027)
Amortisation charge for the period	(156,257)	(412,522)
Balance at 31 December	<u>(787,806)</u>	<u>(631,549)</u>
Carrying value – Right of use	<u>491,209</u>	<u>1,088,125</u>
<b>Property, plant and equipment</b>	<u>5,615,534</u>	<u>6,980,223</u>
<b>10 Trade and other payables</b>		
<b>Current</b>		
Trade payables	8,156,370	9,796,443
Advance income	425,625	259,224
Other creditors & accruals	704,891	898,818
Lease liabilities	1,149,922	435,046
	<u>10,436,808</u>	<u>11,389,531</u>

## Notes to the Financial Statements (continued)

	2021	2020
	\$	\$
<b>10 Trade and other payables (continued)</b>		
<u>Non-current</u>		
Amounts payable to related parties	8,089,841	9,668,339
Royalty payable	640,252	567,526
Lease liabilities	2,660,251	672,785
	<u>11,390,344</u>	<u>10,908,650</u>
<b>11 Employee benefits</b>		
<u>Current</u>		
Liability for annual leave	1,787,598	1,899,655
Provision for long service leave	803,894	804,812
Liability for superannuation	151,813	354,744
	<u>2,743,305</u>	<u>3,059,211</u>
<u>Non-current</u>		
Provision for long service leave	367,144	328,670
	<u>367,144</u>	<u>328,670</u>
<b>12 Reconciliation of cash flows from operating activities</b>		
<b>(a) Reconciliation of cash</b>		
For the purposes of the Statement of Cash Flows, cash includes cash on hand and at bank and short term deposits at call, net of outstanding overdrafts. Cash at the end of the period as shown in the Statement of Cash Flows is reconciled to the related items in the Statement of Financial Position as follows:		
Cash on hand and in bank (see note 6)	9,286,554	2,397,139
	<u>9,286,554</u>	<u>2,397,139</u>

## Notes to the Financial Statements (continued)

	2021	2020
	\$	\$
<b>12 Reconciliation of cash flows from operating activities (continued)</b>		
<b>(b) Reconciliation of cash flow from operations with net surplus</b>		
Net surplus for the period	4,222,360	74,944
Cash flows excluded from profit attributable to operating activities		
Non-cash items:		
Depreciation	1,756,452	1,336,610
Gain on sale of asset	(15,978)	
	5,962,834	1,411,554
Changes in assets and liabilities after transfer of net assets		
Decrease in trade and other receivables	3,237,305	1,847,059
Decrease/(increase) in inventories	43,250	(189,681)
(Decrease) in trade and other payables	(1,594,873)	(513,121)
(Decrease)/increase in employee benefits	(277,432)	405,677
Net cash provided by operating activities	7,371,084	2,961,488

## 13 Key management personnel transactions

Key management personnel include the board along with some non-board positions. Directors serve in a voluntary capacity; those board members who are also employed by the Entity are remunerated for their executive responsibilities.

From time to time, key management personnel including directors or their related entities may purchase or sell goods, make donations, derive royalty income or generally partake in Entity related services offered by the Church and its related parties. These transactions are carried out under the same terms and conditions generally applicable in respect of such activities. The terms and conditions of the transactions with key management personnel and their related entities were no more favourable than those also available, or which might reasonably be expected to be available, on similar arm's length transactions to other third parties.

## 14 Common control reserve

In 2017 the Entity was part of a reorganisation with other related entities. As a part of the reorganisation, the Entity has received assets by way of gift and similarly certain related party loans have been forgiven. As the entities form part of the same group, both the value of the assets transferred and the loans forgiven have been recorded through the common control equity reserve.

## 15 Other related party transactions

### *Transactions with related parties*

All transactions with related parties are on normal terms and conditions, apart from amounts receivable from and payable to Hillsong Group entities, which are interest free and not required to be repaid within the

## **Notes to the Financial Statements (continued)**

next twelve months.

### **16 Contingent Liabilities**

In the ordinary course of operation, from time to time, the Entity receives claims in respect to the entitlement to royalties. At this time the Board do not believe there are any claims which are material, nor quantifiable that need to be disclosed in the financial statements.

### **17 Significant events after balance sheet date**

There have been no significant events occurring after balance date which may affect either the Entity's operations or results of those operations or the Entity's state of affairs.

DRAFT





**The Trustee for Hillsong International**

**ABN 81 254 249 210**

**Annual Financial Report**

**For the Year Ended 31 December 2020**

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## **Directors' Report**

The directors of Hillsong International Ltd ("the Trustee") present their report together with the financial statements of The Trustee for Hillsong International ("the Entity") for the year ending 31 December 2020 and the auditor's report thereon.

To view our corporate governance statement, financial charter and other policies please visit:  
<http://hillsong.com/policies>.

### **Directors**

The names and details of the Entity's directors in office during the period and until the date of this report are as follows. Directors were in office for this entire period unless otherwise stated.

<b>Name</b>	<b>Experience and special responsibilities</b>
Ps Brian Houston	Minister of Religion; Global Senior Pastor Hillsong Church.
Ps Benjamin Houston	Minister of Religion. Lead Pastor Hillsong Church Los Angeles.
Ps Gary Clarke	Minister of Religion; Lead Pastor Hillsong Church UK.
Mr George Aghajanian	Global General Manager of Hillsong Church.
Mrs Lalitha Stables	Business person. (resigned 10 July 2020)
Mr Nabi Saleh	Business person.
Mr Phillip Denton	Business person.
Ps Phillip Dooley	Minister of Religion; Lead Pastor Hillsong Church South Africa.
Mr Russell Barclay Dacre	Business person.
Dr Stephen Crouch	Business person.
Ps Darren Kitto	Minister of Religion and International Ministry Director Hillsong Church (appointed 20 November 2019)
Ps Tolulope Badders	Minister of Religion and Chief Operating Officer Hillsong Church East Coast (appointed 7 August 2020)

## Directors' Report (continued)

### Directors' meetings

The number of directors' meetings and number of meetings attended by each of the directors of the Trustee for the Entity during the period were:

<i>Director</i>	<i>Board Meetings</i>		<i>Audit Committee</i>		<i>Remuneration Committee</i>	
	<i>A</i>	<i>B</i>	<i>A</i>	<i>B</i>	<i>A</i>	<i>B</i>
Ps Brian Houston	5	6	0	0	0	0
Mr George Aghajanian	6	6	11	11	0	0
Mr Nabi Saleh	6	6	8	11	2	3
Dr Stephen Crouch	6	6	10	10	3	3
Ps Phillip Dooley	3	6	0	0	0	0
Mrs Lalitha Stables	3	4	0	0	0	0
Ps Benjamin Houston	1	6	0	0	0	0
Ps Gary Clarke	5	6	0	0	0	0
Mr Russell Dacre	4	6	0	0	3	3
Mr Phillip Denton	6	6	11	11	3	3
Ps Darren Kitto	6	6	0	0	0	0
Ps Tolulope Badders	2	2	0	0	0	0

*A* – Number of meetings attended by Director/Committee Member

*B* – Number of meetings held during the time the director held office

### Objectives

The short and long-term objectives of the Entity is to advance the Christian faith as expressed in the Statement of Belief of Hillsong Church and its ministries locally and globally, through:

- providing leadership to Hillsong Church, Hillsong Family, and Hillsong Network globally
- producing Christian music and media content
- providing corporate services to the various ministries.

### Operating results

The Entity's net surplus amounted to \$74,944 (2019: \$25,164).

### Dividends

The Entity is not permitted by its Constitution to pay dividends and consequently the directors do not recommend and have not provided for the payment of a dividend.

### State of affairs

In the opinion of the directors of the Trustee there were no other significant changes in the Entity's state of affairs that occurred during the year.

## **Directors' Report (continued)**

### **Environmental regulation**

The Entity's operations are not subject to any significant environmental regulations under either Commonwealth or State legislation. However, the Board believes that the Entity has adequate systems in place for the management of its environmental requirements and is not aware of any breach of those environmental requirements as they apply to the Entity.

### **Significant events after the balance date**

There have been no events subsequent to the balance sheet date which have significantly affected or may significantly affect

- a. The operations;
- b. The results of those operations; or
- c. The state of affairs of The Trustee for Hillsong International in future financial years.

### **Likely developments**

The Entity intends to continue operations in line with and fulfilling its objectives (as outlined previously).

### **Indemnification and insurance officers**

#### ***Indemnification***

Since its incorporation, the Entity has indemnified current and former directors of the Trustee against all liabilities to another person (other than the Entity or a related body corporate) that may arise from their position as directors of the Trustee for the Entity, except where the liability arises out of conduct involving a lack of good faith.

#### ***Insurance***

Since its incorporation, the Entity has paid insurance premiums and legal expenses in respect of Trustee's directors' and officers' liability insurance contracts, for current and former directors and officers. The directors have not included details of the nature of the liabilities covered or the amount of the premium paid as such disclosure is prohibited under the terms of the contract.

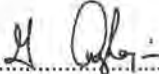


## **Directors' Report (continued)**

### **Auditor's independence declaration**

The directors of the Trustee received an independence declaration from the auditor, Ernst & Young. A copy has been included on page 24 of the report.

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

Director:  .....

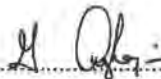
Dated: 25 May 2021

## **Directors' Declaration**

In the opinion of the directors of Hillsong International Ltd ("the Trustee"):

- (a) the Entity is not a reporting entity as defined in the Australian Accounting Standards;
- (b) the financial statements and notes of the Entity are in accordance with the terms of the Trust Deed dated 19 October 2016 and the Australian Charities and Not-for-Profits Commission Act 2012, including:
  - (i) giving a true and fair view of the financial position of the Entity as at 31 December 2020 and of its performance, as represented by the results of its operations and its cash flows for the period ended on that date; and
  - (ii) complying with Australian Accounting Standards and the Australian Charities and Not-for-Profits Commission Regulation 2013 to the extent described in Note 2 to the financial statements, and
- (c) the Entity has operated during the year ended 31 December 2020 in accordance with the provisions of the Trust Deed dated 19 October 2016;
- (d) there are reasonable grounds to believe that the Entity will be able to pay its debts as and when they become due and payable.

This declaration is made and signed in accordance with a resolution of the directors of Hillsong International Ltd ("the Trustee"):

Director:  .....

Dated: 25 May 2021

## Statement of Comprehensive Income

For the Year Ended 31 December 2020

	Note	2020 \$	2019 \$
Music royalty income		13,045,390	13,305,418
Training and resource revenue		1,411,607	3,079,910
Donations		6,736,775	25,027,768
Government grant income		4,664,010	-
Other revenue		15,465,502	7,022,479
<b>Total revenue</b>		<u>41,323,284</u>	<u>48,435,575</u>
Administrative expenses		(17,504,541)	(17,156,856)
Royalties expenses		(11,354,529)	(12,784,346)
Resources expenses		(5,624,804)	(7,821,847)
Mission expenses		(6,987,589)	(10,464,756)
<b>Total expenses</b>		<u>(41,471,463)</u>	<u>(48,227,805)</u>
<b>(Loss)/Surplus from operations</b>		(148,179)	207,770
Financial income	6	294,203	648
Financial expenses	6	(71,080)	(183,254)
<b>Surplus for the period</b>		74,944	25,164
Other comprehensive income		-	-
<b>Total comprehensive income for the period</b>		<u>74,944</u>	<u>25,164</u>

The accompanying notes form part of these financial statements.



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## **Independent Auditor's Report to the Trustee of The Trustee for Hillsong International**

### **Opinion**

We have audited the financial report, being a special purpose financial report, of The Trustee for Hillsong International (the 'Entity'), which comprises the statement of financial position as at 31 December 2020, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, notes to the financial statements, including a summary of significant accounting policies, and the directors' report.

In our opinion, the accompanying financial report of the Entity is in accordance with the *Australian Charities and Not-for-Profits Commission Act 2012*, including:

- a) giving a true and fair view of the Entity's financial position as at 31 December 2020 and of its financial performance for the year ended on that date; and
- b) complying with Australian Accounting Standards to the extent described in Note 2, and the *Australian Charities and Not-for-Profits Commission Regulation 2013*.

### **Basis for Opinion**

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Entity in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's *APES 110 Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

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

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

We draw attention to Note 2 to the financial statements, which describes the basis of accounting. The financial report has been prepared for the purpose of fulfilling the Trustees' financial reporting responsibilities under the *Australian Charities and Not-for-Profits Commission Act 2012*. As a result, the financial report may not be suitable for another purpose. Our opinion is not modified in respect of this matter.



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## **Information Other than the Financial Report and Auditor's Report Thereon**

The directors of the Trustee (the directors) are responsible for the other information. The other information is the directors' report accompanying the financial report.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

## **Responsibilities of the Trustee for the Financial Report**

The directors 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 2 to the financial statements is appropriate to meet the requirements of the *Australian Charities and Not-for-Profits Commission Act 2012* and is appropriate to meet the needs of the members. The directors' responsibility also includes such internal control as the directors determine 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.

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

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

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

**Statement of Financial Position**  
As at 31 December 2020

	Note	2020 \$	2019 \$
<b>ASSETS</b>			
Cash and cash equivalents	6	2,397,139	3,147,942
Trade and other receivables	7	7,204,656	7,502,100
Inventories	8	1,530,874	1,341,193
<b>Total current assets</b>		<u>11,132,669</u>	<u>11,991,235</u>
Trade and other receivables	7	7,892,516	6,987,993
Property, plant and equipment	9	6,980,223	5,066,902
<b>Total non-current assets</b>		<u>14,872,739</u>	<u>12,054,895</u>
<b>TOTAL ASSETS</b>		<u>26,005,408</u>	<u>24,046,130</u>
<b>LIABILITIES</b>			
Trade and other payables	10	11,389,531	11,695,339
Employee benefits	11	3,059,211	2,622,784
<b>Total current liabilities</b>		<u>14,448,742</u>	<u>14,318,123</u>
Trade and other payables	10	10,908,650	9,124,184
Employee benefits	11	328,670	359,420
<b>Total non-current liabilities</b>		<u>11,237,320</u>	<u>9,483,604</u>
<b>TOTAL LIABILITIES</b>		<u>25,686,062</u>	<u>23,801,727</u>
<b>NET ASSETS</b>		<u>319,346</u>	<u>244,403</u>
<b>ACCUMULATED FUNDS</b>			
Retained earnings		319,346	(7,884,417)
Common control reserve	14	-	8,128,820
<b>TOTAL ACCUMULATED FUNDS</b>		<u>319,346</u>	<u>244,403</u>

The accompanying notes form part of these financial statements.



**Statement of Changes in Equity**  
For the Year Ended 31 December 2020

	<b>Retained Earnings</b>	<b>Common control reserve</b>	<b>Total</b>
	\$	\$	\$
Balance at 1 January 2020	(7,884,417)	8,128,820	244,403
Total comprehensive income for the period	74,944	-	74,944
Transfer of reserve	8,128,820	(8,128,820)	-
Balance at 31 December 2020	<u>319,346</u>	<u>-</u>	<u>319,346</u>
Balance at 1 January 2019	(7,909,581)	8,128,820	219,239
Total comprehensive income for the period	25,164	-	25,164
Balance at 31 December 2019	<u>(7,884,417)</u>	<u>8,128,820</u>	<u>244,403</u>

The accompanying notes form part of these financial statements.

**Statement of Cash Flows**  
For the Year Ended 31 December 2020

	2020	2019
Note	\$	\$
<b>Cash flows from operating activities:</b>		
Cash receipts in the course of operations	42,415,704	48,469,254
Cash payments to suppliers and employees	(39,677,339)	(45,323,789)
Interest received	294,203	648
Interest paid	(71,080)	(183,254)
<b>Net cash provided by operating activities</b>	12(b) 2,961,488	2,962,859
<b>Cash flows from investing activities:</b>		
Payments for property, plant and equipment	(3,249,931)	(1,217,735)
<b>Net cash used in investing activities</b>	(3,249,931)	(1,217,735)
<b>Cash flows from financing activities:</b>		
Loans to related parties	(5,096,076)	(1,094,165)
Loans from related parties	2,641,939	1,817,105
Repayments to related parties	(2,439,026)	(6,546,651)
Repayments from related parties	4,836,163	6,696,855
Payments of lease liabilities	(405,360)	(206,483)
<b>Net cash (used in)/provided by financing activities</b>	(462,360)	666,661
<b>Net (decrease)/increase in cash and cash equivalents</b>	(750,803)	2,411,785
Cash and cash equivalents at beginning of period	3,147,942	736,157
<b>Cash and cash equivalents at end of period</b>	12(a) 2,397,139	3,147,942

The accompanying notes form part of these financial statements.

## **Notes to the Financial Statements**

### **1 Corporate Information**

The Trustee for Hillsong International ("the Entity") is a trust established under the Trust Deed dated 30 November 2016 and domiciled in Australia.

The Trustee is Hillsong International Limited, an entity incorporated and domiciled in Australia. The registered office and the principal place of business for both the Trust and the Trustee is 1-9 Solent Circuit, Norwest, NSW, Australia.

The financial report was authorised for issue by the directors of the Trustee on 25 May 2021.

### **2 Summary of Significant Accounting Policies**

#### **(a) Statement of compliance**

This special purpose financial report complies with Australian Accounting Standards as described below.

Certain Australian Accounting Standards and Interpretations have recently been issued or amended but are not yet effective and have not been adopted by the Entity for the annual reporting period ended 31 December 2020. The directors have not early adopted any of these new or amended standards or interpretations. The directors have not yet fully assessed the impact of these new or amended standards (to the extent relevant to the Entity) and interpretations.

#### **(b) Basis of preparation**

This special purpose financial report has been prepared for distribution to the Trustee to fulfill the directors' financial reporting requirements under the Trust Deed dated 30 November 2016 and the Australian Charities and Not-for-Profits Commission Act 2012 and the Australian Charities and Not-for-Profits Commission Regulation 2013. The accounting policies used in the preparation of this financial report, as described below, are consistent since incorporation, and are, in the opinion of the directors, appropriate to meet the needs of the stakeholders:

- (i) The financial report has been prepared on an accrual basis of accounting including the historical cost convention and the going concern assumption.
- (ii) The Entity is not a reporting entity because in the opinion of the Trustees there are unlikely to exist users of the financial report who are unable to command the preparation of reports tailored so as to satisfy specifically all of their information needs. The board of the Trustee have elected to prepare special purpose financial statements to reduce the preparation and administrative time and costs as the Entity operates an open book policy with its congregation in accordance with the Financial Charter of the Hillsong Group.

Accordingly, the financial report has been prepared in accordance with the Trust Deed dated 19 October 2016 and the Australian Charities and Not-for-Profits Commission Regulation 2013, the basis accounting specified by all the Accounting Standards and Interpretations and the disclosure requirements of AASB 101 'Presentation of Financial Statements', AASB 107 'Statement of Cash Flow', AASB 108 'Accounting Policies, Changes in Accounting Estimates and Errors', AASB 1031 'Materiality' and AASB 1048 'Interpretation and Application of Standards' which apply to all entities required to prepare financial reports under the Australian Charities and Not-for-Profits Commission Regulation 2013.

## Notes to the Financial Statements (continued)

### 2 Summary of Significant Accounting Policies (continued)

#### (b) Basis of preparation (continued)

The directors of the Trustee have determined that in order for the financial report to give a true and fair view of the Entity's performance, cash flows and financial position, the requirements of Australian Accounting Standards and other financial reporting requirements in Australia relating to the recognition and measurement of assets, liabilities, revenues, expenses and equity should be complied with.

The financial report is presented in Australian dollars. The financial report has been prepared for the single entity Hillsong International.

Current liabilities exceed current assets by \$3,316,073 (2019: \$2,326,888). Related parties have confirmed that they will provide financial support equal to the amount required to meet other creditor repayments as and when they fall due for a period of no less than twelve months from the date of approval of this financial report. The ability of the Entity to continue as going concern is strengthened by this support from related parties.

#### (c) Foreign currency transactions

Transactions in foreign currencies are translated at the foreign exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are translated to Australian dollars at the foreign exchange rate ruling at that date. Foreign exchange differences arising on translation are recognised in the Statement of Comprehensive Income. Non-monetary assets and liabilities that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction. Non-monetary assets and liabilities denominated in foreign currencies that are stated at fair value are translated to Australian dollars at foreign exchange rates ruling at the dates the fair value was determined.

#### (d) Plant and equipment

##### (i) Owned assets

Items of property, plant and equipment are stated at cost or deemed cost less accumulated depreciation (see below) and impairment losses (Note 2(i)). The cost of self-constructed assets includes the cost of materials, direct labour, the initial estimate, where relevant, of the costs of dismantling and removing the items and restoring the site on which they are located, and an appropriate proportion of production overheads.

Where parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items of property, plant and equipment.

For assets identified as qualifying assets, the attributable borrowing costs have been capitalised in accordance with AASB 123 "Borrowing costs".

##### (iii) Subsequent costs

The Entity recognises in the carrying amount of an item of plant and equipment the cost of replacing part of such an item when that cost is incurred if it is probable that the future economic benefits embodied within the item will flow to the Entity and the cost of the item can be measured reliably. All other costs are recognised in the Statement of Comprehensive Income as an expense as incurred

## Notes to the Financial Statements (continued)

### 2 Summary of Significant Accounting Policies (continued)

#### (d) Plant and Equipment (continued)

##### (iv) Depreciation

Depreciation is charged to the Statement of Comprehensive Income on a straight-line basis over the estimated useful lives of each part of an item of plant and equipment. The estimated useful lives in the current and comparative periods are as follows:

• Plant and equipment	3 – 33 years
• Fixtures and fittings	3 – 20 years
• Computer Equipment	3 – 14 years
• Motor vehicles	10 – 14 years

The residual value, if not insignificant, is reassessed annually.

#### (e) Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses. Internally generated intangibles, excluding capitalised development costs, are not capitalised and the related expenditure is reflected in profit or loss in the period in which the expenditure is incurred. The useful lives of intangible assets are assessed as either finite or indefinite.

#### (f) Trade and other receivables

Trade and other receivables are stated at their amortised cost using the effective interest method less impairment losses (Note 2(i)). Related party receivables are non-interest bearing.

#### (g) Inventories

Inventories relate mainly to the resources of Hillsong Music and include compact discs, digital video discs and books. Inventories are stated at the lower of cost and net realisable value. Cost is based on the weighted average cost principle. Net realisable value is determined on the basis of the normal selling patterns.

#### (h) Cash and cash equivalents

Cash and short-term deposits in the Statement of Financial Position comprise cash at banks and on hand and short-term deposits with a maturity of three months or less.

For the purpose of the Statement of Cash Flows, cash and cash equivalents consist of cash and short-term deposits as defined above.

## Notes to the Financial Statements (continued)

### 2 Summary of Significant Accounting Policies (continued)

#### (i) Impairment

The carrying amounts of the Entity's assets, other than inventories (Note 2(g)) are reviewed at each balance sheet date to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated (see below).

An impairment loss is recognised whenever the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. Impairment losses are recognised in the Statement of Comprehensive Income.

##### *(i) Calculation of recoverable amount*

The recoverable amount of the Entity's receivables carried at amortised cost are calculated as the present value of estimated future cash flows, discounted at the original effective interest rate (i.e. the effective interest rate computed at initial recognition of these financial assets). Receivables with a short duration are not discounted.

Impairment of receivables is not recognised until objective evidence is available that a loss event has occurred.

The recoverable amount of other assets is the greater of their fair value less costs to sell and value in use. Where the future economic benefits of an asset is not primarily dependent on the asset's ability to generate net cash inflows and where the Entity would if deprived of the asset, replace its remaining future economic benefits, value in use is determined as the asset's depreciated replacement cost, being the asset's current replacement cost less, where applicable, accumulated depreciation calculated on the basis of such cost to reflect the already consumed or expired economic benefits of the asset. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For an asset that does not generate largely independent cash inflows, the recoverable amount is determined for the cash-generating unit to which the asset belongs.

##### *(ii) Reversals of impairment*

An impairment loss in respect of receivables carried at amortised cost is reversed if the subsequent increase in recoverable amount can be related objectively to an event occurring after the impairment loss was recognised.

An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.



## **Notes to the Financial Statements (continued)**

### **2 Summary of Significant Accounting Policies (continued)**

#### **(j) Employee benefits (continued)**

##### *(i) Defined contribution plans*

Obligations for contributions to defined contribution pension plans are recognised as an expense in the Statement of Comprehensive Income as incurred. (ii) Long-term service benefits

The provision for employee entitlements to long service leave represents the present value of the estimated future cash flows to be made by the employer resulting from employees' services provided up to the balance date. In determining the liability for employee entitlements, consideration has been given to the Entity's experience with staff departures. Related on-costs have been included in the liability.

##### *(iii) Wages, salaries and annual leave*

Liabilities for employee entitlements to wages, salaries and annual leave represent present obligations resulting from employees' services provided up to the balance date. The liabilities have been calculated at discounted amounts based on remuneration that the Entity expects to pay and include related on-costs.

Whilst all employees are technically employed by The Trustee for Hillsong International, a recharge of salaries and wages expenses is made through each of the entities which receive the benefits of these employees' services. This recharge includes the Entity's allocation of annual leave and long service leave expense. However, the provision for employee entitlements is retained in The Trustee for Hillsong International.

#### **(k) Trade and other payables**

Trade and other payables are stated at amounts contracted with other parties.

#### **(l) Revenue and other income**

##### *(i) Music royalty income*

Music royalty income is defined as international distributor revenue and the gross licence fee accrued from the licensing of songs published by Hillsong Publishing both from international and national publishers. The licence fees accrued are based on information provided by the licence users.

##### *(ii) Resource revenue*

Resource income is recognised when the significant risks and rewards of ownership of the resources goods have passed to the buyer and the costs incurred in respect of the transactions can be measured reliably. Risks and rewards of ownership are considered passed to the buyer at the time of delivery of the goods to the customer.

## **Notes to the Financial Statements (continued)**

### **2 Summary of Significant Accounting Policies (continued)**

#### **(l) Revenue and other income (continued)**

##### *(iii) Other donations*

Other voluntary donations include specific purpose offerings to fund a specific project or event and missions offerings to support national and international Christian ministries. Revenue is recognised when received.

##### *(iv) Financial income*

Interest income is recognised in the Statement of Comprehensive Income as it accrues, using the effective interest method.

##### *(v) Government grant income*

Government grant income is recognised in the Statement of Comprehensive Income when performance obligations under the agreement are met.

#### **(m) Income taxes**

No income tax is payable by the Entity as it has a tax exempt status pursuant to section 50 - 5 Item 1.2 of the Income Tax Assessment Act 1997.

#### **(n) Goods and services tax (GST)**

Revenues, expenses and assets are recognised net of the amount of goods and services tax (GST), except where the amount of GST incurred is not recoverable from the Australian Taxation Office (ATO). In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of expense.

Receivables and payables are stated with the amount of GST included.

The net amount of GST recoverable from, or payable to, the ATO is included as a current asset or liability in the Statement of Financial Position.

Cash flows are included in the Statement of Cash Flows on a gross basis. The GST components of cash flows arising from investing and financing activities, which are recoverable from, or payable to, the ATO are classified as operating cash flows.

#### **(o) Use of estimates and judgements**

The preparation of financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income, and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected.

## Notes to the Financial Statements (continued)

### (p) Leases

The Entity has leases for IT equipment. With the exception of short-term leases and leases of low-value underlying assets, each lease is reflected on the balance sheet as a right-of-use asset and a lease liability. Variable lease payments which do not depend on an index or a rate (such as lease payments based on a percentage of the Entity sales) are excluded from the initial measurement of the lease liability and asset. The Entity classifies its right-of-use assets in a consistent manner to its property, plant and equipment.

### (q) Comparatives

When and as required in the adoption of new accounting standard, prior year comparatives have been reclassified or restated in the financial report to be consistent with current year presentation.

	2020	2019
	\$	\$
<b>3 Auditors' remuneration</b>		
<b><u>Audit services:</u></b>		
<i>The auditor of The Trustee for Hillsong International is Ernst &amp; Young</i>		
Audit of the financial report	58,000	66,820
<b>4 Expenses</b>		
Wages and salaries	17,611,069	16,132,969
Contributions to defined contribution superannuation plans	1,447,701	1,269,159
	19,058,770	17,402,128
Bad and doubtful debts	1,033,049	1,388,696
Inventory write-offs	7,931	34,219
Inventory recognised as expense during the period	438,439	884,675
Depreciation	1,336,610	892,058
<b>5 Net financing income</b>		
Interest received	294,203	648
Interest paid	(71,080)	(183,254)
	223,123	(182,606)

## Notes to the Financial Statements (continued)

	2020 \$	2019 \$
<b>6 Cash and cash equivalents</b>		
Bank balances	2,372,371	3,124,793
Cash on hand	24,768	23,149
	<u>2,397,139</u>	<u>3,147,942</u>
<b>7 Trade and other receivables</b>		
<b><u>Current</u></b>		
Trade and other receivables	1,152,590	794,759
Expected credit loss	(147,090)	(149,669)
	<u>1,005,500</u>	<u>645,090</u>
Royalties receivable	5,388,463	5,953,421
GST receivable	266,300	364,596
Prepayments	544,393	538,993
	<u>7,204,656</u>	<u>7,502,100</u>
<b><u>Non-current</u></b>		
Amounts receivable from related parties	5,194,227	3,081,871
Sundry debtor	4,732,260	5,296,978
Expected credit loss	(2,033,971)	(1,390,856)
	<u>7,892,516</u>	<u>6,987,993</u>
<p>Amounts receivable from related parties are not past due. It is expected that these amounts will be received when due.</p>		
<b>8 Inventories</b>		
Finished goods - at cost	1,727,190	1,509,870
Less: Impairment allowance	(196,316)	(168,677)
	<u>1,530,874</u>	<u>1,341,193</u>

## Notes to the Financial Statements (continued)

	2020	2019
	\$	\$
<b>9 Property, plant and equipment</b>		
<b>Furniture, fixtures and fittings</b>		
Cost		
Balance at 1 January	487,482	441,672
Acquisitions	1,156	45,810
Balance at 31 December	<u>488,638</u>	<u>487,482</u>
Accumulated depreciation		
Balance at 1 January	(53,450)	(31,834)
Depreciation charge for the period	(25,731)	(21,616)
Balance at 31 December	<u>(79,181)</u>	<u>(53,450)</u>
Carrying value – Furniture, fixtures and fittings	<u>409,457</u>	<u>434,032</u>
<b>Capital works in progress</b>		
Cost		
Balance at 1 January	-	-
Acquisitions	2,746,420	-
Balance at 31 December	<u>2,746,420</u>	<u>-</u>
Carrying value – Capital works in progress	<u>2,746,420</u>	<u>-</u>
<b>Plant and equipment</b>		
Cost		
Balance at 1 January	995,588	761,099
Acquisitions	2,469	234,489
Balance at 31 December	<u>998,057</u>	<u>995,588</u>
Accumulated depreciation		
Balance at 1 January	(189,816)	(98,728)
Depreciation charge for the period	(127,860)	(91,088)
Balance at 31 December	<u>(317,676)</u>	<u>(189,816)</u>
Carrying value – Plant and equipment	<u>680,381</u>	<u>805,772</u>

## Notes to the Financial Statements (continued)

	2020	2019
	\$	\$
<b>9 Property, plant and equipment (continued)</b>		
<b>Computer equipment</b>		
Cost		
Balance at 1 January	1,851,072	1,465,209
Acquisitions	317,136	385,863
Balance at 31 December	<u>2,168,208</u>	<u>1,851,072</u>
Accumulated depreciation		
Balance at 1 January	(639,993)	(270,841)
Depreciation charge for the period	(467,784)	(369,152)
Balance at 31 December	<u>(1,107,771)</u>	<u>(639,993)</u>
Carrying value – Computer equipment	<u>1,060,431</u>	<u>1,211,079</u>
<b>Motor vehicles</b>		
Cost		
Balance at 1 January	215,410	215,410
Acquisitions	-	-
Balance at 31 December	<u>215,410</u>	<u>215,410</u>
Accumulated depreciation		
Balance at 1 January	(77,423)	(46,073)
Depreciation charge for the period	(31,350)	(31,350)
Balance at 31 December	<u>(108,773)</u>	<u>(77,423)</u>
Carrying value – Motor vehicles	<u>106,637</u>	<u>137,987</u>
<b>Software</b>		
Cost		
Balance at 1 January	1,159,707	608,135
Acquisitions	182,750	551,572
Balance at 31 December	<u>1,342,457</u>	<u>1,159,707</u>



## Notes to the Financial Statements (continued)

	2020	2019
	\$	\$
<b>9 Property, plant and equipment (continued)</b>		
<b>Software (continued)</b>		
Accumulated depreciation		
Balance at 1 January	(182,322)	(22,497)
Depreciation charge for the period	(271,364)	(159,825)
Balance at 31 December	<u>(453,686)</u>	<u>(182,322)</u>
Carrying value – Software	<u>888,771</u>	<u>977,385</u>
<b>Right of use</b>		
Cost		
Balance at 1 January	1,719,674	-
Adoption	-	1,719,674
Balance at 31 December	<u>1,719,674</u>	<u>1,719,674</u>
Accumulated Amortisation		
Balance at 1 January	(219,027)	-
Amortisation charge for the period	(412,522)	(219,027)
Balance at 31 December	<u>(631,549)</u>	<u>(219,027)</u>
Carrying value – Right of use	<u>1,088,125</u>	<u>1,500,647</u>
<b>Property, plant and equipment</b>	<u>6,980,223</u>	<u>5,066,902</u>
<b>10 Trade and other payables</b>		
<b><u>Current</u></b>		
Trade payables	9,796,443	10,215,960
Advance income	259,224	149,936
Other creditors & accruals	898,818	924,084
Lease liabilities	435,046	405,359
	<u>11,389,531</u>	<u>11,695,339</u>

## Notes to the Financial Statements (continued)

	2020	2019
	\$	\$
<b>10 Trade and other payables (continued)</b>		
<b><u>Non-current</u></b>		
Amounts payable to related parties	9,668,339	7,271,200
Royalty payable	567,526	745,152
Lease liabilities	672,785	1,107,832
	<u>10,908,650</u>	<u>9,124,184</u>
<b>11 Employee benefits</b>		
<b><u>Current</u></b>		
Liability for annual leave	1,899,655	1,664,475
Provision for long service leave	804,812	799,054
Liability for superannuation	354,744	159,255
	<u>3,059,211</u>	<u>2,622,784</u>
<b><u>Non-current</u></b>		
Provision for long service leave	328,670	359,420
	<u>328,670</u>	<u>359,420</u>
<b>12 Reconciliation of cash flows from operating activities</b>		
<b>(a) Reconciliation of cash</b>		
For the purposes of the Statement of Cash Flows, cash includes cash on hand and at bank and short term deposits at call, net of outstanding overdrafts. Cash at the end of the period as shown in the Statement of Cash Flows is reconciled to the related items in the Statement of Financial Position as follows:		
Cash on hand and in bank (see note 7)	2,397,139	3,147,942
	<u>2,397,139</u>	<u>3,147,942</u>

## Notes to the Financial Statements (continued)

	2020	2019
	\$	\$
<b>12 Reconciliation of cash flows from operating activities (continued)</b>		
<b>(b) Reconciliation of cash flow from operations with net surplus</b>		
Net surplus for the period	74,944	25,164
Cash flows excluded from profit attributable to operating activities		
Non-cash items:		
Depreciation	1,336,610	892,058
	<u>1,411,554</u>	<u>917,222</u>
Changes in assets and liabilities after transfer of net assets:		
Decrease/(increase) in trade and other receivables	1,847,059	(880,146)
Increase in inventories	(189,681)	(122,239)
(Decrease)/increase in trade and other payables	(513,121)	2,381,513
Increase in employee benefits	405,677	666,509
Net cash provided by operating activities	<u>2,961,488</u>	<u>2,962,859</u>

## 13 Key management personnel transactions

Key management personnel include the board along with some non-board positions. Directors serve in a voluntary capacity; those board members who are also employed by the Entity are remunerated for their executive responsibilities.

From time to time, key management personnel including directors or their related entities may purchase or sell goods, make donations, derive royalty income or generally partake in Entity related services offered by the Church and its related parties. These transactions are carried out under the same terms and conditions generally applicable in respect of such activities. The terms and conditions of the transactions with key management personnel and their related entities were no more favourable than those also available, or which might reasonably be expected to be available, on similar arm's length transactions to other third parties.

## 14 Common control reserve

In 2017 the Entity was part of a reorganisation with other related entities. As a part of the reorganisation, the Entity has received assets by way of gift and similarly certain related party loans have been forgiven. As the entities form part of the same group, both the value of the assets transferred and the loans forgiven have been recorded through the common control equity reserve.

## 15 Other related party transactions

### *Transactions with related parties*

All transactions with related parties are on normal terms and conditions, apart from amounts receivable from and payable to Hillsong Group entities, which are interest free and not required to be repaid within the next twelve months.

## **Notes to the Financial Statements (continued)**

### **16 Contingent Liabilities**

In the ordinary course of operation, from time to time, the Entity receives claims in respect to the entitlement to royalties. At this time the Board do not believe there are any claims which are material, nor quantifiable that need to be disclosed in the financial statements.

### **17 Significant events after balance sheet date**

There have been no significant events occurring after balance date which may affect either the Entity's operations or results of those operations or the Entity's state of affairs.



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## **Auditor's Independence Declaration to the Directors of The Trustee of The Trustee for Hillsong International**

In relation to our audit of the financial report of The Trustee for Hillsong International for the financial period ended 31 December 2020, and in accordance with the requirements of Subdivision 60-C of the *Australian Charities and Not-for profits Commission Act 2012*, to the best of my knowledge and belief, there have been no contraventions of the auditor independence requirements of any applicable code of professional conduct.

Ernst & Young

Anthony Jones  
Partner  
Sydney  
25 May 2021



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- 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 the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' 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 Entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Entity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Ernst & Young

Anthony Jones  
Partner  
Sydney  
25 May 2021





**HC Australia Property Trust**

**ABN 58 280 825 822**

**Annual Financial Report**

**For the Period Ended 31 December 2021**

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**Statement of Comprehensive Income**  
For the Year Ended 31 December 2021

	2021	2020
	\$	\$
Donations received	5,640,370	16,111,936
Other revenue	1,133,403	-
<b>Total revenue</b>	<b>6,593,773</b>	<b>16,111,936</b>
Property expenses	(2,993,183)	(3,032,186)
Other expenses	(300,000)	(101,000)
<b>Total expenses</b>	<b>(3,293,183)</b>	<b>(3,133,186)</b>
<b>Surplus from operations</b>	<b>3,300,590</b>	<b>12,978,750</b>
Financial expenses	(641,786)	(655,701)
<b>Surplus available for church and ministry project</b>	<b>2,658,804</b>	<b>12,323,049</b>
Other comprehensive income	-	-
<b>Total comprehensive income for the period</b>	<b>2,658,804</b>	<b>12,323,049</b>

The accompanying notes form part of these financial statements.

**Statement of Financial Position**  
As at 31 December 2021

	Note	2021 \$	2020 \$
<b>ASSETS</b>			
<b>Current assets</b>			
Cash and cash equivalents	5	6,140,149	4,679
Trade and other receivables	6	82,500	-
<b>Total current assets</b>		<u>6,222,649</u>	<u>4,679</u>
<b>Non-current assets</b>			
Other Receivables	6	2,057,607	2,930,084
Property, plant and equipment	7	59,454,210	62,014,570
<b>Total non-current assets</b>		<u>61,511,817</u>	<u>64,944,654</u>
<b>TOTAL ASSETS</b>		<u>67,734,466</u>	<u>64,949,333</u>
<b>LIABILITIES</b>			
<b>Current liabilities</b>			
Other payables	8	48,706	62,735
<b>Total current liabilities</b>		<u>48,706</u>	<u>62,735</u>
Other payables	8	21,464,205	21,323,847
<b>Total non-current liabilities</b>		<u>21,464,205</u>	<u>21,323,847</u>
<b>TOTAL LIABILITIES</b>		<u>21,512,911</u>	<u>21,386,582</u>
<b>NET ASSETS</b>		<u>46,221,555</u>	<u>43,562,751</u>
<b>TRUST FUNDS</b>			
Settled sum	10	100	100
Retained earnings		<u>46,221,455</u>	<u>43,562,651</u>
<b>TOTAL TRUST FUNDS</b>		<u>46,221,455</u>	<u>43,562,751</u>

The accompanying notes form part of these financial statements.

**Statement of Changes in Equity**  
For the Year Ended 31 December 2021

	<b>Settled sum \$</b>	<b>Retained Earnings \$</b>	<b>Common Control Reserve \$</b>	<b>Total \$</b>
Balance at 1 January 2021	100	43,562,651	-	43,562,751
Total comprehensive surplus for the period	-	2,658,804	-	2,658,804
Balance at 31 December 2021	100	46,221,455	-	46,221,555

	<b>Settled sum \$</b>	<b>Retained Earnings \$</b>	<b>Common Control Reserve \$</b>	<b>Total \$</b>
Balance at 1 January 2020	100	(1,065,308)	32,304,910	31,239,702
Total comprehensive surplus for the period	-	12,323,049	-	12,323,049
Transfer of reserve	-	32,304,910	(32,304,910)	-
Balance at 31 December 2020	100	43,562,651	-	43,562,751

The accompanying notes form part of these financial statements.



**Statement of Cash Flows**  
For the Year Ended 31 December 2021

	Note	2021 \$	2020 \$
<b>Cash flows from operating activities:</b>			
Cash receipts in the course of operations		5,452,870	16,111,936
Cash payments to suppliers and employees		(372,839)	(88,092)
Interest paid		(641,786)	(655,701)
<b>Net cash provided by operating activities</b>	10(b)	<u>4,438,245</u>	<u>15,368,143</u>
<b>Cash flows from investing activities:</b>			
Payments for property, plant and equipment		(3,315,610)	(15,524,457)
Proceeds from property plant and equipment		4,000,000	-
<b>Net cash provided by/(used in) investing activities</b>		<u>684,390</u>	<u>(15,524,457)</u>
<b>Cash flows from financing activities:</b>			
Loans to related parties		(60,494)	(2,930,084)
Loans from related parties		164,242	5,589,149
Repayments to related parties		(23,885)	(2,745,000)
Repayments from related parties		932,972	-
Proceeds from borrowing		-	251,956
Repayments of borrowing		-	(5,028)
<b>Net cash provided by financing activities</b>		<u>1,012,835</u>	<u>160,993</u>
<b>Net increase/(decrease) in cash and cash equivalents</b>		6,135,470	4,679
Cash and cash equivalents at beginning of period		4,679	-
<b>Cash and cash equivalents at end of period</b>	10(a)	<u>6,140,149</u>	<u>4,679</u>

The accompanying notes form part of these financial statements.

## Notes to the Financial Statements

### 1 Organisation Information

The Trustee for HC Australia Property Trust ("the Trust") is a trust established under the Trust Deed dated 19 October 2016 and domiciled in Australia.

The Trustee is Hillsong Church Australia Limited, an entity incorporated and domiciled in Australia. The registered office and the place of business of the Entity is 1-9 Solent Circuit, Norwest, NSW, Australia.

The financial report for the year ended 31 December 2021 was authorised for issue by the directors of the Trustee on 25 May 2021.

### 2 Summary of Significant Accounting Policies

#### (a) Statement of compliance

This special purpose financial report complies with Australian Accounting Standards as described below.

Certain Australian Accounting Standards and Interpretations have recently been issued or amended but are not yet effective and have not been adopted by the Trust for the annual reporting period ended 31 December 2021. The directors have not early adopted any of these new or amended standards or interpretations. The directors have not yet fully assessed the impact of these new or amended standards (to the extent relevant to the Trust) and interpretations.

#### (b) Basis of preparation

This special purpose financial report has been prepared for distribution to the Trustee to fulfil the financial reporting requirements under the Trust Deed dated 19 October 2016 the Australian Charities and Not-for-Profits Commission Act and the Australian Charities and Not-for-Profits Commission Regulation 2013. The accounting policies used in the preparation of this financial report, as described below, are consistent since incorporation, and are, in the opinion of the directors, appropriate to meet the needs of the stakeholders:

- (i) The financial report has been prepared on an accrual basis of accounting including the historical cost convention and the going concern assumption.
- (ii) The Trust is not a reporting Trust because in the opinion of the Trustee there are unlikely to exist users of the financial report who are unable to command the preparation of reports tailored so as to satisfy specifically all of their information needs. The board of the Trustee has elected to prepare special purpose financial statements to reduce the preparation and administrative time and cost as the Hillsong Group operates an open book policy with its congregation in accordance with the Financial Charter.

Accordingly, the financial report has been prepared in accordance with the Trust Deed dated 19 October 2016, the basis of accounting specified by all Accounting Standards with exception of AASB 16 'Leases' and Interpretations and the disclosure requirements of AASB 101 'Presentation of Financial Statements', AASB 107 'Statement of Cash Flow', AASB 108 'Accounting Policies, Changes in Accounting Estimates and Errors', AASB 1031 'Materiality' and AASB 1048 'Interpretation and Application of Standards' and the Australian Charities and Not-for-Profits Commission Regulation 2013.

The Trustee has determined that in order for the financial report to give a true and fair view of the Trust's performance, cash flows and financial position, the requirements of Australian Accounting Standards and other financial reporting requirements in Australia relating to the recognition and measurement of assets, liabilities, revenues, expenses and equity should be complied with except AASB 16.

## Notes to the Financial Statements (continued)

### 2 Summary of Significant Accounting Policies (continued)

#### (b) Basis of preparation (continued)

The financial report is presented in Australian dollars. The financial report has been prepared for the single entity HC Australia Property Trust

#### (c) Property, plant and equipment

##### (i) Owned assets

Items of property, plant and equipment are stated at cost or deemed cost less accumulated depreciation (see below) and impairment losses (see Note 2(f)). The cost of self-constructed assets includes the cost of materials, direct labour, the initial estimate, where relevant, of the costs of dismantling and removing the items and restoring the site on which they are located, and an appropriate proportion of production overheads.

Where parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items of property, plant and equipment.

For assets identified as qualifying assets, the attributable borrowing costs have been capitalised in accordance with AASB 123 "Borrowing costs".

##### (ii) Subsequent costs

The Trust recognises in the carrying amount of an item of plant and equipment the cost of replacing part of such an item when that cost is incurred if it is probable that the future economic benefits embodied within the item will flow to the Trust and the cost of the item can be measured reliably. All other costs are recognised in the Statement of Comprehensive Income as an expense as incurred.

##### (iii) Depreciation

Depreciation is charged to the Statement of Comprehensive Income on a straight-line basis over the estimated useful lives of each part of an item of plant and equipment. The estimated useful lives in the current and comparative periods are as follows:

- buildings and building improvements 4 – 50 years
- plant and equipment 3 – 20 years
- fixtures and fittings 3 – 50 years

The residual value, if not insignificant, is reassessed annually.

## Notes to the Financial Statements (continued)

### 2 Summary of Significant Accounting Policies (continued)

#### (d) Trade payables

Trade and other payables are stated at amounts contracted with other parties.

#### (e) Revenue and other income

HC Australia Property Trust is a charitable fund that relies predominantly on donation income. These donations are received from Hillsong Church and its related entities. Donations are recognised as they are received.

#### (f) Impairment

The carrying amount of the Trust's assets are reviewed at each balance sheet date to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated (see below).

An impairment loss is recognised whenever the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. Impairment losses are recognised in the Statement of Comprehensive Income.

##### *(i) Calculation of recoverable amount*

The recoverable amount of the Trust's assets is the greater of their fair value less costs to sell and value in use. Where the future economic benefits of an asset is not primarily dependent on the asset's ability to generate net cash inflows and where the Trust would if deprived of the asset, replace its remaining future economic benefits, value in use is determined as the asset's depreciated replacement cost, being the asset's current replacement cost less, where applicable, accumulated depreciation calculated on the basis of such cost to reflect the already consumed or expired economic benefits of the asset. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For an asset that does not generate largely independent cash inflows, the recoverable amount is determined for the cash-generating unit to which the asset belongs.

##### *(ii) Reversals of impairment*

An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

#### (g) Taxation

No income tax is payable by the Trust as it has a tax exempt status pursuant to section 50 -5 Item 1.2 of the Income Tax Assessment Act 1997.

## Notes to the Financial Statements (continued)

### 2 Summary of Significant Accounting Policies (continued)

#### (h) Goods and services tax (GST)

Revenues, expenses and assets are recognised net of the amount of goods and services tax (GST), except where the amount of GST incurred is not recoverable from the Australian Taxation Office (ATO). In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of expense.

Receivables and payables are stated with the amount of GST included.

The net amount of GST recoverable from, or payable to, the ATO is included as a current asset or liability in the Statement of Financial Position.

Cash flows are included in the Statement of Cash Flows on a gross basis. The GST components of cash flows arising from investing and financing activities, which are recoverable from, or payable to, the ATO are classified as operating cash flows.

#### (i) Use of estimates and judgements

The preparation of financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income, and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected.

### 3 Auditors' remuneration

The auditor of the financial report is Ernst & Young. The audit of 2021 financial report is paid by related entities.

	2021	2020
	\$	\$
<b>4 Expenses items</b>		
Depreciation	2,934,373	2,209,498
<b>5 Cash and cash equivalents</b>		
Cash at bank	6,140,149	4,679
	6,140,149	4,679
<b>6 Trade and other receivables</b>		
<u>Current</u>		
Trade and other receivables	82,500	-
	82,500	-

## Notes to the Financial Statements (continued)

	2021	2020
	\$	\$
<b>6 Trade and other receivables (continued)</b>		
<u>Non-current</u>		
Other receivables	2,057,607	2,930,084
	<u>2,057,607</u>	<u>2,930,084</u>
<b>7 Property, plant and equipment</b>		
<b>Land</b>		
Cost		
Balance at 1 January	12,035,500	12,035,500
Asset transfer	850,000	-
Disposal	(1,960,000)	-
Balance at 31 December	<u>10,925,500</u>	<u>12,035,500</u>
<b>Buildings and building improvements</b>		
Cost		
Balance at 1 January	21,873,167	20,521,925
Acquisitions	1,901,191	2,254,186
Asset transfer	556,035	14,001
Disposal	(1,057,332)	(916,945)
Balance at 31 December	<u>23,273,061</u>	<u>21,873,167</u>
Accumulated depreciation		
Balance at 1 January	(1,350,041)	(907,082)
Depreciation charge for the period	(544,426)	(537,306)
Disposal	75,735	94,347
Balance at 31 December	<u>(1,818,732)</u>	<u>(1,350,041)</u>
Carrying value – Buildings	<u>21,474,329</u>	<u>20,523,126</u>
<b>Leasehold Improvements</b>		
Cost		
Balance at 1 January	14,438,977	6,341,138
Acquisitions	912,087	7,634,638
Asset Transfer	2,691,034	463,201
Balance at 31 December	<u>18,042,098</u>	<u>14,438,977</u>



## Notes to the Financial Statements (continued)

	2021	2020
	\$	\$
<b>7 Property, plant and equipment (continued)</b>		
<b>Leasehold Improvements (continued)</b>		
Accumulated depreciation		
Balance at 1 January	(1,533,787)	(934,937)
Depreciation charge for the period	<u>(1,254,900)</u>	<u>(598,850)</u>
Balance at 31 December	<u>(2,788,687)</u>	<u>(1,533,787)</u>
Carrying value – Leasehold Improvements	<u>15,253,411</u>	<u>12,905,190</u>
<b>Capital work in progress</b>		
Cost		
Balance at 1 January	6,941,238	1,893,176
Acquisitions	136,360	5,525,264
Assets Transfer	<u>(4,245,258)</u>	<u>(477,202)</u>
Balance at 31 December	<u>2,832,340</u>	<u>6,941,238</u>
Carrying value – Capital work in progress	<u>2,832,340</u>	<u>6,941,238</u>
<b>Plant and equipment</b>		
Cost		
Balance at 1 January	13,642,188	13,531,819
Acquisitions	365,972	110,369
Asset Transfer	<u>148,189</u>	<u></u>
Balance at 31 December	<u>14,156,349</u>	<u>13,642,188</u>
Accumulated depreciation		
Balance at 1 January	(4,032,672)	(2,959,330)
Depreciation charge for the period	<u>(1,135,047)</u>	<u>(1,073,342)</u>
Balance at 31 December	<u>(5,167,719)</u>	<u>(4,032,672)</u>
Carrying value – Property and equipment	<u>8,988,630</u>	<u>9,609,516</u>
Total property, plant and equipment	<u>59,454,210</u>	<u>62,014,570</u>

## Notes to the Financial Statements (continued)

	2021	2020
	\$	\$
<b>8 Trade and other payables</b>		
<u>Current</u>		
Trade and other payables	48,706	62,735
	48,706	62,735
<u>Non-current</u>		
Amounts payable to related parties	21,464,205	21,323,847
	21,464,205	21,323,847
<b>9 Trust fund</b>		
Settled sum	100	100
	100	100
<b>10 Reconciliation of cash flows from operating activities</b>		
<b>(a) Reconciliation of cash</b>		
For the purposes of the Statement of Cash Flows, cash includes cash on hand and at bank and short term deposits at call, net of outstanding overdrafts. Cash at the end of the period as shown in the Statement of Cash Flows is reconciled to the related items in the Statement of Financial Position as follows:		
Cash on hand and in bank (see Note 5)	6,140,149	4,679
	6,140,149	4,679
<b>(b) Reconciliation of cash flow from operations with net surplus/(loss)</b>		
Net surplus for the period	2,979,569	12,323,049
Cash flows excluded from surplus attributable to operating activities		
Non-cash items:		
Impairment	-	822,598
Gain on sale	(1,058,403)	-
Depreciation	2,613,608	2,209,498
	4,534,774	15,355,145
Changes in assets and liabilities		
(Decrease)/increase in other payables	(96,529)	12,998
Net cash provided by/(used in) operating activities	4,438,245	15,368,143

## **Notes to the Financial Statements (continued)**

### **11 Common control reserve**

In 2016, 2017 & 2019 the Trust was part of a reorganisation with other related entities. As a part of the reorganisation, the Trust has received assets by way of gift and through a 125-year lease arrangement. As the entities form part of the same group, the value of the assets transferred have been recorded through the common control equity reserve.

### **12 Significant events after balance sheet date**

There have been no other significant events occurring after balance date which may affect either the Trust's operations or results of those operations or the Trust's state of affairs.

### **13 Contingent liabilities**

In the ordinary course of operation, from time to time, the Trust receive claims in respect to the property matters. At this time, the Board do not believe there are any claims which are material and quantifiable that need to be disclosed in the financial statements.

## **Trustee's Declarations**

In the opinion of the directors of Hillsong Church Australia Ltd ("the Trustee"):

- (a) the Trust is not a reporting Trust as defined in the Australian Accounting Standards;
- (b) the financial statements and notes of the Trust are in accordance with the terms of the Trust Deed 19 October 2016 and the Australian Charities and Not-for-Profits Commission Act 2012, including:
  - (i) giving a true and fair view of the financial position of the Trust as at 31 December 2021 and of its performance, as represented by the results of its operations and its cash flows for the period ended on that date; and
  - (ii) complying with Australian Accounting Standards and the Australian Charities and Not-for-Profits Commission Regulation 2013 to the extent described in Note 2 to the financial statements, and
- (c) the Trust has operated during the year ended 31 December 2021 in accordance with the provisions of the Trust Deed dated 19 October 2016.
- (d) there are reasonable grounds to believe that the Trust will be able to pay its debts as and when they become due and payable; and
- (e) the Register of Beneficiaries, has during the period ended 31 December 2021, been properly drawn up and maintained so as to give a true account of the Beneficiaries of the Trust.

This declaration is signed in accordance with a resolution of the directors of Hillsong Church Australia Ltd ("the Trustee").

Director: .....

Dated: 25 May 2021



**HC Australia Property Trust**

**ABN 58 280 825 822**

**Annual Financial Report**

**For the Period Ended 31 December 2020**



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**Statement of Comprehensive Income**  
For the Year Ended 31 December 2020

	<b>2020</b>	<b>2019</b>
	<b>\$</b>	<b>\$</b>
Donations received	16,111,936	398,842
Other revenue	-	3,001,329
<b>Total revenue</b>	<b>16,111,936</b>	<b>3,400,171</b>
Property expenses	(3,032,186)	(2,010,418)
Other expenses	(101,000)	-
<b>Total expenses</b>	<b>(3,133,186)</b>	<b>(2,010,418)</b>
<b>Surplus from operations</b>	<b>12,978,750</b>	<b>1,389,753</b>
Financial expenses	(655,701)	(58,842)
<b>Surplus available for church and ministry project</b>	<b>12,323,049</b>	<b>1,330,911</b>
Other comprehensive income	-	-
<b>Total comprehensive income for the period</b>	<b>12,323,049</b>	<b>1,330,911</b>

The accompanying notes form part of these financial statements.

**Statement of Financial Position**  
As at 31 December 2020

	Note	2020 \$	2019 \$
<b>ASSETS</b>			
<b>Current assets</b>			
Cash and cash equivalents	5	4,679	-
<b>Total current assets</b>		<u>4,679</u>	<u>-</u>
<b>Non-current assets</b>			
Other Receivables		2,930,084	251,956
Property, plant and equipment	6	62,014,570	49,522,209
<b>Total non-current assets</b>		<u>64,944,654</u>	<u>49,774,165</u>
<b>TOTAL ASSETS</b>		<u>64,949,333</u>	<u>49,774,165</u>
<b>LIABILITIES</b>			
<b>Current liabilities</b>			
Other payables	7	62,735	52,765
<b>Total current liabilities</b>		<u>62,735</u>	<u>52,765</u>
<b>Non-current liabilities</b>			
Interest bearing liabilities	8	-	2,000
Other payables	7	21,323,847	18,479,698
<b>Total non-current liabilities</b>		<u>21,323,847</u>	<u>18,481,698</u>
<b>TOTAL LIABILITIES</b>		<u>21,386,582</u>	<u>18,534,463</u>
<b>NET ASSETS</b>		<u>43,562,751</u>	<u>31,239,702</u>
<b>TRUST FUNDS</b>			
Settled sum	9	100	100
Retained earnings		43,562,651	(1,065,308)
Common control reserve	11	-	32,304,910
<b>TOTAL TRUST FUNDS</b>		<u>43,562,751</u>	<u>31,239,702</u>

The accompanying notes form part of these financial statements.

**Statement of Changes in Equity**  
**For the Year Ended 31 December 2020**

	<b>Settled sum \$</b>	<b>Retained Earnings \$</b>	<b>Common Control Reserve \$</b>	<b>Total \$</b>
Balance at 1 January 2020	100	(1,065,308)	32,304,910	31,239,702
Total comprehensive surplus for the period	-	12,323,049	-	12,323,049
Transfer of reserve	-	32,304,910	(32,304,910)	-
Balance at 31 December 2020	100	43,562,651	-	43,562,751

	<b>Settled sum \$</b>	<b>Retained Earnings \$</b>	<b>Common Control Reserve \$</b>	<b>Total \$</b>
Balance at 1 January 2019	100	(2,396,219)	29,352,563	26,956,444
Total comprehensive surplus for the period	-	1,330,911	-	1,330,911
Transfer of assets	-	-	2,952,347	2,952,347
Balance at 31 December 2019	100	(1,065,308)	32,304,910	31,239,702

The accompanying notes form part of these financial statements.

**Statement of Cash Flows**  
For the Year Ended 31 December 2020

	Note	2020 \$	2019 \$
<b>Cash flows from operating activities:</b>			
Cash receipts in the course of operations		16,111,936	398,842
Cash payments to suppliers and employees		(88,092)	(658,700)
Interest paid		(655,701)	(58,842)
<b>Net cash provided by/(used in) operating activities</b>	10(b)	15,368,143	(318,700)
<b>Cash flows from investing activities:</b>			
Payments for property, plant and equipment		(15,524,457)	(2,541,841)
Proceeds from property plant and equipment		-	3,780,000
<b>Net cash (used in)/provided by investing activities</b>		(15,524,457)	1,238,159
<b>Cash flows from financing activities:</b>			
Loans to related parties		(2,930,084)	(251,955)
Loans from related parties		5,589,149	556,925
Repayments to related parties		(2,745,000)	(1,230,341)
Proceeds from borrowing		251,956	5,028
Repayments of borrowing		(5,028)	-
<b>Net cash provided by/(used in) financing activities</b>		160,993	(920,343)
<b>Net increase/(decrease) in cash and cash equivalents</b>		4,679	(884)
Cash and cash equivalents at beginning of period		-	884
<b>Cash and cash equivalents at end of period</b>	10(a)	4,679	-

The accompanying notes form part of these financial statements.

## Notes to the Financial Statements

### 1 Organisation Information

The Trustee for HC Australia Property Trust ("the Trust") is a trust established under the Trust Deed dated 19 October 2016 and domiciled in Australia.

The Trustee is Hillsong Church Australia Limited, an entity incorporated and domiciled in Australia. The registered office and the place of business of the Entity is 1-9 Solent Circuit, Norwest, NSW, Australia.

The financial report for the year ended 31 December 2020 was authorised for issue by the directors of the Trustee on 25 May 2021.

### 2 Summary of Significant Accounting Policies

#### (a) Statement of compliance

This special purpose financial report complies with Australian Accounting Standards as described below.

Certain Australian Accounting Standards and Interpretations have recently been issued or amended but are not yet effective and have not been adopted by the Trust for the annual reporting period ended 31 December 2020. The directors have not early adopted any of these new or amended standards or interpretations. The directors have not yet fully assessed the impact of these new or amended standards (to the extent relevant to the Trust) and interpretations.

#### (b) Basis of preparation

This special purpose financial report has been prepared for distribution to the Trustee to fulfil the financial reporting requirements under the Trust Deed dated 19 October 2016 the Australian Charities and Not-for-Profits Commission Act and the Australian Charities and Not-for-Profits Commission Regulation 2013. The accounting policies used in the preparation of this financial report, as described below, are consistent since incorporation, and are, in the opinion of the directors, appropriate to meet the needs of the stakeholders:

- (i) The financial report has been prepared on an accrual basis of accounting including the historical cost convention and the going concern assumption.
- (ii) The Trust is not a reporting Trust because in the opinion of the Trustee there are unlikely to exist users of the financial report who are unable to command the preparation of reports tailored so as to satisfy specifically all of their information needs. The board of the Trustee has elected to prepare special purpose financial statements to reduce the preparation and administrative time and cost as the Hillsong Group operates an open book policy with its congregation in accordance with the Financial Charter.

Accordingly, the financial report has been prepared in accordance with the Trust Deed dated 19 October 2016, the basis of accounting specified by all Accounting Standards with exception of AASB 16 'Leases' and Interpretations and the disclosure requirements of AASB 101 'Presentation of Financial Statements', AASB 107 'Statement of Cash Flow', AASB 108 'Accounting Policies, Changes in Accounting Estimates and Errors', AASB 1031 'Materiality' and AASB 1048 'Interpretation and Application of Standards' and the Australian Charities and Not-for-Profits Commission Regulation 2013.

The Trustee has determined that in order for the financial report to give a true and fair view of the Trust's performance, cash flows and financial position, the requirements of Australian Accounting Standards and other financial reporting requirements in Australia relating to the recognition and measurement of assets, liabilities, revenues, expenses and equity should be complied with except AASB 16.



## **Notes to the Financial Statements (continued)**

### **2 Summary of Significant Accounting Policies (continued)**

#### **(b) Basis of preparation (continued)**

The financial report is presented in Australian dollars. The financial report has been prepared for the single entity HC Australia Property Trust

Current liabilities exceed current assets by \$58,056 (2019: \$52,765). Related parties have confirmed that they will provide financial support equal to the amount required to meet other creditor repayments as and when they fall due for a period of no less than twelve months from the date of approval of this financial report. The ability of the Trust to continue as going concern is strengthened by this support from related parties.

#### **(c) Property, plant and equipment**

##### **(i) Owned assets**

Items of property, plant and equipment are stated at cost or deemed cost less accumulated depreciation (see below) and impairment losses (see Note 2(f)). The cost of self-constructed assets includes the cost of materials, direct labour, the initial estimate, where relevant, of the costs of dismantling and removing the items and restoring the site on which they are located, and an appropriate proportion of production overheads.

Where parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items of property, plant and equipment.

For assets identified as qualifying assets, the attributable borrowing costs have been capitalised in accordance with AASB 123 "Borrowing costs".

##### **(ii) Subsequent costs**

The Trust recognises in the carrying amount of an item of plant and equipment the cost of replacing part of such an item when that cost is incurred if it is probable that the future economic benefits embodied within the item will flow to the Trust and the cost of the item can be measured reliably. All other costs are recognised in the Statement of Comprehensive Income as an expense as incurred.

##### **(iii) Depreciation**

Depreciation is charged to the Statement of Comprehensive Income on a straight-line basis over the estimated useful lives of each part of an item of plant and equipment. The estimated useful lives in the current and comparative periods are as follows:

- buildings and building improvements 4 – 50 years
- plant and equipment 3 – 20 years
- fixtures and fittings 3 – 50 years

The residual value, if not insignificant, is reassessed annually.

## **Notes to the Financial Statements (continued)**

### **2 Summary of Significant Accounting Policies (continued)**

#### **(d) Trade payables**

Trade and other payables are stated at amounts contracted with other parties.

#### **(e) Revenue and other income**

HC Australia Property Trust is a charitable fund that relies predominantly on donation income. These donations are received from Hillsong Church and its related entities. Donations are recognised as they are received.

#### **(f) Impairment**

The carrying amount of the Trust's assets are reviewed at each balance sheet date to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated (see below).

An impairment loss is recognised whenever the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. Impairment losses are recognised in the Statement of Comprehensive Income.

##### ***(i) Calculation of recoverable amount***

The recoverable amount of the Trust's assets is the greater of their fair value less costs to sell and value in use. Where the future economic benefits of an asset is not primarily dependent on the asset's ability to generate net cash inflows and where the Trust would if deprived of the asset, replace its remaining future economic benefits, value in use is determined as the asset's depreciated replacement cost, being the asset's current replacement cost less, where applicable, accumulated depreciation calculated on the basis of such cost to reflect the already consumed or expired economic benefits of the asset. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For an asset that does not generate largely independent cash inflows, the recoverable amount is determined for the cash-generating unit to which the asset belongs.

##### ***(ii) Reversals of impairment***

An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

#### **(g) Taxation**

No income tax is payable by the Trust as it has a tax exempt status pursuant to section 50 -5 Item 1.2 of the Income Tax Assessment Act 1997.

## Notes to the Financial Statements (continued)

### 2 Summary of Significant Accounting Policies (continued)

#### (h) Goods and services tax (GST)

Revenues, expenses and assets are recognised net of the amount of goods and services tax (GST), except where the amount of GST incurred is not recoverable from the Australian Taxation Office (ATO). In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of expense.

Receivables and payables are stated with the amount of GST included.

The net amount of GST recoverable from, or payable to, the ATO is included as a current asset or liability in the Statement of Financial Position.

Cash flows are included in the Statement of Cash Flows on a gross basis. The GST components of cash flows arising from investing and financing activities, which are recoverable from, or payable to, the ATO are classified as operating cash flows.

#### (i) Use of estimates and judgements

The preparation of financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income, and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected.

### 3 Auditors' remuneration

The auditor of the financial report is Ernst & Young. The audit of 2020 financial report is paid by related entities.

	2020 \$	2019 \$
<b>4 Expenses items</b>		
Depreciation	2,209,498	2,009,158
	<hr/>	<hr/>
<b>5 Cash and cash equivalents</b>		
Cash at bank	4,679	-
	<hr/>	<hr/>
	4,679	-

## Notes to the Financial Statements (continued)

	2020	2019
	\$	\$
<b>6 Property, plant and equipment</b>		
<b>Land</b>		
Cost		
Balance at 1 January	12,035,500	13,158,500
Disposal	-	(1,123,000)
Balance at 31 December	<u>12,035,500</u>	<u>12,035,500</u>
<b>Buildings and building improvements</b>		
Cost		
Balance at 1 January	20,521,925	19,668,203
Acquisitions	4,929,575	1,554,005
Asset transfer	14,001	-
Disposal	(916,945)	(700,283)
Balance at 31 December	<u>24,548,556</u>	<u>20,521,925</u>
Accumulated depreciation		
Balance at 1 January	(907,082)	(524,354)
Depreciation charge for the period	(537,306)	(427,341)
Disposal	94,347	44,613
Balance at 31 December	<u>(1,350,041)</u>	<u>(907,082)</u>
Carrying value – Buildings	<u>23,198,515</u>	<u>19,614,843</u>
<b>Leasehold Improvements</b>		
Cost		
Balance at 1 January	6,341,138	3,050,408
Acquisitions	7,634,638	439,574
Asset Transfer	463,201	2,851,156
Balance at 31 December	<u>14,438,977</u>	<u>6,341,138</u>
Accumulated depreciation		
Balance at 1 January	(934,937)	(425,645)
Depreciation charge for the period	(598,850)	(509,292)
Balance at 31 December	<u>(1,533,787)</u>	<u>(934,937)</u>
Carrying value – Leasehold Improvements	<u>12,905,190</u>	<u>5,406,201</u>

## Notes to the Financial Statements (continued)

	2020	2019
	\$	\$
<b>6 Property, plant and equipment (continued)</b>		
<b>Capital work in progress</b>		
Cost		
Balance at 1 January	1,893,176	1,249,265
Acquisitions	2,849,875	542,722
Assets Transfer	(477,202)	101,189
Balance at 31 December	<u>4,265,849</u>	<u>1,893,176</u>
Carrying value – Capital work in progress	<u>4,265,849</u>	<u>1,893,176</u>
<b>Plant and equipment</b>		
Cost		
Balance at 1 January	13,531,819	13,526,279
Acquisitions	110,369	5,540
Balance at 31 December	<u>13,642,188</u>	<u>13,531,819</u>
Accumulated depreciation		
Balance at 1 January	(2,959,330)	(1,886,805)
Depreciation charge for the period	(1,073,342)	(1,072,525)
Balance at 31 December	<u>(4,032,672)</u>	<u>(2,959,330)</u>
Carrying value – Property and equipment	<u>9,609,516</u>	<u>10,572,489</u>
Total property, plant and equipment	<u>62,014,570</u>	<u>49,522,209</u>
<b>7 Trade and other payables</b>		
<b><u>Current</u></b>		
Trade and other payables	<u>62,735</u>	<u>52,765</u>
	<u>62,735</u>	<u>52,765</u>
<b><u>Non-current</u></b>		
Amounts payable to related parties	<u>21,323,847</u>	<u>18,479,698</u>
	<u>21,323,847</u>	<u>18,479,698</u>

## Notes to the Financial Statements (continued)

	2020	2019
	\$	\$
<b>8 Interest bearing liabilities</b>		
<u>Non-current</u>		
Bank loan - secured	-	2,000
	-	2,000
<b>9 Trust fund</b>		
Settled sum	100	100
	100	100
<b>10 Reconciliation of cash flows from operating activities</b>		
<b>(a) Reconciliation of cash</b>		
For the purposes of the Statement of Cash Flows, cash includes cash on hand and at bank and short term deposits at call, net of outstanding overdrafts. Cash at the end of the period as shown in the Statement of Cash Flows is reconciled to the related items in the Statement of Financial Position as follows:		
Cash on hand and in bank (see Note 5)	4,679	-
	4,679	-
<b>(b) Reconciliation of cash flow from operations with net surplus/(loss)</b>		
Net surplus for the period	12,323,049	1,330,911
Cash flows excluded from surplus attributable to operating activities		
Non-cash items:		
Impairment	822,598	-
Gain on sale	-	(3,001,329)
Depreciation	2,209,498	2,009,158
	15,355,145	338,740
Changes in assets and liabilities		
Increase/(decrease) in other payables	12,998	(657,440)
Net cash provided by/(used in) operating activities	15,368,143	(318,700)



## **Notes to the Financial Statements (continued)**

### **11 Common control reserve**

In 2016, 2017 & 2019 the Trust was part of a reorganisation with other related entities. As a part of the reorganisation, the Trust has received assets by way of gift and through a 125-year lease arrangement. As the entities form part of the same group, the value of the assets transferred have been recorded through the common control equity reserve.

### **12 Significant events after balance sheet date**

There have been no other significant events occurring after balance date which may affect either the Trust's operations or results of those operations or the Trust's state of affairs.

### **13 Contingent liabilities**

In the ordinary course of operation, from time to time, the Trust receive claims in respect to the property matters. At this time, the Board do not believe there are any claims which are material and quantifiable that need to be disclosed in the financial statements.

**Hills Christian Life Centre Pty Ltd**  
**(formerly known as “Hills Christian Life Centre Ltd”)**

ABN 42 406 987 921

**Annual Financial Report**  
**For the Year Ended 31 December 2021**

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**Statement of Comprehensive Income**  
For the Year Ended 31 December 2021

	2021	2020
	\$	\$
Donations	-	100,000
<b>Total revenue</b>	-	100,000
Property expenses	(120)	(2,986,496)
<b>Total expenses</b>	(120)	(2,986,496)
<b>Loss from church and ministry projects</b>	(120)	(2,886,496)
Other comprehensive income	-	-
<b>Total comprehensive (loss) for the period</b>	(120)	(2,886,496)

The accompanying notes form part of these financial statements.

## Statement of Financial Position

As at 31 December 2021

	Note	2021 \$	2020 \$
<b>ASSETS</b>			
<b>Current assets</b>			
Cash and cash equivalents	4	3,485	691
<b>Total current assets</b>		<u>3,485</u>	<u>691</u>
<b>Non-current assets</b>			
Other receivables	5	16,630,806	16,630,806
<b>Total non-current assets</b>		<u>16,630,806</u>	<u>16,630,806</u>
<b>TOTAL ASSETS</b>		<u>16,634,291</u>	<u>16,631,497</u>
<b>LIABILITIES</b>			
<b>Non-current liabilities</b>			
Other payables	6	12,157,776	12,154,862
<b>Total non-current liabilities</b>		<u>12,157,776</u>	<u>12,154,862</u>
<b>TOTAL LIABILITIES</b>		<u>12,157,776</u>	<u>12,154,862</u>
<b>NET ASSETS</b>		<u>4,476,515</u>	<u>4,476,635</u>
<b>ACCUMULATED FUNDS</b>			
Retained surplus		<u>4,476,515</u>	<u>4,476,635</u>
<b>TOTAL ACCUMULATED FUNDS</b>		<u>4,476,515</u>	<u>4,476,635</u>

The accompanying notes form part of these financial statements.

**Statement of Changes in Equity**  
For the Year Ended 31 December 2021

	<b>Retained earnings</b>	<b>Common control reserve</b>	<b>Total</b>
	\$	\$	\$
Balance at 1 January 2021	35,729,900	(35,123,087)	606,813
Total comprehensive loss for the period	(11,507)	-	(11,507)
Balance at 31 December 2021	<u>35,718,393</u>	<u>(35,123,087)</u>	<u>595,306</u>

	<b>Retained earnings</b>	<b>Common control reserve</b>	<b>Total</b>
	\$	\$	\$
Balance at 1 January 2020	35,642,136	(32,987,634)	2,654,502
Total comprehensive income for the period	87,764	-	87,764
Related party debt forgiveness	-	(2,135,453)	(2,135,453)
Balance at 31 December 2020	<u>35,729,900</u>	<u>(35,123,087)</u>	<u>606,813</u>

The accompanying notes form part of these financial statements.



**Statement of Cash Flows**  
For the Year Ended 31 December 2021

	2021	2020
Note	\$	\$
<b>Cash flows from operating activities:</b>		
Cash receipts in the course of operations	3,883,040	4,018,200
Cash payments to suppliers and employees	(3,856,909)	(4,155,378)
Interest received	917	-
Interest paid	(1,053)	(436)
<b>Net cash provided by/(used in) operating activities</b>	<u>11(b) 25,995</u>	<u>(137,614)</u>
<b>Cash flows from financing activities:</b>		
Loans to related parties	(331,343)	(58,392)
Loans from related parties	4,796	-
Repayments to related parties	-	(3,739,274)
Repayments from related parties	132,396	471,168
Payments of finance lease liabilities	(74,645)	(390,247)
<b>Net cash used in financing activities</b>	<u>(268,796)</u>	<u>(3,716,745)</u>
<b>Net decrease in cash and cash equivalents</b>	(242,801)	(3,854,359)
Cash and cash equivalents at beginning of year	<u>1,217,666</u>	<u>5,072,025</u>
<b>Cash and cash equivalents at end of year</b>	<u>11(a) 974,865</u>	<u>1,217,666</u>

The accompanying notes form part of these financial statements.

## Notes to the Financial Statements

### 1 Corporate Information

Hillsong Church Ltd ("the Entity") is a not-for-profit company limited by guarantee and domiciled in Australia.

The principal place of business and registered office of the Entity is 1-9 Solent Circuit, Norwest, NSW, Australia.

The financial report was authorised for issue by the directors on 25 May 2021.

### 2 Summary of Significant Accounting Policies

#### (a) Statement of compliance

This special purpose financial report complies with Australian Accounting Standards as described below.

Certain Australian Accounting Standards and Interpretations have recently been issued or amended but are not yet effective and have not been adopted by the Entity for the annual reporting period ended 31 December 2021. The directors have not early adopted any of these new or amended standards or interpretations. The directors have not yet fully assessed the impact of these new or amended standards (to the extent relevant to the Entity) and interpretations.

#### (b) Basis of preparation

This special purpose financial report has been prepared for distribution to the members to fulfill the directors' financial reporting requirements under the Australian Charities and Not-for-Profits Commission Act 2012 and the Australian Charities and Not-for-Profits Commission Regulation 2013. The accounting policies used in the preparation of this financial report, as described below, are consistent with previous years, and are, in the opinion of the directors, appropriate to meet the needs of the members:

- (i) The financial report has been prepared on an accrual basis of accounting including the historical cost convention and the going concern assumption.
- (ii) The Entity is not a reporting entity because in the opinion of the directors there are unlikely to exist users of the financial report who are unable to command the preparation of reports tailored so as to satisfy specifically all of their information needs. The Board have elected to prepare special purpose financial statements to reduce the preparation and administrative time and costs as the Entity operates an open book policy with its congregation in accordance with the Financial Charter of the Hillsong Group.

Accordingly, the financial report has been prepared in accordance with the Australian Charities and Not-for-Profits Commission Regulation 2013, the basis accounting specified by all Accounting Standards (with the exception of AASB 16 *Leases*) and Interpretations and the disclosure requirements of AASB 101 *'Presentation of Financial Statements'*, AASB 107 *'Statement of Cash Flow'*, AASB 108 *'Accounting Policies, Changes in Accounting Estimates and Errors'*, AASB 1031 *'Materiality'* and AASB 1048 *'Interpretation and Application of Standards'* which apply to all entities required to prepare financial reports under the Australian Charities and Not-for-Profits Commission Regulation 2013.

The directors have determined that in order for the financial report to give a true and fair view of the Entity's performance, cash flows and financial position, the requirements of Australian Accounting Standards and other financial reporting requirements in Australia relating to the recognition and measurement of assets, liabilities, revenues, expenses and equity should be complied with. The Entity has not adopted AASB 16. The financial report has been prepared for the single entity, Hillsong Church Ltd. The financial report is presented in Australian dollars.

## Notes to the Financial Statements (continued)

### 2 Summary of Significant Accounting Policies (continued)

#### (c) Foreign currency transactions

Transactions in foreign currencies are translated at the foreign exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are translated to Australian dollars at the foreign exchange rate ruling at that date. Foreign exchange differences arising on translation are recognised in the Statement of Comprehensive Income. Non-monetary assets and liabilities that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction. Non-monetary assets and liabilities denominated in foreign currencies that are stated at fair value are translated to Australian dollars at foreign exchange rates ruling at the dates the fair value was determined.

#### (d) Trade and other receivables

Trade and other receivables are stated at their amortised cost using the effective interest method less impairment losses (Note 2(h)). Related party receivables are non-interest bearing.

#### (e) Cash and cash equivalents

Cash and short-term deposits in the Statement of Financial Position comprise cash at banks and on hand and short-term deposits with a maturity of three months or less.

For the purpose of the Statement of Cash Flows, cash and cash equivalents consist of cash and short-term deposits as defined above, net of outstanding bank overdrafts.

#### (f) Employee benefits

##### (i) Defined contribution plans

Obligations for contributions to defined contribution pension plans are recognised as an expense in the Statement of Comprehensive Income as incurred.

##### (ii) Long-term service benefits

The provision for employee entitlements to long service leave represents the present value of the estimated future cash flows to be made by the employer resulting from employees' services provided up to the balance date. In determining the liability for employee entitlements, consideration has been given to the Entity's experience with staff departures. Related on-costs have been included in the liability.

## Notes to the Financial Statements (continued)

### 2 Summary of Significant Accounting Policies (continued)

#### (f) Employee benefits (continued)

##### *(iii) Wages, salaries and annual leave*

Liabilities for employee entitlements to wages, salaries and annual leave represent present obligations resulting from employees' services provided up to the balance date. The liabilities have been calculated at discounted amounts based on remuneration that the Entity expects to pay and include related on-costs.

Whilst all employees are technically employed by Hillsong Church Ltd, a recharge of salaries and wages expenses is made through each of the entities which receive the benefits of these employees' services. This recharge includes the Entity's allocation of annual leave and long service leave expense. However, the provision for employee entitlements is retained in Hillsong Church Ltd.

#### (g) Comparatives

When required, prior year comparatives have been reclassified in the financial report to be consistent with current year presentation.

#### (h) Trade and other payables

Trade and other payables are stated at amounts contracted with other parties.

#### (i) Revenue and Unearned Income

##### *(i) Other revenue*

Revenue for services performed is recognised at the amount the Entity expects to be entitled.

##### *(ii) Financial income*

Interest income is recognised in the Statement of Comprehensive Income as it accrues, using the effective interest method.

##### *(iii) Grant income*

Grant income is recognised in the Statement of Comprehensive Income when performance obligations under the agreement are met.

## **Notes to the Financial Statements (continued)**

### **2 Summary of Significant Accounting Policies (continued)**

#### **(j) Leases**

The determination of whether an arrangement is or contains a lease is based on the substance of the arrangement and requires an assessment of whether the fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset. The lease liability is recorded in Hillsong Church Ltd however the leased assets were transferred to a related entity as part of a previous group restructure.

#### **(k) Income taxes**

No income tax is payable by the Entity as it has a tax exempt status pursuant to section 50 - 5 Item 1.2 of the Income Tax Assessment Act 1997.

#### **(l) Goods and services tax (GST)**

Revenues, expenses and assets are recognised net of the amount of goods and services tax (GST), except where the amount of GST incurred is not recoverable from the Australian Taxation Office (ATO). In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of expense.

Receivables and payables are stated with the amount of GST included.

The net amount of GST recoverable from, or payable to, the ATO is included as a current asset or liability in the Statement of Financial Position.

Cash flows are included in the Statement of Cash Flows on a gross basis. The GST components of cash flows arising from investing and financing activities, which are recoverable from, or payable to, the ATO are classified as operating cash flows.



## Notes to the Financial Statements (continued)

### 2 Summary of Significant Accounting Policies (continued)

#### (m) Financial assets

##### *Initial recognition and measurement*

Financial assets are measured at amortised cost if it is held within a business model whose objective is to hold assets in order to collect contractual cash flows which arise on specified dates and that are solely principal and interest. All other financial assets are classified and measured at fair value through profit or loss. The Entity determines the classification of its financial assets at initial recognition.

Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the Entity commits to purchase or sell the asset.

##### *Subsequent measurement*

AASB 9 impairment requires the use of an expected credit loss (“ECL”) model to recognise an allowance for those financial assets initially recognised at amortised cost. Impairment is measured using a 12-month ECL method unless the credit risk on a financial instrument has increased significantly since initial recognition in which case the lifetime ECL method is adopted. For trade receivables, a simplified approach to measuring expected credit losses using a lifetime expected loss allowance is available.

#### (n) Use of estimates and judgements

The preparation of financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income, and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected.

### 3 Auditors' remuneration

The auditor of the financial report is Ernst & Young.

The audit of 2021 financial report is paid by related entities.



**Notes to the Financial Statements (continued)**

	2021	2020
	\$	\$
<b>4 Expenses</b>		
Wages and salaries	3,244,526	3,674,395
Contributions to defined contribution superannuation plans	296,544	314,315
	3,541,070	3,988,710
<b>5 Net financing income</b>		
Interest received	917	9,333
Interest paid	(1,053)	(436)
	(136)	8,897
<b>6 Cash and cash equivalents</b>		
Bank balances	20,865	263,666
Short-term bank deposits	954,000	954,000
	974,865	1,217,666
<b>7 Trade and other receivables</b>		
<u>Current</u>		
Sundry debtor	310	119,103
Prepayments	-	13,955
	310	133,058
<u>Non-current</u>		
Other debtor	84,995	-
Amounts receivable from related parties	2,391,912	2,192,966
	2,476,907	2,192,966

## Notes to the Financial Statements (continued)

	2021 \$	2020 \$
<b>8 Trade and other payables</b>		
<b><u>Current</u></b>		
Trade payables	155,464	18,168
	<u>155,464</u>	<u>18,168</u>
<b><u>Non-current</u></b>		
Amounts payable to related parties	1,848,658	1,843,863
	<u>1,848,658</u>	<u>1,843,863</u>
<b>9 Lease liabilities</b>		
<b><u>Current</u></b>		
	-	74,645
	<u>-</u>	<u>74,645</u>
<b>10 Employee benefits</b>		
<b><u>Current</u></b>		
Liability for annual leave	441,152	528,211
Provision for long service leave	280,744	227,466
Liability for superannuation	31,681	74,502
	<u>753,577</u>	<u>830,179</u>
<b><u>Non-current</u></b>		
Provision for long service leave	99,077	170,022
	<u>99,077</u>	<u>170,022</u>

**Notes to the Financial Statements (continued)**

	2021	2020
	\$	\$

**11 Reconciliation of cash flows from operating activities**

**(a) Reconciliation of cash**

For the purposes of the Statement of Cash Flows, cash includes cash on hand and at bank and short term deposits at call, net of outstanding overdrafts. Cash at the end of the financial year as shown in the Statement of Cash Flows is reconciled to the related items in the Statement of Financial Position as follows:

Cash in bank (see Note 6)	974,865	1,217,666
	974,865	1,217,666

**(b) Reconciliation of cash flow from operations with net (loss)/surplus**

Net (loss)/surplus for the year	(11,507)	87,764
Changes in assets and liabilities after transfer of net assets		
Decrease/(increase) in trade and other receivables	33,798	(98,770)
Decrease in other assets	13,955	29,264
Increase/(decrease) in trade and other payables	137,296	(294,141)
(Decrease)/increase in employee benefits	(147,547)	138,269
Net cash provided by/(used in) operating activities	25,995	(137,614)

## Notes to the Financial Statements (continued)

### 12 Common control reserve

In previous years the Entity was part of a reorganisation with other related entities. As a part of the reorganisation the Entity has transferred assets and liabilities by way of gift and similarly certain related party loans have been forgiven. As the entities form part of the same group, both the value of the assets and liabilities transferred and the loans forgiven have been recorded through the common control equity reserve.

### 13 Key management personnel transactions

The key management activities of the Entity are performed by employees of related entities. The Entity is not recharged for these services as an allocation of the compensation paid to these employees in respect of activities on behalf of the Entity.

Key management personnel include the board along with some non-board positions. Directors serve in a voluntary capacity; those board members who are also employed by the Entity are remunerated for their executive responsibilities.

From time to time, key management personnel including directors or their related entities may purchase or sell goods, make donations, derive royalty income or generally partake in church related services offered by the Entity and its related parties. These transactions are carried out under the same terms and conditions generally applicable in respect of such activities. The terms and conditions of the transactions with key management personnel and their related entities were no more favourable than those also available, or which might reasonably be expected to be available, on similar arm's length transactions to other third parties.

Apart from the above, no director has entered into a material contract with the Entity since the end of the previous year and there were no material contracts involving directors' interests subsisting at year end.

### 14 Other related party transactions

#### *Transactions with related parties*

All transactions with related parties are on normal terms and conditions, apart from amounts receivable from and payable to Hillsong Group entities, which are interest free and not required to be repaid within the next twelve months.

## **Notes to the Financial Statements (continued)**

### **15 Contingent Liabilities**

- a. Letter of Credit issued to Variety Arts Live Theatre Premises in Los Angeles to the value of USD 2,000,000.

The Letter of Credit was released in December 2019. The term deposit held as security was restructured to related party in January 2020.

- b. In the ordinary course of operation, from time to time, the Entity receives claims in respect to the entitlement to royalties. At this time the Board do not believe there are any claims which are material, nor quantifiable that need to be disclosed in the financial statements.

### **16 Significant events after balance sheet date**

There have been no significant events occurring after balance date which may affect either the Entity's operations or results of those operations or the Entity's state of affairs.

## Directors' Declarations

In the opinion of the directors of Hillsong Church Ltd ("the Entity"):

- (a) the Entity is not a reporting entity as defined in the Australian Accounting Standards;
- (b) the financial statements and notes are in accordance with the Australian Charities and Not-for-Profits Commission Act 2012, including:
  - (i) giving a true and fair view of the financial position of the Entity as at 31 December 2021 and of its performance, as represented by the results of its operations and its cash flows for the year ended on that date; and
  - (ii) complying with Australian Accounting Standards and the Australian Charities and Not-for-Profits Commission Regulation 2013 to the extent described in Note 2 to the financial statements, and
- (c) there are reasonable grounds to believe that the Entity will be able to pay its debts as and when they become due and payable.

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

Director: .....

Dated: 25 May 2021





**Hillsong Church Ltd**

ABN 37 002 745 879

**Annual Financial Report**

**For the Year Ended 31 December 2020**

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## Statement of Comprehensive Income

For the Year Ended 31 December 2020

	2020	2019
Note	\$	\$
Other donations	-	20,000
Government grants	939,015	-
Other revenue	3,136,658	4,390,661
<b>Total revenue</b>	<b>4,075,673</b>	<b>4,410,661</b>
Cost of Church and other benevolent activities	(2,724,866)	(3,024,593)
Resources	-	(1,053)
Bible college expenses	(828,704)	(771,022)
Conferences expenses	(292,257)	(339,857)
Other expenses	(150,979)	(306,352)
<b>Total expenses</b>	<b>(3,996,806)</b>	<b>(4,442,877)</b>
<b>Surplus/(deficit) from operations</b>	<b>78,867</b>	<b>(32,216)</b>
Financial income	5 9,333	49,842
Financial expenses	5 (436)	-
<b>Surplus available for church and ministry projects</b>	<b>87,764</b>	<b>17,626</b>
Other comprehensive income	-	-
<b>Total comprehensive income for the period</b>	<b>87,764</b>	<b>17,626</b>

The accompanying notes form part of these financial statements.

## Statement of Financial Position

As at 31 December 2020

	Note	2020 \$	2019 \$
<b>ASSETS</b>			
Cash and cash equivalents	6	1,217,666	5,072,025
Trade and other receivables	7	133,058	63,552
<b>Total current assets</b>		<u>1,350,724</u>	<u>5,135,577</u>
Trade and other receivables	7	2,192,966	2,605,741
<b>Total non-current assets</b>		<u>2,192,966</u>	<u>2,605,741</u>
<b>TOTAL ASSETS</b>		<u>3,543,690</u>	<u>7,741,318</u>
<b>LIABILITIES</b>			
Trade and other payables	8	18,168	312,309
Interest bearing liabilities	9	74,645	390,247
Employee benefits	10	830,179	705,862
<b>Total current liabilities</b>		<u>922,992</u>	<u>1,408,418</u>
Trade and other payables	8	1,843,863	3,447,683
Interest bearing liabilities	9	-	74,645
Employee benefits	10	170,022	156,070
<b>Total non-current liabilities</b>		<u>2,013,885</u>	<u>3,678,398</u>
<b>TOTAL LIABILITIES</b>		<u>2,936,877</u>	<u>5,086,816</u>
<b>NET ASSETS</b>		<u>606,813</u>	<u>2,654,502</u>
<b>ACCUMULATED FUNDS</b>			
Retained earnings		35,729,900	35,642,136
Common control reserve	12	(35,123,087)	(32,987,634)
<b>TOTAL ACCUMULATED FUNDS</b>		<u>606,813</u>	<u>2,654,502</u>

The accompanying notes form part of these financial statements.

## Statement of Changes in Equity

For the Year Ended 31 December 2020

	Retained earnings \$	Common control reserve \$	Total \$
Balance at 1 January 2020	35,642,136	(32,987,634)	2,654,502
Total comprehensive income for the period	87,764	-	87,764
Related party debt forgiveness	-	(2,135,453)	(2,135,453)
Balance at 31 December 2020	<u>35,729,900</u>	<u>(35,123,087)</u>	<u>606,813</u>

	Retained earnings \$	Common control reserve \$	Total \$
Balance at 1 January 2019	35,624,510	(32,987,634)	2,636,876
Total comprehensive income for the period	<u>17,626</u>	-	<u>17,626</u>
Balance at 31 December 2019	<u>35,642,136</u>	<u>(32,987,634)</u>	<u>2,654,502</u>

The accompanying notes form part of these financial statements.



**Statement of Cash Flows**  
For the Year Ended 31 December 2020

	2020	2019
Note	\$	\$
<b>Cash flows from operating activities:</b>		
Cash receipts in the course of operations	4,018,200	4,394,471
Cash payments to suppliers and employees	(4,155,378)	(4,413,796)
Interest received	-	49,842
Interest paid	(436)	-
<b>Net cash (used in)/provided by operating activities</b>	<u>11(b) (137,614)</u>	<u>30,517</u>
<b>Cash flows from financing activities:</b>		
Loans to related parties	(58,392)	(121,004)
Loans from related parties	-	1,603,820
Repayments to related parties	(3,739,274)	(4,054,891)
Repayments from related parties	471,168	2,833,865
Payments of finance lease liabilities	(390,247)	(575,705)
<b>Net cash used in financing activities</b>	<u>(3,716,745)</u>	<u>(313,915)</u>
<b>Net decrease in cash and cash equivalents</b>	(3,854,359)	(283,398)
Cash and cash equivalents at beginning of year	<u>5,072,025</u>	<u>5,355,423</u>
<b>Cash and cash equivalents at end of year</b>	<u>11(a) 1,217,666</u>	<u>5,072,025</u>

The accompanying notes form part of these financial statements.

## Notes to the Financial Statements

### 1 Corporate Information

Hillsong Church Ltd ("the Entity") is a not-for-profit company limited by guarantee and domiciled in Australia.

The principal place of business and registered office of the Entity is 1-9 Solent Circuit, Norwest, NSW, Australia.

The financial report was authorised for issue by the directors on 25 May 2021.

### 2 Summary of Significant Accounting Policies

#### (a) Statement of compliance

This special purpose financial report complies with Australian Accounting Standards as described below.

Certain Australian Accounting Standards and Interpretations have recently been issued or amended but are not yet effective and have not been adopted by the Entity for the annual reporting period ended 31 December 2020. The directors have not early adopted any of these new or amended standards or interpretations. The directors have not yet fully assessed the impact of these new or amended standards (to the extent relevant to the Entity) and interpretations.

#### (b) Basis of preparation

This special purpose financial report has been prepared for distribution to the members to fulfill the directors' financial reporting requirements under the Australian Charities and Not-for-Profits Commission Act 2012 and the Australian Charities and Not-for-Profits Commission Regulation 2013. The accounting policies used in the preparation of this financial report, as described below, are consistent with previous years, and are, in the opinion of the directors, appropriate to meet the needs of the members:

- (i) The financial report has been prepared on an accrual basis of accounting including the historical cost convention and the going concern assumption.
- (ii) The Entity is not a reporting entity because in the opinion of the directors there are unlikely to exist users of the financial report who are unable to command the preparation of reports tailored so as to satisfy specifically all of their information needs. The Board have elected to prepare special purpose financial statements to reduce the preparation and administrative time and costs as the Entity operates an open book policy with its congregation in accordance with the Financial Charter of the Hillsong Group.

Accordingly, the financial report has been prepared in accordance with the Australian Charities and Not-for-Profits Commission Regulation 2013, the basis accounting specified by all Accounting Standards (with the exception of AASB 16 *Leases*) and Interpretations and the disclosure requirements of AASB 101 *Presentation of Financial Statements*, AASB 107 *Statement of Cash Flow*, AASB 108 *Accounting Policies, Changes in Accounting Estimates and Errors*, AASB 1031 *Materiality* and AASB 1048 *Interpretation and Application of Standards* which apply to all entities required to prepare financial reports under the Australian Charities and Not-for-Profits Commission Regulation 2013.

The directors have determined that in order for the financial report to give a true and fair view of the Entity's performance, cash flows and financial position, the requirements of Australian Accounting Standards and other financial reporting requirements in Australia relating to the recognition and measurement of assets, liabilities, revenues, expenses and equity should be complied with. The Entity has not adopted AASB 16. The financial report has been prepared for the single entity, Hillsong Church Ltd. The financial report is presented in Australian dollars.

## Notes to the Financial Statements (continued)

### 2 Summary of Significant Accounting Policies (continued)

#### (c) Foreign currency transactions

Transactions in foreign currencies are translated at the foreign exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are translated to Australian dollars at the foreign exchange rate ruling at that date. Foreign exchange differences arising on translation are recognised in the Statement of Comprehensive Income. Non-monetary assets and liabilities that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction. Non-monetary assets and liabilities denominated in foreign currencies that are stated at fair value are translated to Australian dollars at foreign exchange rates ruling at the dates the fair value was determined.

#### (d) Trade and other receivables

Trade and other receivables are stated at their amortised cost using the effective interest method less impairment losses (Note 2(h)). Related party receivables are non-interest bearing.

#### (e) Cash and cash equivalents

Cash and short-term deposits in the Statement of Financial Position comprise cash at banks and on hand and short-term deposits with a maturity of three months or less.

For the purpose of the Statement of Cash Flows, cash and cash equivalents consist of cash and short-term deposits as defined above, net of outstanding bank overdrafts.

#### (f) Employee benefits

##### (i) Defined contribution plans

Obligations for contributions to defined contribution pension plans are recognised as an expense in the Statement of Comprehensive Income as incurred.

##### (ii) Long-term service benefits

The provision for employee entitlements to long service leave represents the present value of the estimated future cash flows to be made by the employer resulting from employees' services provided up to the balance date. In determining the liability for employee entitlements, consideration has been given to the Entity's experience with staff departures. Related on-costs have been included in the liability.

## Notes to the Financial Statements (continued)

### 2 Summary of Significant Accounting Policies (continued)

#### (f) Employee benefits (continued)

##### *(iii) Wages, salaries and annual leave*

Liabilities for employee entitlements to wages, salaries and annual leave represent present obligations resulting from employees' services provided up to the balance date. The liabilities have been calculated at discounted amounts based on remuneration that the Entity expects to pay and include related on-costs.

Whilst all employees are technically employed by Hillsong Church Ltd, a recharge of salaries and wages expenses is made through each of the entities which receive the benefits of these employees' services. This recharge includes the Entity's allocation of annual leave and long service leave expense. However, the provision for employee entitlements is retained in Hillsong Church Ltd.

#### (g) Comparatives

When required, prior year comparatives have been reclassified in the financial report to be consistent with current year presentation.

#### (h) Trade and other payables

Trade and other payables are stated at amounts contracted with other parties.

#### (i) Revenue and Unearned Income

##### *(i) Other revenue*

Revenue for services performed is recognised at the amount the Entity expects to be entitled.

##### *(ii) Financial income*

Interest income is recognised in the Statement of Comprehensive Income as it accrues, using the effective interest method.

##### *(iii) Grant income*

Grant income is recognised in the Statement of Comprehensive Income when performance obligations under the agreement are met.

## **Notes to the Financial Statements (continued)**

### **2 Summary of Significant Accounting Policies (continued)**

#### **(j) Leases**

The determination of whether an arrangement is or contains a lease is based on the substance of the arrangement and requires an assessment of whether the fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset. The lease liability is recorded in Hillsong Church Ltd however the leased assets were transferred to a related entity as part of a previous group restructure.

#### **(k) Income taxes**

No income tax is payable by the Entity as it has a tax exempt status pursuant to section 50 - 5 Item 1.2 of the Income Tax Assessment Act 1997.

#### **(l) Goods and services tax (GST)**

Revenues, expenses and assets are recognised net of the amount of goods and services tax (GST), except where the amount of GST incurred is not recoverable from the Australian Taxation Office (ATO). In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of expense.

Receivables and payables are stated with the amount of GST included.

The net amount of GST recoverable from, or payable to, the ATO is included as a current asset or liability in the Statement of Financial Position.

Cash flows are included in the Statement of Cash Flows on a gross basis. The GST components of cash flows arising from investing and financing activities, which are recoverable from, or payable to, the ATO are classified as operating cash flows.

## Notes to the Financial Statements (continued)

### 2 Summary of Significant Accounting Policies (continued)

#### (m) Financial assets

##### *Initial recognition and measurement*

Financial assets are measured at amortised cost if it is held within a business model whose objective is to hold assets in order to collect contractual cash flows which arise on specified dates and that are solely principal and interest. All other financial assets are classified and measured at fair value through profit or loss. The Entity determines the classification of its financial assets at initial recognition.

Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the Entity commits to purchase or sell the asset.

##### *Subsequent measurement*

AASB 9 impairment requires the use of an expected credit loss ("ECL") model to recognise an allowance for those financial assets initially recognised at amortised cost. Impairment is measured using a 12-month ECL method unless the credit risk on a financial instrument has increased significantly since initial recognition in which case the lifetime ECL method is adopted. For trade receivables, a simplified approach to measuring expected credit losses using a lifetime expected loss allowance is available.

#### (n) Use of estimates and judgements

The preparation of financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income, and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected.

### 3 Auditors' remuneration

The auditor of the financial report is Ernst & Young. The audit of 2020 financial report is paid by related entities.



## Notes to the Financial Statements (continued)

	2020	2019
	\$	\$
<b>4 Expenses</b>		
Wages and salaries	3,674,395	4,045,604
Contributions to defined contribution superannuation plans	314,315	345,057
	3,988,710	4,390,661
<b>5 Net financing income</b>		
Interest received	9,333	49,842
Interest paid	(436)	-
	8,897	49,842
<b>6 Cash and cash equivalents</b>		
Bank balances	263,666	214,654
Short-term bank deposits	954,000	4,857,371
	1,217,666	5,072,025
<b>7 Trade and other receivables</b>		
<u>Current</u>		
Sundry debtor	119,103	20,333
Prepayments	13,955	43,219
	133,058	63,552
<u>Non-current</u>		
Amounts receivable from related parties	2,192,966	2,605,741
	2,192,966	2,605,741

**Notes to the Financial Statements (continued)**

	2020	2019
	\$	\$
<b>8 Trade and other payables</b>		
<u>Current</u>		
Trade payables	18,168	312,309
	<u>18,168</u>	<u>312,309</u>
<u>Non-current</u>		
Amounts payable to related parties	1,843,863	3,447,683
	<u>1,843,863</u>	<u>3,447,683</u>
<b>9 Lease liabilities</b>		
<u>Current</u>		
	74,645	390,247
	<u>74,645</u>	<u>390,247</u>
<u>Non-current</u>		
	-	74,645
	<u>-</u>	<u>74,645</u>
<b>10 Employee benefits</b>		
<u>Current</u>		
Liability for annual leave	528,211	461,116
Provision for long service leave	227,466	211,019
Liability for superannuation	74,502	33,727
	<u>830,179</u>	<u>705,862</u>
<u>Non-current</u>		
Provision for long service leave	170,022	156,070
	<u>170,022</u>	<u>156,070</u>

## Notes to the Financial Statements (continued)

	2020	2019
	\$	\$
<b>11 Reconciliation of cash flows from operating activities</b>		
<b>(a) Reconciliation of cash</b>		
<p>For the purposes of the Statement of Cash Flows, cash includes cash on hand and at bank and short term deposits at call, net of outstanding overdrafts. Cash at the end of the financial year as shown in the Statement of Cash Flows is reconciled to the related items in the Statement of Financial Position as follows:</p>		
Cash in bank (see Note 6)	1,217,666	5,072,025
	1,217,666	5,072,025
<b>(b) Reconciliation of cash flow from operations with net surplus</b>		
Net surplus for the year	87,764	17,626
Changes in assets and liabilities after transfer of net assets		
Increase in trade and other receivables	(98,770)	(16,190)
Decrease in other assets	29,264	23,076
Decrease in trade and other payables	(294,141)	(66,024)
Increase in employee benefits	138,269	72,029
Net cash (used in)/provided by operating activities	(137,614)	30,517

## Notes to the Financial Statements (continued)

### 12 Common control reserve

In 2016, 2018 & 2020 the Entity was part of a reorganisation with other related entities. As a part of the reorganisation the Entity has transferred assets and liabilities by way of gift and similarly certain related party loans have been forgiven. As the entities form part of the same group, both the value of the assets and liabilities transferred and the loans forgiven have been recorded through the common control equity reserve.

### 13 Key management personnel transactions

The key management activities of the Entity are performed by employees of related entities. The Entity is not recharged for these services as an allocation of the compensation paid to these employees in respect of activities on behalf of the Entity.

Key management personnel include the board along with some non-board positions. Directors serve in a voluntary capacity; those board members who are also employed by the Entity are remunerated for their executive responsibilities.

From time to time, key management personnel including directors or their related entities may purchase or sell goods, make donations, derive royalty income or generally partake in church related services offered by the Entity and its related parties. These transactions are carried out under the same terms and conditions generally applicable in respect of such activities. The terms and conditions of the transactions with key management personnel and their related entities were no more favourable than those also available, or which might reasonably be expected to be available, on similar arm's length transactions to other third parties.

Apart from the above, no director has entered into a material contract with the Entity since the end of the previous year and there were no material contracts involving directors' interests subsisting at year end.

### 14 Other related party transactions

#### *Transactions with related parties*

All transactions with related parties are on normal terms and conditions, apart from amounts receivable from and payable to Hillsong Group entities, which are interest free and not required to be repaid within the next twelve months.

### 15 Guarantee Contracts

#### *Guarantees*

The Entity and related entities have guaranteed the bank facilities of related parties, Hills Christian Life Centre Ltd. The guarantee facility has been restructured in September 2019 to HC Australia Property Trust.

## **Notes to the Financial Statements (continued)**

### **16 Contingent Liabilities**

- a. Letter of Credit issued to Variety Arts Live Theatre Premises in Los Angeles to the value of USD 2,000,000.

The Letter of Credit was released in December 2019. The term deposit held as security has been restructured to related party in January 2020.

- b. In the ordinary course of operation, from time to time, the Entity receives claims in respect to the entitlement to royalties. At this time the Board do not believe there are any claims which are material, nor quantifiable that need to be disclosed in the financial statements.

### **17 Significant events after balance sheet date**

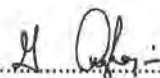
There have been no other significant events occurring after balance date which may affect either the Entity's operations or results of those operations or the Entity's state of affairs.

## **Directors' Declarations**

In the opinion of the directors of Hillsong Church Ltd ("the Entity"):

- (a) the Entity is not a reporting entity as defined in the Australian Accounting Standards;
- (b) the financial statements and notes are in accordance with the Australian Charities and Not-for-Profits Commission Act 2012, including:
  - (i) giving a true and fair view of the financial position of the Entity as at 31 December 2020 and of its performance, as represented by the results of its operations and its cash flows for the year ended on that date; and
  - (ii) complying with Australian Accounting Standards and the Australian Charities and Not-for-Profits Commission Regulation 2013 to the extent described in Note 2 to the financial statements, and
- (c) there are reasonable grounds to believe that the Entity will be able to pay its debts as and when they become due and payable.

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

Director:  .....

Dated: 25 May 2021





**Building a better  
working world**

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## **Auditor's Independence Declaration to the Directors of Hillsong Church Ltd**

In relation to our audit of the financial report of Hillsong Church Ltd for the financial year ended 31 December 2020, and in accordance with the requirements of Subdivision 60-C of the *Australian Charities and Not-for profits Commission Act 2012*, to the best of my knowledge and belief, there have been no contraventions of the auditor independence requirements of any applicable code of professional conduct.

Ernst & Young

Anthony Jones  
Partner  
Sydney  
25 May 2021



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- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Ernst & Young

Anthony Jones  
Partner  
Sydney  
25 May 2021



**Church 180 Pty Ltd**  
**(formerly known as “Church 180 Ltd”)**

ABN 90 917 342 466

**Annual Financial Report**  
**For the Period Ended 30 September 2021**

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**Statement of Comprehensive Income**  
For the Period Ended 30 September 2021

	Note	2021 \$	2020 \$
Other revenue		1,296,831	-
<b>Total revenue</b>		1,296,831	-
Property expenses		(373,114)	-
Other expense		(1,182,728)	-
<b>Total expenses</b>		(1,555,842)	-
<b>Net loss for the period</b>		(259,011)	-
Other comprehensive income		-	-
<b>Total comprehensive loss for the period</b>		(259,011)	-

The accompanying notes form part of these financial statements.

**Statement of Financial Position**  
As at 30 September 2021

	Note	2021 \$	2020 \$
<b>ASSETS</b>			
<b>TOTAL ASSETS</b>		-	-
<b>LIABILITIES</b>			
<b>TOTAL LIABILITIES</b>		-	-
<b>NET ASSETS</b>		-	-
<b>ACCUMULATED FUNDS</b>			
Retained surplus		-	-
Common control reserve	3	-	-
<b>TOTAL ACCUMULATED FUNDS</b>		-	-

The accompanying notes form part of these financial statements.



**Statement of Changes in Equity**  
**For the Period Ended 31 September 2021**

	<b>Retained surplus</b>	<b>Common control reserve</b>	<b>Total</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>
Balance at 1 January 2021	-	-	-
Transfer of reserve	259,011	-	-
Total comprehensive loss for the period	(259,011)	-	-
Balance at 30 September 2021	-	-	-

	<b>Retained surplus</b>	<b>Common control reserve</b>	<b>Total</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>
Balance at 1 January 2020	259,011	(259,011)	-
Transfer of reserve	(259,011)	259,011	-
<b>Total comprehensive loss for the period</b>	-	-	-
Balance at 31 December 2020	-	-	-

The accompanying notes form part of these financial statements.

**Statement of Cash Flows**  
For the Period Ended 30 September 2021

	Note	2021 \$	2020 \$
<b>Cash flows from operating activities:</b>			
Net cash used in operating activities		-	-
<b>Cash flows from investing activities:</b>			
Net cash used in investing activities		-	-
<b>Cash flows from financing activities:</b>			
Net cash provided by financing activities		-	-
Net decrease in cash and cash equivalents		-	-
Cash and cash equivalent at beginning of the period		-	-
Cash and cash equivalent at end of the period		-	-

The accompanying notes form part of these financial statements.

## Notes to the Financial Statements

### 1 Organisation Information

Church 180 Pty Ltd (formerly known as "Church 180 Ltd") ("the Entity") is a not-for-profit company domiciled in Australia.

The principal place of business and registered office of the Entity is 1-9 Solent Circuit, Norwest, NSW, Australia.

The Entity's financial report presents the activities of the Entity for the period ended 30 September 2021 with prior year comparatives beginning 1 January 2020 to 31 December 2020. The financial report was authorised for issue by the directors on 9 December 2021.

### 2 Summary of Significant Accounting Policies

#### (a) Statement of Compliance

This special purpose financial report complies with Australian Accounting Standards as described below.

Certain Australian Accounting Standards and Interpretations have recently been issued or amended but are not yet effective and have not been adopted by the Entity for the annual reporting period ended 30 September 2021. The directors have not early adopted any of these new or amended standards or interpretations. The directors have not yet fully assessed the impact of these new or amended standards (to the extent relevant to the Entity) and interpretations.

#### (b) Basis of preparation

This special purpose financial report has been prepared for the purpose of fulfilling the requirements of the Australian Charities and Not-for-Profits Commission Act and the Australian Charities and Not-for-Profits Commission Regulation 2013. The accounting policies used in the preparation of this financial report, as described below, are consistent with previous years, and are, in the opinion of the directors, appropriate to meet the needs of the stakeholders:

(i) The financial report has been prepared on an accrual basis of accounting including the historical cost convention and the going concern assumption.

(ii) The Entity is not a reporting entity because in the opinion of the directors there are unlikely to exist users of the financial report who are unable to command the preparation of reports tailored so as to satisfy specifically all of their information needs. The Board have elected to prepare special purpose financial statements to reduce the preparation and administrative time and costs as the Entity operates an open book policy with its congregation in accordance with the Financial Charter of the Hillsong Group.

Accordingly, the financial report has been prepared in accordance with the basis of accounting specified by all Accounting Standards and Interpretations and the disclosure requirements of AASB 101 'Presentation of Financial Statements', AASB 107 'Statement of Cash Flow', AASB 108 'Accounting Policies, Changes in Accounting Estimates and Errors', AASB 1031 'Materiality' and AASB 1048 'Interpretation and Application of Standards' and the Australian Charities and Not-for-Profits Commission Regulation 2013.

The directors have determined that in order for the financial report to give a true and fair view of the Entity's performance, cash flows and financial position, the requirements of Australian Accounting Standards and other financial reporting requirements in Australia relating to the measurement of assets, liabilities, revenues, expenses and equity should be complied with. The financial report has been prepared for the single entity Church 180 Pty Ltd. The financial report is presented in Australian dollars.

## Notes to the Financial Statements

### (c) Property, plant and equipment

#### (i) *Owned assets*

Items of property, plant and equipment are stated at cost or deemed cost less accumulated depreciation (see below) and impairment losses (see Note 2(f)). The cost of self-constructed assets includes the cost of materials, direct labour, the initial estimate, where relevant, of the costs of dismantling and removing the items and restoring the site on which they are located, and an appropriate proportion of production overheads.

Where parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items of property, plant and equipment.

For assets identified as qualifying assets, the attributable borrowing costs have been capitalised in accordance with AASB 123 "Borrowing costs".

#### (ii) *Subsequent costs*

The Trust recognises in the carrying amount of an item of plant and equipment the cost of replacing part of such an item when that cost is incurred if it is probable that the future economic benefits embodied within the item will flow to the Trust and the cost of the item can be measured reliably. All other costs are recognised in the Statement of Comprehensive Income as an expense as incurred.

#### (iii) *Depreciation*

Depreciation is charged to the Statement of Comprehensive Income on a straight-line basis over the estimated useful lives of each part of an item of plant and equipment. The estimated useful lives in the current and comparative periods are as follows:

• buildings and building improvements	4 – 50 years
• plant and equipment	3 – 20 years
• fixtures and fittings	3 – 50 years

The residual value, if not insignificant, is reassessed annually.

### (d) Other revenues

Other revenues are made up of income from property leases. Income is recognised when services are provided.

## **Notes to the Financial Statements**

### **3 Common control reserve**

In 2016 the entity was part of a reorganisation with other related entities. This entity has transferred property by way of long term peppercorn lease to a new entity. As both entities form part of the same group, the value of the property transferred has been recorded through the common control equity reserve. Similarly, as part of the reorganisation certain related party loans have been forgiven. Both the borrowing and lending entities are part of the same group effecting the transaction through the common control equity reserve.

### **4 Key Management Personnel Transactions**

All directors fulfil their responsibilities to the Entity in a voluntary capacity.

Key management personnel are defined as 'those people having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly'.

The Entity does not employ any key management personnel. The key management activities of the Entity are performed by employees of related entities. The Entity is not recharged for these services as an allocation of the compensation paid to these employees in respect of activities on behalf of the Entity has not been determined.

From time to time, key management personnel including directors or their related entities may purchase or sell goods, make donations or generally partake in Entity related services offered by the Entity and its related parties. These transactions are carried out under the same terms and conditions generally applicable in respect of such activities. The terms and conditions of the transactions with key management personnel and their related entities were no more favourable than those also available, or which might reasonably be expected to be available, on similar arm's length transactions to other third parties.

Apart from the above, no director has entered into a material contract with the Entity since the end of the previous year and there were no material contracts involving directors' interests subsisting at period end.

### **5 Significant events after balance sheet date**

On 23 March 2020, the Entity is registered as a proprietary company limited by shares.

Subsequent to 30 September 2021, the Entity is in the process of deregistering itself from the Australian Charities and Not for profit Commission (ACNC). All remaining assets and liabilities of the Entity have been distributed to a related party in accordance with the requirements of the Entity on winding up. The assets and liabilities were distributed at the amounts stated in this financial report.

## **Directors' declaration**

In the opinion of the directors of Church 180 Pty Ltd (formerly known as "Church 180 Ltd") ("the Entity"):

- (a) the Entity is not a reporting entity as defined in the Australian Accounting Standards.
- (b) the financial statements and notes of the Entity are in accordance with the Australian Charities and Not-for-Profits Commission Act 2012, including:
  - (i) giving a true and fair view of the Entity's financial position as at 30 September and of its performance, as represented by the results of its operations and its cash flows for the year ended on that date; and
  - (ii) complying with Australian Accounting Standards and the Australian Charities and Not-for-Profits Commission Regulation 2013 to the extent described in Note 2 to the financial statements; and
- (c) there are reasonable grounds to believe that the Entity will be able to pay its debts as and when they become due and payable.

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

Director: .....

Dated: 9 December 2021

**The Trustee for Hillsong Church Australia**

**ABN 73 640 782 059**

**Annual Financial Report**

**For the Year Ended 31 December 2021**



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## Statement of Comprehensive Income

For the Year ended 31 December 2021

	2021	2020
Note	\$	\$
General tithes and offerings	47,602,479	51,870,446
Other donations	4,187,906	6,046,290
Conference registration income	1,150,775	2,869,590
Hospitality income	237,622	394,176
Other services & event revenues	974,746	1,541,391
Government grant income	2,405,246	8,284,575
Other revenue	4,159,644	3,882,221
<b>Total revenue</b>	<b>60,718,418</b>	<b>74,888,689</b>
Cost of church and other benevolent activities	(40,855,017)	(41,968,374)
Campus facilities and maintenance expenses	(12,210,361)	(20,578,350)
Conferences expenses	(2,150,123)	(3,508,630)
Mission and overseas aid expense	(2,977,202)	(2,536,709)
Training and resources	(197,483)	(259,729)
Other expenses	(547,754)	(1,135,748)
<b>Total expenses</b>	<b>(58,937,940)</b>	<b>(69,987,540)</b>
<b>Surplus from operations</b>	<b>1,779,478</b>	<b>4,901,149</b>
Financial income	5 465,579	499,365
Financial expenses	5 (862,638)	(984,331)
<b>Surplus available for church and ministry projects</b>	<b>1,383,419</b>	<b>4,416,183</b>
Other comprehensive income	-	-
<b>Total comprehensive income for the period</b>	<b>1,383,419</b>	<b>4,416,183</b>

The accompanying notes form part of these financial statements.

## Statement of Financial Position

As at 31 December 2021

	Note	2021 \$	2020 \$
<b>ASSETS</b>			
Cash and cash equivalents	6	15,767,003	9,495,456
Trade and other receivables	7	830,815	2,060,804
<b>Total current assets</b>		<b>16,597,818</b>	<b>11,556,260</b>
Trade and other receivables	7	24,762,932	28,540,990
Property, plant and equipment	8	17,922,678	21,441,532
<b>Total non-current assets</b>		<b>42,685,610</b>	<b>49,982,522</b>
<b>TOTAL ASSETS</b>		<b>59,283,428</b>	<b>61,538,782</b>
<b>LIABILITIES</b>			
Trade and other payables	9	2,484,433	1,153,025
Interest bearing liabilities	10	2,483,009	3,185,521
Employee benefits	11	4,262,683	4,538,624
Unearned income	12	3,235,046	4,396,438
<b>Total current liabilities</b>		<b>12,465,171</b>	<b>13,273,608</b>
Trade and other payables	9	1,507,429	2,466,900
Interest bearing liabilities	10	15,607,890	17,519,008
Employee benefits	11	517,732	477,479
<b>Total non-current liabilities</b>		<b>17,633,051</b>	<b>20,463,888</b>
<b>TOTAL LIABILITIES</b>		<b>30,098,222</b>	<b>33,736,995</b>
<b>NET ASSETS</b>		<b>29,185,206</b>	<b>27,801,787</b>
<b>ACCUMULATED FUNDS</b>			
Retained earnings		11,733,541	10,350,122
Common control reserve	14	17,451,665	17,451,665
<b>TOTAL ACCUMULATED FUNDS</b>		<b>29,185,206</b>	<b>27,801,787</b>

The accompanying notes form part of these financial statements.

**Statement of Changes in Equity**  
For the Year ended 31 December 2021

	<b>Retained earnings</b>	<b>Common control reserve</b>	<b>Total</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>
Balance at 1 January 2021	10,350,122	17,451,665	27,801,787
Total comprehensive income for the period	1,383,419	-	1,383,419
Balance at 31 December 2021	11,733,541	17,451,665	29,185,206

	<b>Retained surplus</b>	<b>Common control reserve</b>	<b>Total</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>
Balance at 1 January 2020	5,933,939	15,316,212	21,250,151
Total comprehensive income for the period	4,416,183	-	4,416,183
Hillsong related entities debt forgiveness	-	2,135,453	2,135,453
Balance at 31 December 2020	10,350,122	17,451,665	27,801,787

The accompanying notes form part of these financial statements.

**Statement of Cash Flows**  
For the Year Ended 31 December 2021

	2021	2020
Note	\$	\$
<b>Cash flows from operating activities:</b>		
Cash receipts in the course of operations	61,387,627	73,676,232
Cash payments to suppliers and employees	(55,296,044)	(69,177,308)
Interest received	465,579	499,365
Interest paid	(862,638)	(984,331)
<b>Net cash provided by operating activities</b>	<u>13(b) 5,694,524</u>	<u>4,013,958</u>
<b>Cash flows from investing activities:</b>		
Payments for property, plant and equipment	(188,714)	(633,032)
Proceeds from property, plant & equipment	-	43,180
<b>Net cash used in investing activities</b>	<u>(188,714)</u>	<u>(589,852)</u>
<b>Cash flows from financing activities:</b>		
Loans to related Hillsong entities	(1,532,336)	(10,247,488)
Loans from related Hillsong entities	1,496,944	4,424,054
Repayments from related Hillsong entities	5,871,175	4,902,145
Repayments to related Hillsong entities	(2,456,416)	-
Payments of lease liabilities	(2,613,630)	(2,040,066)
<b>Net cash provided by/(used in) financing activities</b>	<u>765,737</u>	<u>(2,961,355)</u>
<b>Net increase in cash and cash equivalents</b>	6,271,547	462,751
Cash and cash equivalents at beginning of period	<u>9,495,456</u>	<u>9,032,705</u>
<b>Cash and cash equivalents at end of period</b>	<u>13(a) 15,767,003</u>	<u>9,495,456</u>

The accompanying notes form part of these financial statements.

## **Notes to the Financial Statements**

### **1 Corporate Information**

The Trustee for Hillsong Church Australia ("the Church") is a trust established under the Trust Deed dated 19 October 2016 and domiciled in Australia.

The Trustee is Hillsong Church Australia Ltd incorporated and domiciled in Australia. The principal place of business and registered office of the Church is 1-9 Solent Circuit, Norwest, NSW, Australia.

The financial report was authorised for issue by the directors of the Trustee on 16 June 2022.

### **2 Summary of Significant Accounting Policies**

#### **(a) Statement of compliance**

This special purpose financial report complies with Australian Accounting Standards as described below.

Certain Australian Accounting Standards and Interpretations have recently been issued or amended but are not yet effective and have not been adopted by the Church for the annual reporting period ended 31 December 2021. The directors have not early adopted any of these new or amended standards or interpretations. The directors have not yet fully assessed the impact of these new or amended standards (to the extent relevant to the Church) and interpretations.

#### **(b) Basis of preparation**

This special purpose financial report has been prepared for distribution to the Trustee to fulfill the directors' financial reporting requirements under the Trust Deed dated 19 October 2016 and the Australian Charities and Not-for-Profits Commission Act 2012 and the Australian Charities and Not-for-Profits Commission Regulation 2013. The accounting policies used in the preparation of this financial report, as described below, are consistent since incorporation, and are in the opinion of the directors, appropriate to meet the needs of the stakeholders:

- (i) The financial report has been prepared on an accrual basis of accounting including the historical cost convention and the going concern assumption.
- (ii) The Church is not a reporting entity because in the opinion of the directors there are unlikely to exist users of the financial report who are unable to command the preparation of reports tailored so as to satisfy specifically all of their information needs. The board of the Trustee has elected to prepare special purpose financial statements to reduce the preparation and administrative time and costs as the Church operates an open book policy with its congregation in accordance with the Financial Charter of the Hillsong Group.

Accordingly, the financial report has been prepared in accordance with the Trust Deed dated 19 October 2016 and the Australian Charities and Not-for-Profits Commission Regulation 2013, the basis accounting specified by all the Accounting Standards and Interpretations and the disclosure requirements of AASB 101 '*Presentation of Financial Statements*', AASB 107 '*Statement of Cash Flow*', AASB 108 '*Accounting Policies, Changes in Accounting Estimates and Errors*', AASB 1031 '*Materiality*' and AASB 1048 '*Interpretation and Application of Standards*' which apply to all entities required to prepare financial reports under the Australian Charities and Not-for-Profits Commission Regulation 2013.

## **Notes to the Financial Statements (continued)**

### **2 Summary of Significant Accounting Policies (continued)**

#### **(b) Basis of preparation (continued)**

The directors of the Trustee have determined that in order for the financial report to give a true and fair view of the Church's performance, cash flows and financial position, the requirements of Australian Accounting Standards and other financial reporting requirements in Australia relating to the recognition and measurement of assets, liabilities, revenues, expenses and equity should be complied with.

The financial report is presented in Australian dollars. The financial report has been prepared for the single entity The Trustee for Hillsong Church Australia Ltd.

#### **(c) Foreign currency transactions**

Transactions in foreign currencies are translated at the foreign exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are translated to Australian dollars at the foreign exchange rate ruling at that date. Foreign exchange differences arising on translation are recognised in the Statement of Comprehensive Income. Non-monetary assets and liabilities that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction. Non-monetary assets and liabilities denominated in foreign currencies that are stated at fair value are translated to Australian dollars at foreign exchange rates ruling at the dates the fair value was determined.

#### **(d) Plant and equipment**

##### **(i) Owned assets**

Items of property, plant and equipment are stated at cost or deemed cost less accumulated depreciation (see below) and impairment losses (Note 2(g)). The cost of self-constructed assets includes the cost of materials, direct labour, the initial estimate, where relevant, of the costs of dismantling and removing the items and restoring the site on which they are located, and an appropriate proportion of production overheads.

Where parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items of property, plant and equipment.

For assets identified as qualifying assets, the attributable borrowing costs have been capitalised in accordance with AASB 123 "Borrowing costs".



## Notes to the Financial Statements (continued)

### 2 Summary of Significant Accounting Policies (continued)

#### (d) Plant and equipment (continued)

##### (ii) Subsequent costs

The Church recognises in the carrying amount of an item of plant and equipment the cost of replacing part of such an item when that cost is incurred if it is probable that the future economic benefits embodied within the item will flow to the Church and the cost of the item can be measured reliably. All other costs are recognised in the Statement of Comprehensive Income as an expense as incurred.

##### (iii) Depreciation

Depreciation is charged to the Statement of Comprehensive Income on a straight-line basis over the estimated useful lives of each part of an item of plant and equipment. The estimated useful lives in the current and comparative periods are as follows:

• Plant and equipment	3 – 50 years
• Fixtures and fittings	3 – 33 years
• Leasehold improvements	5 – 20 years

The residual value, if not insignificant, is reassessed annually.

#### (e) Trade and other receivables

Trade and other receivables are stated at their amortised cost using the effective interest method less impairment losses (Note 2(g)). Related party receivables are non-interest bearing.

#### (f) Cash and cash equivalents

Cash and short-term deposits in the Statement of Financial Position comprise cash at banks and on hand and short-term deposits with a maturity of three months or less.

For the purpose of the Statement of Cash Flows, cash and cash equivalents consist of cash and short-term deposits as defined above, net of outstanding bank overdrafts.

#### (g) Impairment

The carrying amounts of the Church's assets are reviewed at each balance sheet date to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated (see below).

An impairment loss is recognised whenever the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. Impairment losses are recognised in the Statement of Comprehensive Income.

## **Notes to the Financial Statements (continued)**

### **2 Summary of Significant Accounting Policies (continued)**

#### **(g) Impairment (continued)**

##### *(i) Calculation of recoverable amount*

The recoverable amount of the Church's receivables carried at amortised cost are calculated as the present value of estimated future cash flows, discounted at the original effective interest rate (i.e. the effective interest rate computed at initial recognition of these financial assets). Receivables with a short duration are not discounted.

Impairment of receivables is not recognised until objective evidence is available that a loss event has occurred.

The recoverable amount of other assets is the greater of their fair value less costs to sell and value in use. Where the future economic benefits of an asset is not primarily dependent on the asset's ability to generate net cash inflows and where the Church would if deprived of the asset, replace its remaining future economic benefits, value in use is determined as the asset's depreciated replacement cost, being the asset's current replacement cost less, where applicable, accumulated depreciation calculated on the basis of such cost to reflect the already consumed or expired economic benefits of the asset. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For an asset that does not generate largely independent cash inflows, the recoverable amount is determined for the cash-generating unit to which the asset belongs.

##### *(ii) Reversals of impairment*

An impairment loss in respect of receivables carried at amortised cost is reversed if the subsequent increase in recoverable amount can be related objectively to an event occurring after the impairment loss was recognised.

An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

#### **(h) Employee benefits**

##### *(i) Defined contribution plans*

Obligations for contributions to defined contribution pension plans are recognised as an expense in the Statement of Comprehensive Income as incurred.

##### *(ii) Long-term service benefits*

The provision for employee entitlements to long service leave represents the present value of the estimated future cash flows to be made by the employer resulting from employees' services provided up to the balance date. In determining the liability for employee entitlements, consideration has been given to the Church's experience with staff departures. Related on-costs have been included in the liability.

## Notes to the Financial Statements (continued)

### 2 Summary of Significant Accounting Policies (continued)

#### (h) Employee benefits (continued)

##### *(iii) Wages, salaries and annual leave*

Liabilities for employee entitlements to wages, salaries and annual leave represent present obligations resulting from employees' services provided up to the balance date. The liabilities have been calculated at discounted amounts based on remuneration that the Church expects to pay and include related on-costs.

Whilst all employees are technically employed by The Trustee for Hillsong Church Australia, a recharge of salaries and wages expenses is made through each of the entities which receive the benefits of these employees' services. This recharge includes the Church's allocation of annual leave and long service leave expense. However, the provision for employee entitlements is retained in The Trustee for Hillsong Church Australia.

#### (i) Trade and other payables

Trade and other payables are stated at amounts contracted with other parties.

#### (j) Revenue and Other Income

##### *(i) General tithes and offerings*

General tithes and donations are made by church congregation members. Revenue is recognised when received.

##### *(ii) Other donations*

Other voluntary donations are made by the church congregation members. These include specific purpose offerings, which are taken to fund a specific project or event and missions offerings collected to support national and international Christian ministries who reach outside of Hillsong Church congregations. Revenue is recognised when entitled to be received.

##### *(iii) Conference registration income*

There are three annual conferences held for which registration income is received. Revenue is recognised in the period in which the conference is held. Conference registration income received for conferences to be held in future periods is recognised on the Statement of Financial Position as income in advance.

##### *(iv) Hospitality income*

Hospitality income is sales of food and beverages. Income is recognised when received.

##### *(iv) Government grant income*

Government grant income is recognised in the Statement of Comprehensive Income when performance obligations under the agreement are met.

## **Notes to the Financial Statements (continued)**

### **2 Summary of Significant Accounting Policies (continued)**

#### **(j) Revenue and Other Income (continued)**

##### *(v) Other services & event revenues*

Other services & event revenues are made up of income to operate various programs. Income is recognised when services are provided.

##### *(vi) Financial income*

Interest income is recognised in the Statement of Comprehensive Income as it accrues, using the effective interest method.

#### **(k) Leases**

The Church has equipment and commercial property leases for Sunday services. With the exception of short-term leases and leases of low-value underlying assets, each lease is reflected on the balance sheet as a right-of-use asset and a lease liability. Variable lease payments which do not depend on an index or a rate (such as lease payments based on a percentage of the Entity sales) are excluded from the initial measurement of the lease liability and asset. The Entity classifies its right-of-use assets in a consistent manner to its property, plant and equipment.

## Notes to the Financial Statements (continued)

### 2 Summary of Significant Accounting Policies (continued)

#### (l) Income taxes

No income tax is payable by the Church as it has a tax exempt status pursuant to section 50 - 5 Item 1.2 of the Income Tax Assessment Act 1997.

#### (m) Goods and services tax (GST)

Revenues, expenses and assets are recognised net of the amount of goods and services tax (GST), except where the amount of GST incurred is not recoverable from the Australian Taxation Office (ATO). In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of expense. Receivables and payables are stated with the amount of GST included.

The net amount of GST recoverable from, or payable to, the ATO is included as a current asset or liability in the Statement of Financial Position.

Cash flows are included in the Statement of Cash Flows on a gross basis. The GST components of cash flows arising from investing and financing activities, which are recoverable from, or payable to, the ATO are classified as operating cash flows.

#### (n) Financial assets

##### *Initial recognition and measurement*

Financial assets are measured at amortised cost if it is held within a business model whose objective is to hold assets in order to collect contractual cash flows which arise on specified dates and that are solely principal and interest. All other financial assets are classified and measured at fair value through profit or loss. The Church determines the classification of its financial assets at initial recognition.

Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the Church commits to purchase or sell the asset.

##### *Subsequent measurement*

AASB 9 impairment requires the use of an expected credit loss ("ECL") model to recognise an allowance for those financial assets initially recognised at amortised cost. Impairment is measured using a 12-month ECL method unless the credit risk on a financial instrument has increased significantly since initial recognition in which case the lifetime ECL method is adopted. For trade receivables, a simplified approach to measuring expected credit losses using a lifetime expected loss allowance is available.

## Notes to the Financial Statements (continued)

### 2 Summary of Significant Accounting Policies (continued)

#### (o) Comparatives

When and as required in the adoption of new accounting standard, prior year comparatives have been reclassified or restated in the financial report to be consistent with current year presentation.

#### (p) Use of estimates and judgements

The preparation of financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income, and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected.

	2021	2020
	\$	\$
<b>3 Auditors' remuneration</b>		
<u><b>Audit services:</b></u>		
<i>The auditor of The Trustee for Hillsong Church Australia is Ernst &amp; Young</i>		
Audit of the financial report	56,550	67,977
<b>4 Expenses</b>		
Wages and salaries	21,488,105	23,291,938
Contributions to defined contribution superannuation plans	1,861,726	2,016,775
	23,349,831	25,308,713
Depreciation & Amortisation	3,707,568	3,691,032

## Notes to the Financial Statements (continued)

	2021	2020
	\$	\$
<b>5 Net financing income</b>		
Interest received	465,579	499,365
Interest paid	(862,638)	(975,735)
	<u>(397,059)</u>	<u>(476,370)</u>
<b>6 Cash and cash equivalents</b>		
Cash on hand	110,674	145,715
Bank balances	14,643,664	8,340,216
Short term bank deposits	1,012,665	1,009,525
	<u>15,767,003</u>	<u>9,495,456</u>
<b>7 Trade and other receivables</b>		
<b><u>Current</u></b>		
Trade receivables	244,222	385,607
Security deposits	143,482	142,435
Prepayments	379,141	457,685
Other receivables	63,970	1,075,077
	<u>830,815</u>	<u>2,060,804</u>
<b><u>Non-current</u></b>		
Amounts receivable from related Hillsong entities	24,202,152	28,540,990
Other receivables	560,780	-
	<u>24,762,932</u>	<u>28,540,990</u>

Amounts receivable from related parties are not past due. It is expected that these amounts will be received when due.



## Notes to the Financial Statements (continued)

	2021	2020
	\$	\$
<b>8 Property, plant and equipment</b>		
<b>Plant and equipment</b>		
Cost		
Balance as 1 January	8,098,888	7,600,745
Acquisitions	188,714	538,733
Disposal	-	(40,590)
Asset transfer	94,299	-
Balance at 31 December	<u>8,381,901</u>	<u>8,098,888</u>
Accumulated depreciation		
Balance at 1 January	(3,930,557)	(3,001,265)
Depreciation charge for the period	(926,535)	(950,884)
Disposal	-	21,592
Balance at 31 December	<u>(4,857,092)</u>	<u>(3,930,557)</u>
Carrying value – Plant and Equipment	<u>3,524,809</u>	<u>4,168,331</u>
<b>Capital works in progress</b>		
Cost		
Balance as 1 January	94,299	-
Acquisitions	-	94,299
Asset transfer	(94,299)	-
Balance at 31 December	<u>-</u>	<u>94,299</u>
Carrying value – Capital works in progress	<u>-</u>	<u>94,299</u>
<b>Right of use</b>		
Cost		
Balance as 1 January	21,919,002	17,763,176
Adoptions	-	4,155,826
Balance at 31 December	<u>21,919,002</u>	<u>21,919,002</u>

## Notes to the Financial Statements (continued)

	2021 \$	2020 \$
<b>8 Property, plant and equipment (continued)</b>		
<b>Right of use (continued)</b>		
Accumulated depreciation		
Balance at 1 January	(4,740,100)	(1,999,951)
Depreciation charge for the period	(2,781,033)	(2,740,149)
Balance at 31 December	<u>(7,521,133)</u>	<u>(4,740,100)</u>
Carrying value – Right of use	<u>14,397,869</u>	<u>17,178,902</u>
Total property, plant and equipment	<u>17,922,678</u>	<u>21,441,533</u>
<b>9 Trade and other payables</b>		
<b>Current</b>		
Trade payables	1,511,913	1,062,228
Other payables	972,520	90,797
	<u>2,484,433</u>	<u>1,153,025</u>
<b>Non-current</b>		
Amounts payable to related Hillsong entities	1,507,429	2,466,900
	<u>1,507,429</u>	<u>2,466,900</u>
<b>10 Lease liabilities</b>		
<b>Current</b>		
Lease liabilities	<u>2,483,009</u>	<u>3,185,521</u>
<b>Non-current</b>		
Lease liabilities	<u>15,607,890</u>	<u>17,519,008</u>
The entity has short-term leases for commercial property leases for Sunday services that are not recognised as lease liabilities. The payments for the short-term leases are expensed on a straight-line basis when incurred.		
Short-term leases	988,143	747,638
	<u>988,143</u>	<u>747,638</u>

**Notes to the Financial Statements (continued)**

	2021	2020
	\$	\$
<b>11 Employee benefits</b>		
<b><u>Current</u></b>		
Liability for annual leave	2,608,267	2,623,470
Provision for long service leave	1,397,317	1,442,895
Liability for superannuation	257,099	472,259
	<u>4,262,683</u>	<u>4,538,624</u>
<b><u>Non-current</u></b>		
Provision for long service leave	517,732	477,479
	<u>517,732</u>	<u>477,479</u>

## Notes to the Financial Statements (continued)

	2021 \$	2020 \$
<b>12 Unearned income</b>		
Income in advance	3,235,046	4,396,438
	<u>3,235,046</u>	<u>4,396,438</u>
<b>13 Reconciliation of cash flows from operating activities</b>		
<b>(a) Reconciliation of cash</b>		
For the purposes of the Statement of Cash Flows, cash includes cash on hand and at bank and short term deposits at call, net of outstanding overdrafts. Cash at the end of the financial period as shown in the Statement of Cash Flows is reconciled to the related items in the Statement of Financial Position as follows:		
Cash on hand and in bank (see Note 7)	15,767,003	9,495,456
	<u>15,767,003</u>	<u>9,495,456</u>
<b>(b) Reconciliation of cash flow from operations with net surplus</b>		
Net surplus for the period	1,383,419	4,416,182
Cash flows excluded from profit attributable to operating activities		
Non-cash items:		
Depreciation	3,707,568	3,691,032
Gain on sale of assets	-	(24,184)
	<u>3,707,568</u>	<u>3,666,848</u>
	5,090,987	8,083,030
Changes in assets and liabilities after transfer of net assets		
Decrease/(increase) trade and other receivables	591,711	(1,164,976)
Decrease/(increase) in other assets	77,498	(23,297)
Increase/(decrease) in trade and other payables	1,331,408	(1,591,702)
Decrease in income in advance	(1,161,392)	(1,536,713)
(Decrease)/increase in employee benefits	(235,688)	247,616
	<u>(235,688)</u>	<u>247,616</u>
Net cash provided by operating activities	5,694,524	4,013,958
	<u>5,694,524</u>	<u>4,013,958</u>

## **Notes to the Financial Statements (continued)**

### **14 Common control reserve**

In 2017, 2019 & 2020 the Church was part of a reorganisation with other related entities. As a part of the reorganisation, the Church has received and transferred assets by way of gift and similarly certain related party loans have been forgiven. As the entities form part of the same group, both the value of the assets and the loans forgiven have been recorded through the common control equity reserve.

### **15 Key management personnel transactions**

Key management personnel include the board along with some non-board positions. Directors serve in a voluntary capacity; those board members who are also employed by the Church are remunerated for their executive responsibilities.

From time to time, key management personnel including directors or their related entities may purchase or sell goods, make donations, derive royalty income or generally partake in church related services offered by the Church and its related parties. These transactions are carried out under the same terms and conditions generally applicable in respect of such activities. The terms and conditions of the transactions with key management personnel and their related entities were no more favourable than those also available, or which might reasonably be expected to be available, on similar arm's length transactions to other third parties.

### **16 Other related party transactions**

#### *Transactions with related parties*

All transactions with related parties are on normal terms and conditions, apart from amounts receivable from and payable to Hillsong Group entities, which are interest free and not required to be repaid within the next twelve months. There are no related party loans to and from individuals, only to Hillsong related entities.

### **17 Contingent liabilities**

In the ordinary course of operation, from time to time, the Entity receive claims in respect to the property matters. At this time, the Board do not believe there are any claims which are material, nor quantifiable that need to be disclosed in the financial statements.

### **18 Significant events after balance sheet date**

There have been no other significant events occurring after balance date which may affect either the Church's operations or results of those operations or the Church's state of affairs.

## **Trustee's Declaration**

In the opinion of the directors of Hillsong Church Australia Ltd ("the Trustee"):

- (a) the Church is not a reporting entity as defined in the Australian Accounting Standards;
- (b) the financial statements and notes of the Trust are in accordance with the terms of the Trust Deed dated 19 October 2016 and the Australian Charities and Not-for-Profits Commission Act 2012, including:
  - (i) giving a true and fair view of the financial position of the Church as at 31 December 2021 and of its performance, as represented by the results of its operations and its cash flows for the period ended on that date; and
  - (ii) complying with Australian Accounting Standards and the Australian Charities and Not-for-Profits Commission Regulation 2013 to the extent described in Note 2 to the financial statements, and
- (c) the Church has operated during the year ended 31 December 2021 in accordance with the provisions of the Trust Deed dated 19 October 2016;
- (d) there are reasonable grounds to believe that the Church will be able to pay its debts as and when they become due and payable.

This declaration is made and signed in accordance with a resolution of the directors of Hillsong Church Australia Ltd ("the Trustee");

Director: .....

Dated: 16 June 2022





**The Trustee for Hillsong Church Australia**

ABN 73 640 782 059

**Annual Financial Report**

**For the Year Ended 31 December 2020**

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## **Directors' Report**

The directors of Hillsong Church Australia Ltd ("the Trustee") present their report together with the financial statements of The Trustee for Hillsong Church Australia ("the Church") for the year ended 31 December 2020 and the auditor's report thereon.

To view our corporate governance statement, financial charter and other policies please visit:  
<http://hillsong.com/policies>.

### **Directors**

The names and details of the Trustee directors in office during the financial period and until the date of this report are as follows. Directors were in office for this entire period unless otherwise stated.

<b>Name</b>	<b>Experience and special responsibilities</b>
Ps Brian Houston	Minister of Religion; Global Senior Pastor Hillsong Church.
Ms Amanda Tay	Business person
Mr Dane Gambrell	Business person.
Mr George Aghajanian	Global General Manager of Hillsong Church.
Ps Grant Thomson	Minister of Religion. (resigned 29 March 2021)
Mr John Cooper-Williams	Business person.
Mr Leigh Howard-Smith	Business person (resigned 22 January 2020)
Ps Melinda Dwight	Minister of Religion.
Mr Nabi Saleh	Business person.
Ps Peter Toganivalu	Minister of Religion.
Mr Phillip Denton	Business person.

## Director's Report (continued)

### Directors' meetings

The number of directors' meetings and number of meetings attended by each of the directors of the Trustee during the financial period were:

<i>Director</i>	<i>Board Meetings</i>		<i>Audit Committee</i>		<i>Remuneration Committee</i>	
	<i>A</i>	<i>B</i>	<i>A</i>	<i>B</i>	<i>A</i>	<i>B</i>
Ps Brian Houston	4	4	0	0	0	0
Ms Amanda Tay	4	4	0	0	2	3
Mr George Aghajanian	4	4	11	11	0	0
Mr Nabi Saleh	4	4	8	11	2	3
Mr John Cooper-Williams	4	4	11	11	1	1
Mr Leigh Howard-Smith	0	0	0	0	0	0
Ps Grant Thomson	4	4	6	6	0	0
Mr Dane Gambrell	4	4	0	0	0	0
Mr Phillip Denton	4	4	11	11	3	3
Ps Melinda Dwight	4	4	0	0	0	0
Ps Peter Toganivalu	4	4	0	0	0	0

*A* – Number of meetings attended by Director/Committee Member

*B* – Number of meetings held during the time the director held office

### Objectives

The Trustee for Hillsong Church Australia is a Christian Church, whose mission statement encapsulates the Church's short and long term objectives which is "To reach and influence the world by building a large Christ-centred, Bible-based Church, changing mindsets and empowering people to lead and impact in every sphere of life."

Our key beliefs and values are embodied in being:

- A Church that impacts human need with love. Which accepts, helps and values others reconciling humanity to Jesus, themselves and each other.
- A family that believes in the generational potential of one person devoted to Jesus outworking their God given purpose.
- A Church community that lives everyday life with enjoyment, authenticity and wholeness.
- A Church that is contemporary and progressive, creative and innovative through God's inspiration, and understanding and partnership with others.
- A Church that seeks to steward God's message of freedom for local, national and global communities with personal involvement, example and generosity.

The Church has adopted the following strategies to achieve its short and long term objectives:

- The operation of various local Church communities across Australia.

## **Director's Report (continued)**

### **Objectives (continued)**

- The operation of a broad range of activities across these local communities which include:
  - Weekly worship services,
  - Kids, youth, young adults and sisterhood programs,
  - Pastoral care and community support; and
  - Christian leadership conferences;

These principal activities connect people to the life giving message of the Gospel of our Lord Jesus Christ.

Each of the services and programs are individually managed and assessed to ensure they are effectively contributing to the achievement of the church's mission.

### **Operating results**

The Church's net surplus amounted to \$4,416,183. (2019: \$7,150,412.)

### **Dividends**

The Church is not permitted by its Constitution to pay dividends and consequently the directors do not recommend and have not provided for the payment of a dividend.

### **State of affairs**

In the opinion of the directors there were no other significant changes in the Church's state of affairs that occurred during the financial period.

### **Environmental regulation**

The Church's operations are not subject to any significant environmental regulations under either Commonwealth or State legislation. However, the Board believes that the Church has adequate systems in place for the management of its environmental requirements and is not aware of any breach of those environmental requirements as they apply to the Church.

## **Directors' Report (continued)**

### **Significant events after the balance date**

There have been no events subsequent to the balance sheet date which have significantly affected or may significantly affect

- a. The operations;
- b. The results of those operations; or
- c. The state of affairs of The Trustee for Hillsong Church Australia in future financial years.

### **Likely developments**

The Church intends to continue operations in line with and fulfilling its objectives (as outlined previously).

### **Indemnification and insurance officers**

#### ***Indemnification***

Since its incorporation, the Church has indemnified current and former directors of the Church against all liabilities to another person (other than the Church or a related body corporate) that may arise from their position as directors of the Church, except where the liability arises out of conduct involving a lack of good faith.

#### ***Insurance***


Since its incorporation, the Church has paid insurance premiums and legal expenses in respect of directors' and officers' liability insurance contracts, for current and former directors and officers. The directors have not included details of the nature of the liabilities covered or the amount of the premium paid as such disclosure is prohibited under the terms of the contract.

## **Directors' Report (continued)**

### **Auditor's independence declaration**

The directors received an independence declaration from the auditor, Ernst & Young. A copy has been included on page 25 of the report.

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

Director:  .....

Dated: 25 May 2021

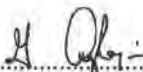


## **Directors' Declaration**

In the opinion of the directors of Hillsong Church Australia Ltd ("the Trustee"):

- (a) the Church is not a reporting entity as defined in the Australian Accounting Standards;
- (b) the financial statements and notes of the Trust are in accordance with the terms of the Trust Deed dated 19 October 2016 and the Australian Charities and Not-for-Profits Commission Act 2012, including:
  - (i) giving a true and fair view of the financial position of the Church as at 31 December 2020 and of its performance, as represented by the results of its operations and its cash flows for the period ended on that date; and
  - (ii) complying with Australian Accounting Standards and the Australian Charities and Not-for-Profits Commission Regulation 2013 to the extent described in Note 2 to the financial statements, and
- (c) the Church has operated during the year ended 31 December 2020 in accordance with the provisions of the Trust Deed dated 19 October 2016;
- (d) there are reasonable grounds to believe that the Church will be able to pay its debts as and when they become due and payable.

This declaration is made and signed in accordance with a resolution of the directors of Hillsong Church Australia Ltd ("the Trustee"):

Director:  .....

Dated: 25 May 2021

## Statement of Comprehensive Income

For the Year ended 31 December 2020

	2020	2019
Note	\$	\$
General tithes and offerings	51,870,446	56,167,039
Other donations	6,046,290	8,677,877
Conference registration income	2,869,590	8,233,673
Hospitality income	394,176	1,582,612
Other services & event revenues	1,541,391	2,294,514
Government grant income	8,284,575	-
Other revenue	3,882,221	5,342,358
<b>Total revenue</b>	<b>74,888,689</b>	<b>82,298,073</b>
Cost of church and other benevolent activities	(41,968,374)	(43,986,442)
Campus facilities and maintenance expenses	(20,578,350)	(15,647,693)
Conferences expenses	(3,508,630)	(9,219,788)
Mission and overseas aid expense	(2,536,709)	(3,316,468)
Training and resources	(259,729)	(246,912)
Other expenses	(1,135,748)	(2,153,395)
<b>Total expenses</b>	<b>(69,987,540)</b>	<b>(74,570,698)</b>
<b>Surplus from operations</b>	<b>4,901,149</b>	<b>7,727,375</b>
Financial income	5 499,365	174,714
Financial expenses	5 (984,331)	(751,677)
<b>Surplus available for church and ministry projects</b>	<b>4,416,183</b>	<b>7,150,412</b>
Other comprehensive income	-	-
<b>Total comprehensive income for the period</b>	<b>4,416,183</b>	<b>7,150,412</b>

The accompanying notes form part of these financial statements.

## Statement of Financial Position

As at 31 December 2020

	Note	2020 \$	2019 \$
<b>ASSETS</b>			
Cash and cash equivalents	6	9,495,456	9,032,707
Trade and other receivables	7	2,060,804	852,087
<b>Total current assets</b>		<u>11,556,260</u>	<u>9,884,794</u>
Trade and other receivables	7	28,540,990	23,216,090
Property, plant and equipment	8	21,441,532	20,362,704
<b>Total non-current assets</b>		<u>49,982,522</u>	<u>43,578,794</u>
<b>TOTAL ASSETS</b>		<u>61,538,782</u>	<u>53,463,588</u>
<b>LIABILITIES</b>			
Trade and other payables	9	1,153,025	2,744,728
Interest bearing liabilities	10	3,185,521	2,718,995
Employee benefits	11	4,538,624	4,312,876
Unearned income	12	4,396,438	5,933,151
<b>Total current liabilities</b>		<u>13,273,608</u>	<u>15,709,750</u>
Trade and other payables	9	2,466,900	178,302
Interest bearing liabilities	10	17,519,008	15,869,774
Employee benefits	11	477,479	455,611
<b>Total non-current liabilities</b>		<u>20,463,888</u>	<u>16,503,687</u>
<b>TOTAL LIABILITIES</b>		<u>33,736,995</u>	<u>32,213,437</u>
<b>NET ASSETS</b>		<u>27,801,787</u>	<u>21,250,151</u>
<b>ACCUMULATED FUNDS</b>			
Retained earnings		10,350,122	5,933,939
Common control reserve	14	17,451,665	15,316,212
<b>TOTAL ACCUMULATED FUNDS</b>		<u>27,801,787</u>	<u>21,250,151</u>

The accompanying notes form part of these financial statements.

**Statement of Changes in Equity**  
For the Year ended 31 December 2020

	Retained earnings \$	Common control reserve \$	Total \$
Balance at 1 January 2020	5,933,939	15,316,212	21,250,151
Total comprehensive income for the period	4,416,183	-	4,416,183
Related party debt forgiveness	-	2,135,453	2,135,453
Balance at 31 December 2020	10,350,122	17,451,665	27,801,787

	Retained surplus \$	Common control reserve \$	Total \$
Balance at 1 January 2019	(1,216,473)	21,196,158	19,979,685
Total comprehensive income for the period	7,150,412	-	7,150,412
Transfer of assets	-	(2,952,347)	(2,952,347)
Related party debt forgiveness	-	(2,927,599)	(2,927,599)
Balance at 31 December 2019	5,933,939	15,316,212	21,250,151

The accompanying notes form part of these financial statements.

**Statement of Cash Flows**  
For the Year Ended 31 December 2020

	2020	2019
Note	\$	\$
<b>Cash flows from operating activities:</b>		
Cash receipts in the course of operations	73,676,232	84,677,020
Cash payments to suppliers and employees	(69,177,308)	(70,373,964)
Interest received	499,365	174,714
Interest paid	(984,331)	(751,677)
<b>Net cash provided by operating activities</b>	13(b) 4,013,958	13,726,093
<b>Cash flows from investing activities:</b>		
Payments for property, plant and equipment	(633,032)	(1,049,451)
Proceeds from property, plant & equipment	43,180	-
<b>Net cash used in investing activities</b>	(589,852)	(1,049,451)
<b>Cash flows from financing activities:</b>		
Loans to related parties	(10,247,488)	(7,427,319)
Loans from related parties	4,424,054	51,667
Repayments from related parties	4,902,145	2,226,074
Repayments to related parties	-	(110,794)
Payments of lease liabilities	(2,040,066)	(1,179,895)
<b>Net cash used in financing activities</b>	(2,961,355)	(6,440,267)
<b>Net increase in cash and cash equivalents</b>	462,751	6,236,375
Cash and cash equivalents at beginning of period	9,032,705	2,796,332
<b>Cash and cash equivalents at end of period</b>	13(a) 9,495,456	9,032,707

## **Notes to the Financial Statements**

### **1 Corporate Information**

The Trustee for Hillsong Church Australia ("the Church") is a trust established under the Trust Deed dated 19 October 2016 and domiciled in Australia.

The Trustee is Hillsong Church Australia Ltd incorporated and domiciled in Australia. The principal place of business and registered office of the Church is 1-9 Solent Circuit, Norwest, NSW, Australia.

The financial report was authorised for issue by the directors of the Trustee on 25 May 2021.

### **2 Summary of Significant Accounting Policies**

#### **(a) Statement of compliance**

This special purpose financial report complies with Australian Accounting Standards as described below.

Certain Australian Accounting Standards and Interpretations have recently been issued or amended but are not yet effective and have not been adopted by the Church for the annual reporting period ended 31 December 2020. The directors have not early adopted any of these new or amended standards or interpretations. The directors have not yet fully assessed the impact of these new or amended standards (to the extent relevant to the Church) and interpretations.

#### **(b) Basis of preparation**

This special purpose financial report has been prepared for distribution to the Trustee to fulfill the directors' financial reporting requirements under the Trust Deed dated 19 October 2016 and the Australian Charities and Not-for-Profits Commission Act 2012 and the Australian Charities and Not-for-Profits Commission Regulation 2013. The accounting policies used in the preparation of this financial report, as described below, are consistent since incorporation, and are in the opinion of the directors, appropriate to meet the needs of the stakeholders:

- (i) The financial report has been prepared on an accrual basis of accounting including the historical cost convention and the going concern assumption.
- (ii) The Church is not a reporting entity because in the opinion of the directors there are unlikely to exist users of the financial report who are unable to command the preparation of reports tailored so as to satisfy specifically all of their information needs. The board of the Trustee has elected to prepare special purpose financial statements to reduce the preparation and administrative time and costs as the Church operates an open book policy with its congregation in accordance with the Financial Charter of the Hillsong Group.

Accordingly, the financial report has been prepared in accordance with the Trust Deed dated 19 October 2016 and the Australian Charities and Not-for-Profits Commission Regulation 2013, the basis accounting specified by all the Accounting Standards and Interpretations and the disclosure requirements of AASB 101 '*Presentation of Financial Statements*', AASB 107 '*Statement of Cash Flow*', AASB 108 '*Accounting Policies, Changes in Accounting Estimates and Errors*', AASB 1031 '*Materiality*' and AASB 1048 '*Interpretation and Application of Standards*' which apply to all entities required to prepare financial reports under the Australian Charities and Not-for-Profits Commission Regulation 2013.

## **Notes to the Financial Statements (continued)**

### **2 Summary of Significant Accounting Policies (continued)**

#### **(b) Basis of preparation (continued)**

The directors of the Trustee have determined that in order for the financial report to give a true and fair view of the Church's performance, cash flows and financial position, the requirements of Australian Accounting Standards and other financial reporting requirements in Australia relating to the recognition and measurement of assets, liabilities, revenues, expenses and equity should be complied with.

The financial report is presented in Australian dollars. The financial report has been prepared for the single entity The Trustee for Hillsong Church Australia Ltd.

Current liabilities exceed current assets by \$1,717,348 (2019: \$5,824,856). Related parties have confirmed that they will provide financial support equal to the amount required to meet other creditor repayments as and when they fall due for a period of no less than twelve months from the date of approval of this financial report. The ability of the Entity to continue as going concern is strengthened by this support from related parties.

#### **(c) Foreign currency transactions**

Transactions in foreign currencies are translated at the foreign exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are translated to Australian dollars at the foreign exchange rate ruling at that date. Foreign exchange differences arising on translation are recognised in the Statement of Comprehensive Income. Non-monetary assets and liabilities that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction. Non-monetary assets and liabilities denominated in foreign currencies that are stated at fair value are translated to Australian dollars at foreign exchange rates ruling at the dates the fair value was determined.

#### **(d) Plant and equipment**

##### **(i) Owned assets**

Items of property, plant and equipment are stated at cost or deemed cost less accumulated depreciation (see below) and impairment losses (Note 2(g)). The cost of self-constructed assets includes the cost of materials, direct labour, the initial estimate, where relevant, of the costs of dismantling and removing the items and restoring the site on which they are located, and an appropriate proportion of production overheads.

Where parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items of property, plant and equipment.

For assets identified as qualifying assets, the attributable borrowing costs have been capitalised in accordance with AASB 123 "Borrowing costs".



## Notes to the Financial Statements (continued)

### 2 Summary of Significant Accounting Policies (continued)

#### (d) Plant and equipment (continued)

##### (ii) Subsequent costs

The Church recognises in the carrying amount of an item of plant and equipment the cost of replacing part of such an item when that cost is incurred if it is probable that the future economic benefits embodied within the item will flow to the Church and the cost of the item can be measured reliably. All other costs are recognised in the Statement of Comprehensive Income as an expense as incurred.

##### (iii) Depreciation

Depreciation is charged to the Statement of Comprehensive Income on a straight-line basis over the estimated useful lives of each part of an item of plant and equipment. The estimated useful lives in the current and comparative periods are as follows:

• Plant and equipment	3 – 50 years
• Fixtures and fittings	3 – 33 years
• Leasehold improvements	5 – 20 years

The residual value, if not insignificant, is reassessed annually.

#### (e) Trade and other receivables

Trade and other receivables are stated at their amortised cost using the effective interest method less impairment losses (Note 2(g)). Related party receivables are non-interest bearing.

#### (f) Cash and cash equivalents

Cash and short-term deposits in the Statement of Financial Position comprise cash at banks and on hand and short-term deposits with a maturity of three months or less.

For the purpose of the Statement of Cash Flows, cash and cash equivalents consist of cash and short-term deposits as defined above, net of outstanding bank overdrafts.

#### (g) Impairment

The carrying amounts of the Church's assets are reviewed at each balance sheet date to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated (see below).

An impairment loss is recognised whenever the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. Impairment losses are recognised in the Statement of Comprehensive Income.

## **Notes to the Financial Statements (continued)**

### **2 Summary of Significant Accounting Policies (continued)**

#### **(g) Impairment (continued)**

##### *(i) Calculation of recoverable amount*

The recoverable amount of the Church's receivables carried at amortised cost are calculated as the present value of estimated future cash flows, discounted at the original effective interest rate (i.e. the effective interest rate computed at initial recognition of these financial assets). Receivables with a short duration are not discounted.

Impairment of receivables is not recognised until objective evidence is available that a loss event has occurred.

The recoverable amount of other assets is the greater of their fair value less costs to sell and value in use. Where the future economic benefits of an asset is not primarily dependent on the asset's ability to generate net cash inflows and where the Church would if deprived of the asset, replace its remaining future economic benefits, value in use is determined as the asset's depreciated replacement cost, being the asset's current replacement cost less, where applicable, accumulated depreciation calculated on the basis of such cost to reflect the already consumed or expired economic benefits of the asset. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For an asset that does not generate largely independent cash inflows, the recoverable amount is determined for the cash-generating unit to which the asset belongs.

##### *(ii) Reversals of impairment*

An impairment loss in respect of receivables carried at amortised cost is reversed if the subsequent increase in recoverable amount can be related objectively to an event occurring after the impairment loss was recognised.

An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

#### **(h) Employee benefits**

##### *(i) Defined contribution plans*

Obligations for contributions to defined contribution pension plans are recognised as an expense in the Statement of Comprehensive Income as incurred.

##### *(ii) Long-term service benefits*

The provision for employee entitlements to long service leave represents the present value of the estimated future cash flows to be made by the employer resulting from employees' services provided up to the balance date. In determining the liability for employee entitlements, consideration has been given to the Church's experience with staff departures. Related on-costs have been included in the liability.

## Notes to the Financial Statements (continued)

### 2 Summary of Significant Accounting Policies (continued)

#### (h) Employee benefits (continued)

##### *(iii) Wages, salaries and annual leave*

Liabilities for employee entitlements to wages, salaries and annual leave represent present obligations resulting from employees' services provided up to the balance date. The liabilities have been calculated at discounted amounts based on remuneration that the Church expects to pay and include related on-costs.

Whilst all employees are technically employed by The Trustee for Hillsong Church Australia, a recharge of salaries and wages expenses is made through each of the entities which receive the benefits of these employees' services. This recharge includes the Church's allocation of annual leave and long service leave expense. However, the provision for employee entitlements is retained in The Trustee for Hillsong Church Australia.

#### (i) Trade and other payables

Trade and other payables are stated at amounts contracted with other parties.

#### (j) Revenue and Other Income

##### *(i) General tithes and offerings*

General tithes and donations are made by church congregation members. Revenue is recognised when received.

##### *(ii) Other donations*

Other voluntary donations are made by the church congregation members. These include specific purpose offerings, which are taken to fund a specific project or event and missions offerings collected to support national and international Christian ministries who reach outside of Hillsong Church congregations. Revenue is recognised when entitled to be received.

##### *(iii) Conference registration income*

There are three annual conferences held for which registration income is received. Revenue is recognised in the period in which the conference is held. Conference registration income received for conferences to be held in future periods is recognised on the Statement of Financial Position as income in advance.

##### *(iv) Hospitality income*

Hospitality income is sales of food and beverages. Income is recognised when received.

##### *(iv) Government grant income*

Government grant income is recognised in the Statement of Comprehensive Income when performance obligations under the agreement are met.

## **Notes to the Financial Statements (continued)**

### **2 Summary of Significant Accounting Policies (continued)**

#### **(j) Revenue and Other Income (continued)**

##### *(v) Other services & event revenues*

Other services & event revenues are made up of income to operate various programs. Income is recognised when services are provided.

##### *(vi) Financial income*

Interest income is recognised in the Statement of Comprehensive Income as it accrues, using the effective interest method.

#### **(k) Leases**

The Church has equipment and commercial property leases for Sunday services. With the exception of short-term leases and leases of low-value underlying assets, each lease is reflected on the balance sheet as a right-of-use asset and a lease liability. Variable lease payments which do not depend on an index or a rate (such as lease payments based on a percentage of the Entity sales) are excluded from the initial measurement of the lease liability and asset. The Entity classifies its right-of-use assets in a consistent manner to its property, plant and equipment.

## Notes to the Financial Statements (continued)

### 2 Summary of Significant Accounting Policies (continued)

#### (l) Income taxes

No income tax is payable by the Church as it has a tax exempt status pursuant to section 50 - 5 Item 1.2 of the Income Tax Assessment Act 1997.

#### (m) Goods and services tax (GST)

Revenues, expenses and assets are recognised net of the amount of goods and services tax (GST), except where the amount of GST incurred is not recoverable from the Australian Taxation Office (ATO). In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of expense. Receivables and payables are stated with the amount of GST included.

The net amount of GST recoverable from, or payable to, the ATO is included as a current asset or liability in the Statement of Financial Position.

Cash flows are included in the Statement of Cash Flows on a gross basis. The GST components of cash flows arising from investing and financing activities, which are recoverable from, or payable to, the ATO are classified as operating cash flows.

#### (n) Financial assets

##### *Initial recognition and measurement*

Financial assets are measured at amortised cost if it is held within a business model whose objective is to hold assets in order to collect contractual cash flows which arise on specified dates and that are solely principal and interest. All other financial assets are classified and measured at fair value through profit or loss. The Church determines the classification of its financial assets at initial recognition.

Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the Church commits to purchase or sell the asset.

##### *Subsequent measurement*

AASB 9 impairment requires the use of an expected credit loss ("ECL") model to recognise an allowance for those financial assets initially recognised at amortised cost. Impairment is measured using a 12-month ECL method unless the credit risk on a financial instrument has increased significantly since initial recognition in which case the lifetime ECL method is adopted. For trade receivables, a simplified approach to measuring expected credit losses using a lifetime expected loss allowance is available.

## Notes to the Financial Statements (continued)

### 2 Summary of Significant Accounting Policies (continued)

#### (o) Comparatives

When and as required in the adoption of new accounting standard, prior year comparatives have been reclassified or restated in the financial report to be consistent with current year presentation.

#### (p) Use of estimates and judgements

The preparation of financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income, and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected.

	2020 \$	2019 \$
<b>3 Auditors' remuneration</b>		
<u>Audit services:</u>		
<i>The auditor of The Trustee for Hillsong Church Australia is Ernst &amp; Young</i>		
Audit of the financial report	67,977	56,550
<b>4 Expenses</b>		
Wages and salaries	23,291,938	22,313,638
Contributions to defined contribution superannuation plans	2,016,775	1,863,607
	<u>25,308,713</u>	<u>24,177,245</u>
Depreciation & Amortisation	<u>3,691,032</u>	<u>3,238,301</u>

## Notes to the Financial Statements (continued)

	2020	2019
	\$	\$
<b>5 Net financing income</b>		
Interest received	499,365	174,714
Interest paid	(975,735)	(947,300)
	<u>(476,370)</u>	<u>(772,586)</u>
<b>6 Cash and cash equivalents</b>		
Cash on hand	145,715	516,620
Bank balances	8,340,216	7,516,087
Short term bank deposits	1,009,525	1,000,000
	<u>9,495,456</u>	<u>9,032,707</u>
<b>7 Trade and other receivables</b>		
<b><u>Current</u></b>		
Trade receivables	385,607	237,176
Security deposits	142,435	144,924
Prepayments	457,685	431,899
Other receivables	1,075,077	38,088
	<u>2,060,804</u>	<u>852,087</u>
<b><u>Non-current</u></b>		
Amounts receivable from related parties	28,540,990	23,195,644
Other receivables	-	20,446
	<u>28,540,990</u>	<u>23,216,090</u>

Amounts receivable from related parties are not past due. It is expected that these amounts will be received when due.



## Notes to the Financial Statements (continued)

	2020 \$	2019 \$
<b>8 Property, plant and equipment</b>		
<b>Plant and equipment</b>		
Cost		
Balance as 1 January	7,600,745	9,464,555
Acquisitions	538,733	1,049,451
Disposal	(40,590)	-
Asset transfer	-	(2,913,261)
Balance at 31 December	<u>8,098,888</u>	<u>7,600,745</u>
Accumulated depreciation		
Balance at 1 January	(3,001,265)	(1,825,021)
Depreciation charge for the period	(950,884)	(1,238,350)
Disposal	21,592	-
Asset transfer	-	62,106
Balance at 31 December	<u>(3,930,557)</u>	<u>(3,001,265)</u>
Carrying value – Plant and Equipment	<u>4,168,331</u>	<u>4,599,480</u>
<b>Capital works in progress</b>		
Cost		
Balance as 1 January	-	101,189
Acquisitions	94,299	-
Asset transfer	-	(101,189)
Balance at 31 December	<u>94,299</u>	<u>-</u>
Carrying value – Capital works in progress	<u>94,299</u>	<u>-</u>
<b>Right of use</b>		
Cost		
Balance as 1 January	17,763,176	-
Adoption	-	17,763,176
Acquisitions	4,155,826	-
Balance at 31 December	<u>21,919,002</u>	<u>17,763,176</u>

## Notes to the Financial Statements (continued)

	2020	2019
	\$	\$
<b>8 Property, plant and equipment (continued)</b>		
<b>Right of use (continued)</b>		
Accumulated depreciation		
Balance at 1 January	(1,999,951)	-
Depreciation charge for the period	(2,740,149)	(1,999,951)
Balance at 31 December	(4,740,100)	(1,999,951)
Carrying value – Right of use	17,178,902	15,763,225
Total property, plant and equipment	21,441,533	20,362,703
<b>9 Trade and other payables</b>		
<b>Current</b>		
Trade payables	1,062,228	2,707,959
Other payables	90,797	36,769
	1,153,025	2,744,728
<b>Non-current</b>		
Amounts payable to related parties	2,466,900	178,302
	2,466,900	178,302
<b>10 Lease liabilities</b>		
<b>Current</b>		
Lease liabilities	3,185,521	2,718,995
<b>Non-current</b>		
Lease liabilities	17,519,008	15,869,774
The entity has short-term leases for commercial property leases for Sunday services that are not recognised as lease liabilities. The payments for the short-term leases are expensed on a straight-line basis when incurred.		
Short-term leases	747,638	2,593,455
	747,638	2,593,455

## Notes to the Financial Statements (continued)

	2020	2019
	\$	\$
<b>11 Employee benefits</b>		
<b><u>Current</u></b>		
Liability for annual leave	2,623,470	2,705,955
Provision for long service leave	1,442,895	1,414,749
Liability for superannuation	472,259	192,172
	<u>4,538,624</u>	<u>4,312,876</u>
<b><u>Non-current</u></b>		
Provision for long service leave	477,479	455,611
	<u>477,479</u>	<u>455,611</u>

## Notes to the Financial Statements (continued)

	2020 \$	2019 \$
<b>12 Unearned income</b>		
Income in advance	4,396,438	5,933,151
	<u>4,396,438</u>	<u>5,933,151</u>
<b>13 Reconciliation of cash flows from operating activities</b>		
<b>(a) Reconciliation of cash</b>		
For the purposes of the Statement of Cash Flows, cash includes cash on hand and at bank and short term deposits at call, net of outstanding overdrafts. Cash at the end of the financial period as shown in the Statement of Cash Flows is reconciled to the related items in the Statement of Financial Position as follows:		
Cash on hand and in bank (see Note 7)	9,495,456	9,032,707
	<u>9,495,456</u>	<u>9,032,707</u>
<b>(b) Reconciliation of cash flow from operations with net surplus</b>		
Net surplus for the period	4,416,182	7,150,414
Cash flows excluded from profit attributable to operating activities		
Non-cash items:		
Depreciation	3,691,032	3,238,301
Gain on sale of assets	(24,184)	-
	<u>8,083,030</u>	<u>10,388,715</u>
Changes in assets and liabilities after transfer of net assets		
(Increase)/decrease trade and other receivables	(1,164,976)	2,534,948
(Increase) in other assets	(23,297)	(156,001)
(Decrease)/increase in trade and other payables	(1,591,702)	469,506
Decrease in income in advance	(1,536,713)	(154,827)
Increase in employee benefits	247,616	643,752
Net cash provided by operating activities	<u>4,013,958</u>	<u>13,726,093</u>

## **Notes to the Financial Statements (continued)**

### **14 Common control reserve**

In 2017, 2019 & 2020 the Church was part of a reorganisation with other related entities. As a part of the reorganisation, the Church has received and transferred assets by way of gift and similarly certain related party loans have been forgiven. As the entities form part of the same group, both the value of the assets and the loans forgiven have been recorded through the common control equity reserve.

### **15 Key management personnel transactions**

Key management personnel include the board along with some non-board positions. Directors serve in a voluntary capacity; those board members who are also employed by the Church are remunerated for their executive responsibilities.

From time to time, key management personnel including directors or their related entities may purchase or sell goods, make donations, derive royalty income or generally partake in church related services offered by the Church and its related parties. These transactions are carried out under the same terms and conditions generally applicable in respect of such activities. The terms and conditions of the transactions with key management personnel and their related entities were no more favourable than those also available, or which might reasonably be expected to be available, on similar arm's length transactions to other third parties.

### **16 Other related party transactions**

#### *Transactions with related parties*

All transactions with related parties are on normal terms and conditions, apart from amounts receivable from and payable to Hillsong Group entities, which are interest free and not required to be repaid within the next twelve months.

### **17 Contingent liabilities**

In the ordinary course of operation, from time to time, the Entity receive claims in respect to the property matters. At this time, the Board do not believe there are any claims which are material, nor quantifiable that need to be disclosed in the financial statements.

### **18 Significant events after balance sheet date**

There have been no other significant events occurring after balance date which may affect either the Church's operations or results of those operations or the Church's state of affairs.



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Sydney NSW 2000 Australia  
GPO Box 2646 Sydney NSW 2001

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Fax: +61 2 9248 5959  
ey.com/au

## **Auditor's Independence Declaration to the Directors of Trustee of The Trustee of Hillsong Church Australia**

In relation to our audit of the financial report of The Trustee of Hillsong Church Australia for the financial period ended 31 December 2020, and in accordance with the requirements of Subdivision 60-C of the *Australian Charities and Not-for profits Commission Act 2012*, to the best of my knowledge and belief, there have been no contraventions of the auditor independence requirements of any applicable code of professional conduct.

Ernst & Young

Anthony Jones  
Partner  
Sydney  
25 May 2021



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Sydney NSW 2000 Australia  
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ey.com/au

## **Independent Auditor's Report to the Trustee of The Trustee for Hillsong Church Australia**

### **Opinion**

We have audited the financial report, being a special purpose financial report, of The Trustee for Hillsong Church Australia (the 'Entity'), which comprises the statement of financial position as at 31 December 2020, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, notes to the financial statements, including a summary of significant accounting policies, and the directors' report.

In our opinion, the accompanying financial report of the Entity is in accordance with the *Australian Charities and Not-for-Profits Commission Act 2012*, including:

- a) giving a true and fair view of the Entity's financial position as at 30 December 2020 and of its financial performance for the year ended on that date; and
- b) complying with Australian Accounting Standards to the extent described in Note 2, and the *Australian Charities and Not-for-Profits Commission Regulation 2013*.

### **Basis for Opinion**

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Entity in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

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

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

We draw attention to Note 2 to the financial statements, which describes the basis of accounting. The financial report has been prepared for the purpose of fulfilling the Trustees' financial reporting responsibilities under the *Australian Charities and Not-for-Profits Commission Act 2012*. As a result, the financial report may not be suitable for another purpose. Our opinion is not modified in respect of this matter.





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### **Information Other than the Financial Report and Auditor's Report Thereon**

The directors of the Trustee (the directors) are responsible for the other information. The other information is the directors' report accompanying the financial report.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

### **Responsibilities of the Directors for the Financial Report**

The directors 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 2 to the financial statements is appropriate to meet the requirements of the *Australian Charities and Not-for-Profits Commission Act 2012* and is appropriate to meet the needs of the members. The directors' responsibility also includes such internal control as the directors determine 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.

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

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

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.



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- 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 the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' 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 Entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Entity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Ernst & Young

Anthony Jones  
Partner  
Sydney  
25 May 2021

		2022 GC Bgt USD
ARG	Argentina	55,598.15
AUS	Australia	2,307,870.61
BZL	Brazil	49,217.28
CAN	Canada	50,104.17
CPH	Denmark	97,081.69
PAR	France	214,918.03
GER	Germany	268,469.67
BER	Germany - Berlin	63,114.75
ISR	Israel	6,747.33
ITA	Italy	17,213.11
MEX	Mexico	13,541.29
AMT	Netherlands	181,352.46
NOR	Norway	-
POR	Portugal	53,259.67
MOS	Russia	9,923.40
HSA	South Africa	341,776.97
BAR	Spain	56,639.13
STC	Sweden	210,285.71
UKR	Ukraine	-
HCL	United Kingdom	952,771.85
	<b>TOTAL INCOME AU ENTITY</b>	<b>4,949,885.29</b>
	US - Dallas	0
USATL	US - Atlanta	-
USLA	US - California	160,846.15
USKC	US - Kansas City	92,707.74
USNYC	US - New York	-
USPHO	US - Phoenix	240,760.00
	<b>TOTAL INCOME US ENTITY</b>	<b>494,313.89</b>



HILLSONG GLOBAL CHUCH PLANT LOAN REQUEST



Location : **HILLSONG DALLAS**  
 Lead Pastor : **previously Reed Bogard**  
 Contact Person : **Jun Sim**  
 Email : [jun.sim@hillsong.com](mailto:jun.sim@hillsong.com)  
 Currency : **USD**  
 GL Code : **JBSA9008558DAL**  
**UFBSA9008390DAL**

#	Date	AUD	USD	COMMENTS
1	B/F prior year	1,112,231.46	775,362.92	
2	28-Jan-21	40,927.47	30,000.00	support deficit
3	18-Feb-21	24,010.78	17,600.00	support deficit
4	18-Feb-21	3,095.70	2,400.00	HC01376 pay invoice
5	11-Mar-21	34,106.23	25,000.00	support deficit
6	20-Apr-21	32,598.77	25,000.00	support deficit
7	15-Apr-21	-	33,500.00	sale of LED wall
8	30-Apr-21	-	20,000.00	severence payout
9	05-May-21	-	25,000.00	support deficit
10	20-May-21	-	15,000.00	support deficit
11	27-May-21	-	25,000.00	severence payout
12	21-May-21	-	104,294.00	sale to HS Atlanta
13	21-May-21	-	270,044.15	BOK Loan repayment
14	27-May-21	-	409.49	Insurance payment
15	27-Jul-21	-	4,000.00	AMLJ lease payment
16				
17				
18				
19				
20				
21				
22				

**CURRENT OWING**      1,246,970.41      1,097,022.56

	Printed Name	Date Requested
Requested by :	Jun Sim	27-Jul-21
Reviewed by :		
Approved by :		
Approved by :		



HILLSONG GLOBAL CHUCH PLANT LOAN REQUEST



Location : **HILLSONG ATLANTA**  
 Lead Pastor : **Sam Collier**  
 Contact Person : **Sam Collier**  
 Email : [sam.collier@hillsong.com](mailto:sam.collier@hillsong.com)  
 Currency : **USD**  
 GL Code : **UFBSA9008558ATL**  
**JBSA9008558ATL**

0.75

#	Date	AUD	USD	COMMENTS
1	B/F Prior Year		679,565.47	as at 31 Dec 2021
2	08-Feb-22		82,500.00	
3				
4				
5				
6				
7				
8				
9				
10				

**CURRENT OWING**

-	<b>762,065.47</b>
---	-------------------

	Printed Name	Date Requested
Requested by :	Sam Collier	08-Feb-22
Approved by :	Peter Ridley	08-Feb-22





**Statement of Changes in Equity**  
For the Year Ended 31 December 2021

	<b>Retained surplus</b>	<b>Common control</b>	<b>Total</b>
	<b>\$</b>	<b>reserve</b>	<b>\$</b>
		<b>\$</b>	
Balance at 1 January 2021	4,476,635	-	4,476,635
Total comprehensive loss for the period	(120)	-	(120)
Balance at 31 December 2021	4,476,515	-	4,476,515

	<b>Retained surplus</b>	<b>Common control</b>	<b>Total</b>
	<b>\$</b>	<b>reserve</b>	<b>\$</b>
		<b>\$</b>	
Balance at 1 January 2020	134,148,764	(126,785,633)	7,363,131
Total comprehensive loss for the period	(2,886,496)	-	(2,886,496)
Transfer of reserve	(126,785,633)	126,785,633	-
Balance at 31 December 2020	4,476,635	-	4,476,635

The accompanying notes form part of these financial statements.

**Statement of Cash Flows**  
For the Year Ended 31 December 2021

	2021	2020
Note	\$	\$
<b>Cash flows from operating activities:</b>		
Cash receipts in the course of operations	-	241,250
Cash payments to suppliers and employees	(120)	(20,192)
<b>Net cash (used in)/provided by operating activities</b>	7(b) (120)	221,058
<b>Cash flows from investing activities:</b>		
Payments for property, plant and equipment	-	(2,966,303)
<b>Net cash used in investing activities</b>	-	(2,966,303)
<b>Cash flows from financing activities:</b>		
Repayments from related parties	-	2,745,000
Loans from related parties	2,914	-
<b>Net cash provided by financing activities</b>	2,914	2,745,000
<b>Net increase/(decrease) in cash and cash equivalents</b>	2,794	(245)
Cash and cash equivalents at beginning of year	691	936
<b>Cash and cash equivalents at end of year</b>	7(a) 3,485	691

The accompanying notes form part of these financial statements.

## Notes to the Financial Statements

### 1 Corporate information

Hills Christian Life Centre Pty Ltd (formerly known as "Hills Christian Life Centre Pty Ltd") ("the Entity") is a not-for-profit company domiciled in Australia. On 23 March 2021, the Entity changed from a company limited by guarantee to a proprietary company limited by shares and the registered name changed to Hills Christian Life Centre Pty Ltd.

The principal place of business and registered office for the Entity is 1-9 Solent Circuit, Norwest, NSW, Australia. The financial report was authorised for issue by the directors on 25 May 2021.

### 2 Summary of Significant Accounting Policies

#### (a) Statement of compliance

This special purpose financial report complies with Australian Accounting Standards as described below.

Certain Australian Accounting Standards and Interpretations have recently been issued or amended but are not yet effective and have not been adopted by the Entity for the annual reporting period ended 31 December 2021. The directors have not early adopted any of these new or amended standards or interpretations. The directors have not yet fully assessed the impact of these new or amended standards (to the extent relevant to the Entity) and interpretations.

#### (b) Basis of preparation

This special purpose financial report has been prepared for distribution to the members to fulfil the directors' financial reporting requirements under the Australian Charities and Not-for-Profits Commission Act 2012 and the Australian Charities and Not-for-Profits Commission Regulation 2013. The accounting policies used in the preparation of this financial report, as described below, are consistent with the previous years, and are, in the opinion of the directors, appropriate to meet the needs of members:

(i) The financial report has been prepared on an accrual basis of accounting including the historical cost convention and the going concern assumption.

(ii) The Entity is not a reporting entity because in the opinion of the directors there are unlikely to exist users of the financial report who are unable to command the preparation of reports tailored so as to satisfy specifically all of their information needs. The Board have elected to prepare special purpose financial statements to reduce the preparation and administrative time and costs as the Entity operates an open book policy with its congregation in accordance with the Financial Charter of the Hillsong Group.

The entity adopted in accordance with the Australian Charities and Not-for-Profits Commission Regulation 2013, the basis of accounting specified by all Accounting Standards, and Interpretations and the disclosure requirements of AASB 101 'Presentation of Financial Statements', AASB 107 'Statement of Cash Flow', AASB 108 'Accounting Policies, Changes in Accounting Estimates and Errors', AASB 1031 'Materiality' and AASB 1048 'Interpretation and Application of Standards' which apply to all entities required to prepare financial reports under the Australian Charities and Not-for-Profits Commission Regulation 2013.

The directors have determined that in order for the financial report to give a true and fair view of the Entity's performance, cash flows and financial position, the requirements of Australian Accounting Standards and other financial reporting requirements in Australia relating to the recognition and measurement of assets, liabilities, revenues, expenses and equity should be complied with.

The financial report is presented in Australian dollars. The financial report has been prepared for the single entity Hills Christian Life Centre Pty Ltd (formerly known as "Hills Christian Life Centre Ltd").

## Notes to the Financial Statements (continued)

### 2 Summary of Significant Accounting Policies (continued)

#### (c) Impairment

The carrying amounts of the Entity's assets are reviewed at each balance sheet date to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated (see below).

An impairment loss is recognised whenever the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. Impairment losses are recognised in the Statement of Comprehensive Income.

##### (i) Calculation of recoverable amount

The recoverable amount of the Entity's receivables carried at amortised cost are calculated as the present value of estimated future cash flows, discounted at the original effective interest rate (i.e. the effective interest rate computed at initial recognition of these financial assets). Receivables with a short duration are not discounted.

Impairment of receivables is not recognised until objective evidence is available that a loss event has occurred

The recoverable amount of other assets is the greater of their fair value less costs to sell and value in use. Where the future economic benefits of an asset is not primarily dependent on the asset's ability to generate net cash inflows and where the Entity would if deprived of the asset, replace its remaining future economic benefits, value in use is determined as the asset's fair value. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For an asset that does not generate largely independent cash inflows, the recoverable amount is determined for the cash-generating unit to which the asset belongs.

##### (ii) Reversals of impairment

An impairment loss in respect of receivables carried at amortised cost is reversed if the subsequent increase in recoverable amount can be related objectively to an event occurring after the impairment loss was recognised.

An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

#### (d) Revenue and other income

##### (i) Donations

Donations income represents amounts received from the Hills CLC College Building Fund and other parties. The Hills CLC College Building Fund is a gift fund that relies predominantly on donation income. These donations are received in the Hills CLC College Building Fund from the Hillsong Foundation. Donations are recognised when they are entitled to be received.

## Notes to the Financial Statements (continued)

### 2 Summary of Significant Accounting Policies (continued)

#### (e) Income taxes

No income tax is payable by the Entity as it has a tax exempt status pursuant to section 50-5 Item 1.2 of the Income Tax Assessment Act 1997.

#### (f) Goods and services tax (GST)

Revenues, expenses and assets are recognised net of the amount of goods and services tax (GST), except where the amount of GST incurred is not recoverable from the Australian Taxation Office (ATO). In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of expense.

Receivables and payables are stated with the amount of GST included. The net amount of GST recoverable from, or payable to, the ATO is included as a current asset or liability in the Statement of Financial Position.

Cash flows are included in the Statement of Cash Flows on a gross basis. The GST components of cash flows arising from investing and financing activities, which are recoverable from, or payable to, the ATO are classified as operating cash flows.

#### (g) Cash and cash equivalents

Cash and cash equivalents comprise cash balances and call deposits.

#### (h) Trade and other receivables

Trade and other receivables are stated at their amortised cost using the effective interest method less impairment losses (see Note 2(c)). Related party receivables are non-interest bearing.

#### (i) Trade and other payables

Trade and other payables are stated at amounts contracted with other parties.

#### (j) Use of estimates and judgements

The preparation of financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income, and expenses. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected.



## Notes to the Financial Statements (continued)

### 3 Auditors' remuneration

The auditor of the Entity is Ernst & Young.

The audit of 2021 financial report is paid by related entities.

2021	2020
\$	\$

### 4 Cash and cash equivalents

Cash at bank	3,485	691
	<u>3,485</u>	<u>691</u>

### 5 Trade and other receivables

#### Non-current

Amounts receivable from related parties	16,630,806	16,630,806
	<u>16,630,806</u>	<u>16,630,806</u>

Amounts receivable from related parties are not past due. It is expected that these amounts will be received when due.

### 6 Trade and other payables

#### Non-current

Amounts payable to related parties	12,157,776	12,154,862
	<u>12,157,776</u>	<u>12,154,862</u>



## Notes to the Financial Statements (continued)

	2021	2020
	\$	\$
<b>7 Reconciliation of cash flows from operating activities</b>		
<b>(a) Reconciliation of cash</b>		
For the purposes of the Statement of Cash Flows, cash includes cash on hand and at bank and short term deposits at call, net of outstanding overdrafts. Cash at the end of the financial year as shown in the Statement of Cash Flows is reconciled to the related items in the Statement of Financial Position as follows:		
Cash in bank (see note 5)	3,485	691
	<u>3,485</u>	<u>691</u>
<b>(b) Reconciliation of cash flow from operations with net (loss)/surplus</b>		
Net comprehensive (loss)/surplus for the year	(120)	(2,886,496)
Cash flows excluded from profit	-	-
Non-cash items:		
Depreciation	-	46,683
Impairment loss	-	2,919,621
	<u>(120)</u>	<u>79,808</u>
Changes in assets and liabilities		
Decrease in trade and other receivables	-	141,250
Net cash (used in)/provided by operating activities	<u>(120)</u>	<u>221,058</u>

## Notes to the Financial Statements (continued)

### 8 Other related party transactions

#### *Transactions with related parties*

All transactions with related parties are on normal terms and conditions, apart from amounts receivable from and/or payable to Hillsong Group entities, which are interest free and not required to be repaid within the next twelve months.

### 9 Key management personnel transactions

All directors fulfil their responsibilities to the Entity in a voluntary capacity

Key management personnel are defined as 'those people having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly'.

The Entity does not employ any key management personnel. The key management activities of the Entity are performed by employees of related entities. The Entity is not recharged for these services as an allocation of the compensation paid to these employees in respect of activities on behalf of the Entity has not been determined.

From time to time, key management personnel including directors or their related entities may purchase or sell goods, make donations or generally partake in Church related services offered by the Entity and its related parties. These transactions are carried out under the same terms and conditions generally applicable in respect of such activities. The terms and conditions of the transactions with key management personnel and their related entities were no more favourable than those also available, or which might reasonably be expected to be available, on similar arm's length transactions to other third parties.

Apart from the above, no director has entered into a material contract with the Entity since the end of the previous year and there were no material contracts involving directors' interests subsisting at year end.

### 10 Significant events after balance sheet date

There have been no significant events occurring after balance date which may affect either the Entity's operations or results of those operations or the Entity's state of affairs.

## Directors' Declarations

In the opinion of the directors of Hills Christian Life Centre Pty Ltd (formerly known as "Hills Christian Life Centre Pty Ltd") ("the Entity"):

- (a) the Entity is not a reporting entity as defined in the Australian Accounting Standards.
- (b) the financial statements and notes of the Entity are in accordance with the Australian Charities and Not-for-Profits Commission Act 2012, including:
  - (i) giving a true and fair view of the Entity's financial position as at 31 December 2021 and of its performance, as represented by the results of its operations and its cash flows for the year ended on that date; and
  - (ii) complying with Australian Accounting Standards and the Australian Charities and Not-for-Profits Commission Regulation 2013 to the extent described in Note 2 to the financial statements; and
- (c) there are reasonable grounds to believe that the Entity will be able to pay its debts as and when they become due and payable.

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

Director: .....

Dated: 25 May 2021



**Hills Christian Life Centre Pty Ltd  
(formerly known as “Hills Christian Life Centre Ltd”)**

ABN 42 406 987 921

**Annual Financial Report  
For the Year Ended 31 December 2020**

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**Statement of Comprehensive Income**  
**For the Year Ended 31 December 2020**

	2020	2019
	\$	\$
Donations	100,000	150,968
<b>Total revenue</b>	100,000	150,968
Cost of sales	-	(15,748)
Property expenses	(2,986,496)	-
<b>Total expenses</b>	(2,986,496)	(15,748)
<b>(Loss)/Surplus from church and ministry projects</b>	(2,886,496)	135,220
Finance costs	-	(98,045)
<b>Total comprehensive (loss)/income for the period</b>	(2,886,496)	37,175

The accompanying notes form part of these financial statements.



## Statement of Financial Position

As at 31 December 2020

	Note	2020 \$	2019 \$
<b>ASSETS</b>			
<b>Current assets</b>			
Cash and cash equivalents	4	691	936
Trade and other receivables	5	-	141,250
<b>Total current assets</b>		<u>691</u>	<u>142,186</u>
<b>Non-current assets</b>			
Other receivables	5	16,630,806	19,375,807
<b>Total non-current assets</b>		<u>16,630,806</u>	<u>19,375,807</u>
<b>TOTAL ASSETS</b>		<u>16,631,497</u>	<u>19,517,993</u>
<b>LIABILITIES</b>			
<b>Non-current liabilities</b>			
Other payables	6	12,154,862	12,154,862
<b>Total non-current liabilities</b>		<u>12,154,862</u>	<u>12,154,862</u>
<b>TOTAL LIABILITIES</b>		<u>12,154,862</u>	<u>12,154,862</u>
<b>NET ASSETS</b>		<u>4,476,635</u>	<u>7,363,131</u>
<b>ACCUMULATED FUNDS</b>			
Retained surplus		4,476,635	134,148,764
Common control reserve	8	-	(126,785,633)
<b>TOTAL ACCUMULATED FUNDS</b>		<u>4,476,635</u>	<u>7,363,131</u>

The accompanying notes form part of these financial statements.

## Statement of Changes in Equity

For the Year Ended 31 December 2020

	<b>Retained surplus</b>	<b>Common control</b>	<b>Total</b>
	<b>\$</b>	<b>reserve</b>	<b>\$</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>
Balance at 1 January 2020	134,148,764	(126,785,633)	7,363,131
Total comprehensive loss for the period	(2,886,496)	-	(2,886,496)
Transfer of reserve	(126,785,633)	126,785,633	-
Balance at 31 December 2020	<u>4,476,635</u>	<u>-</u>	<u>4,476,635</u>

	<b>Retained surplus</b>	<b>Common control</b>	<b>Total</b>
	<b>\$</b>	<b>reserve</b>	<b>\$</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>
Balance at 1 January 2019	134,111,589	(126,785,633)	7,325,956
Total comprehensive income for the period	37,175	-	37,175
Balance at 31 December 2019	<u>134,148,764</u>	<u>(126,785,633)</u>	<u>7,363,131</u>

The accompanying notes form part of these financial statements.

**Statement of Cash Flows**  
**For the Year Ended 31 December 2020**

	2020	2019
Note	\$	\$
<b>Cash flows from operating activities:</b>		
Cash receipts in the course of operations	241,250	150,968
Cash payments to suppliers and employees	(20,192)	(15,748)
Interest paid	-	(98,045)
<b>Net cash provided by operating activities</b>	7(b) 221,058	37,175
<b>Cash flows from investing activities:</b>		
Payments for property, plant and equipment	(2,966,303)	-
<b>Net cash used in investing activities</b>	(2,966,303)	-
<b>Cash flows from financing activities:</b>		
Loans to related parties	-	(652,241)
Repayments from related parties	2,745,000	4,054,890
Loans from related parties	-	30,000
Repayments to related parties	-	(3,468,894)
<b>Net cash used in financing activities</b>	2,745,000	(36,245)
<b>Net (decrease)/increase in cash and cash equivalents</b>	(245)	930
Cash and cash equivalents at beginning of year	936	6
<b>Cash and cash equivalents at end of year</b>	7(a) 691	936

## Notes to the Financial Statements

### 1 Corporate information

Hills Christian Life Centre Pty Ltd (formerly known as "Hills Christian Life Centre Pty Ltd") ("the Entity") is a not-for-profit company domiciled in Australia. On 23 March 2021, the Entity changed from a company limited by guarantee to a proprietary company limited by shares and the registered name changed to Hills Christian Life Centre Pty Ltd.

The principal place of business and registered office for the Entity is 1-9 Solent Circuit, Norwest, NSW, Australia. The financial report was authorised for issue by the directors on 25 May 2021.

### 2 Summary of Significant Accounting Policies

#### (a) Statement of compliance

This special purpose financial report complies with Australian Accounting Standards as described below.

Certain Australian Accounting Standards and Interpretations have recently been issued or amended but are not yet effective and have not been adopted by the Entity for the annual reporting period ended 31 December 2020. The directors have not early adopted any of these new or amended standards or interpretations. The directors have not yet fully assessed the impact of these new or amended standards (to the extent relevant to the Entity) and interpretations.

#### (b) Basis of preparation

This special purpose financial report has been prepared for distribution to the members to fulfil the directors' financial reporting requirements under the Australian Charities and Not-for-Profits Commission Act 2012 and the Australian Charities and Not-for-Profits Commission Regulation 2013. The accounting policies used in the preparation of this financial report, as described below, are consistent with the previous years, and are, in the opinion of the directors, appropriate to meet the needs of members:

- (i) The financial report has been prepared on an accrual basis of accounting including the historical cost convention and the going concern assumption.
- (ii) The Entity is not a reporting entity because in the opinion of the directors there are unlikely to exist users of the financial report who are unable to command the preparation of reports tailored so as to satisfy specifically all of their information needs. The Board have elected to prepare special purpose financial statements to reduce the preparation and administrative time and costs as the Entity operates an open book policy with its congregation in accordance with the Financial Charter of the Hillsong Group.

The entity adopted in accordance with the Australian Charities and Not-for-Profits Commission Regulation 2013, the basis of accounting specified by all Accounting Standards, and Interpretations and the disclosure requirements of AASB 101 '*Presentation of Financial Statements*', AASB 107 '*Statement of Cash Flow*', AASB 108 '*Accounting Policies, Changes in Accounting Estimates and Errors*', AASB 1031 '*Materiality*' and AASB 1048 '*Interpretation and Application of Standards*' which apply to all entities required to prepare financial reports under the Australian Charities and Not-for-Profits Commission Regulation 2013.

The directors have determined that in order for the financial report to give a true and fair view of the Entity's performance, cash flows and financial position, the requirements of Australian Accounting Standards and other financial reporting requirements in Australia relating to the recognition and measurement of assets, liabilities, revenues, expenses and equity should be complied with.

The financial report is presented in Australian dollars. The financial report has been prepared for the single entity Hills Christian Life Centre Pty Ltd (formerly known as "Hills Christian Life Centre Ltd").

## Notes to the Financial Statements (continued)

### 2 Summary of Significant Accounting Policies (continued)

#### (c) Impairment

The carrying amounts of the Entity's assets are reviewed at each balance sheet date to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated (see below).

An impairment loss is recognised whenever the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. Impairment losses are recognised in the Statement of Comprehensive Income.

##### (i) Calculation of recoverable amount

The recoverable amount of the Entity's receivables carried at amortised cost are calculated as the present value of estimated future cash flows, discounted at the original effective interest rate (i.e. the effective interest rate computed at initial recognition of these financial assets). Receivables with a short duration are not discounted.

Impairment of receivables is not recognised until objective evidence is available that a loss event has occurred

The recoverable amount of other assets is the greater of their fair value less costs to sell and value in use. Where the future economic benefits of an asset is not primarily dependent on the asset's ability to generate net cash inflows and where the Entity would if deprived of the asset, replace its remaining future economic benefits, value in use is determined as the asset's fair value. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For an asset that does not generate largely independent cash inflows, the recoverable amount is determined for the cash-generating unit to which the asset belongs.

##### (ii) Reversals of impairment

An impairment loss in respect of receivables carried at amortised cost is reversed if the subsequent increase in recoverable amount can be related objectively to an event occurring after the impairment loss was recognised.

An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

#### (d) Revenue and other income

##### (i) Donations

Donations income represents amounts received from the Hills CLC College Building Fund and other parties. The Hills CLC College Building Fund is a gift fund that relies predominantly on donation income. These donations are received in the Hills CLC College Building Fund from the Hillsong Foundation. Donations are recognised when they are entitled to be received.

## Notes to the Financial Statements (continued)

### (e) Expenses

#### (i) Net financing costs

Net financing costs comprise interest payable on borrowings calculated using the effective interest method.

### (f) Income taxes

No income tax is payable by the Entity as it has a tax exempt status pursuant to section 50-5 Item 1.2 of the Income Tax Assessment Act 1997.

### (g) Goods and services tax (GST)

Revenues, expenses and assets are recognised net of the amount of goods and services tax (GST), except where the amount of GST incurred is not recoverable from the Australian Taxation Office (ATO). In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of expense.

Receivables and payables are stated with the amount of GST included. The net amount of GST recoverable from, or payable to, the ATO is included as a current asset or liability in the Statement of Financial Position.

Cash flows are included in the Statement of Cash Flows on a gross basis. The GST components of cash flows arising from investing and financing activities, which are recoverable from, or payable to, the ATO are classified as operating cash flows.

### (h) Cash and cash equivalents

Cash and cash equivalents comprise cash balances and call deposits.

### (i) Trade and other receivables

Trade and other receivables are stated at their amortised cost using the effective interest method less impairment losses (see Note 2(c)). Related party receivables are non-interest bearing.

### (j) Trade and other payables

Trade and other payables are stated at amounts contracted with other parties.

### (k) Use of estimates and judgements

The preparation of financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income, and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected.

## Notes to the Financial Statements (continued)

### 3 Auditors' remuneration

The auditor of the Entity is Ernst & Young. The audit of 2020 financial report is paid by related entities.

	<b>2020</b>	<b>2019</b>
	\$	\$

### 4 Cash and cash equivalents

Cash at bank	691	936
	691	936

### 5 Trade and other receivables

#### Current

Prepayment	-	141,250
	-	141,250

#### Non-current

Amounts receivable from related parties	16,630,806	19,375,807
	16,630,806	19,375,807

Amounts receivable from related parties are not past due. It is expected that these amounts will be received when due.

### 6 Trade and other payables

#### Non-current

Amounts payable to related parties	12,154,862	12,154,862
	12,154,862	12,154,862



## Notes to the Financial Statements (continued)

	2020	2019
	\$	\$
<b>7 Reconciliation of cash flows from operating activities</b>		
<b>(a) Reconciliation of cash</b>		
<p>For the purposes of the Statement of Cash Flows, cash includes cash on hand and at bank and short term deposits at call, net of outstanding overdrafts. Cash at the end of the financial year as shown in the Statement of Cash Flows is reconciled to the related items in the Statement of Financial Position as follows:</p>		
Cash in bank (see note 5)	691	936
	691	936
<b>(b) Reconciliation of cash flow from operations with net surplus</b>		
Net comprehensive (loss)/surplus for the year	(2,886,496)	37,175
Cash flows excluded from profit		
Non-cash items:		
Depreciation	46,683	-
Impairment loss	2,919,621	-
	79,808	37,175
Changes in assets and liabilities		
Decrease in trade and other receivables	141,250	-
Net cash provided by operating activities	221,058	37,175

## 8 Common control reserve

In 2016 the entity was part of a reorganisation with other related entities. This entity has transferred property by way of gift or long term peppercorn lease to a new entity. As both entities form part of the same group, the value of the property transferred has been recorded through the common control equity reserve. Similarly, as part of the reorganisation certain related party loans have been forgiven. Both the borrowing and lending entities are part of the same group effecting the transaction through the common control equity reserve.

## Notes to the Financial Statements (continued)

### 9 Other related party transactions

#### *Transactions with related parties*

All transactions with related parties are on normal terms and conditions, apart from amounts receivable from and/or payable to Hillsong Group entities, which are interest free and not required to be repaid within the next twelve months.

### 10 Key management personnel transactions

All directors fulfil their responsibilities to the Entity in a voluntary capacity

Key management personnel are defined as 'those people having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly'.

The Entity does not employ any key management personnel. The key management activities of the Entity are performed by employees of related entities. The Entity is not recharged for these services as an allocation of the compensation paid to these employees in respect of activities on behalf of the Entity has not been determined.

From time to time, key management personnel including directors or their related entities may purchase or sell goods, make donations or generally partake in Church related services offered by the Entity and its related parties. These transactions are carried out under the same terms and conditions generally applicable in respect of such activities. The terms and conditions of the transactions with key management personnel and their related entities were no more favourable than those also available, or which might reasonably be expected to be available, on similar arm's length transactions to other third parties.

Apart from the above, no director has entered into a material contract with the Entity since the end of the previous year and there were no material contracts involving directors' interests subsisting at year end.

### 11 Significant events after balance sheet date

On 23 March 2021, the Entity changed from a company limited by guarantee to a proprietary company limited by shares and the registered name changed to Hills Christian Life Centre Pty Ltd.

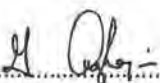
There have been no other significant events occurring after balance date which may affect either the Entity's operations or results of those operations or the Entity's state of affairs.

## Directors' Declarations

In the opinion of the directors of Hills Christian Life Centre Pty Ltd (formerly known as "Hills Christian Life Centre Pty Ltd") ("the Entity"):

- (a) the Entity is not a reporting entity as defined in the Australian Accounting Standards.
- (b) the financial statements and notes of the Entity are in accordance with the Australian Charities and Not-for-Profits Commission Act 2012, including:
  - (i) giving a true and fair view of the Entity's financial position as at 31 December 2020 and of its performance, as represented by the results of its operations and its cash flows for the year ended on that date; and
  - (ii) complying with Australian Accounting Standards and the Australian Charities and Not-for-Profits Commission Regulation 2013 to the extent described in Note 2 to the financial statements; and
- (c) there are reasonable grounds to believe that the Entity will be able to pay its debts as and when they become due and payable.

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

Director:  .....

Dated: 25 May 2021



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## **Auditor's Independence Declaration to the Directors of Hills Christian Life Centre Pty Ltd (formerly Hills Christian Life Centre Ltd)**

In relation to our audit of the financial report of Hills Christian Life Centre Pty Ltd (formerly Hills Christian Life Centre Ltd) for the financial year ended 31 December 2020, and in accordance with the requirements of Subdivision 60-C of the *Australian Charities and Not-for profits Commission Act 2012*, to the best of my knowledge and belief, there have been no contraventions of the auditor Independence requirements of any applicable code of professional conduct.

Ernst & Young

Anthony Jones  
Partner  
Sydney  
25 May 2021



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## **Independent Auditor's Report to the Members of Hills Christian Life Centre Pty Ltd (formerly Hills Christian Life Centre Ltd)**

### **Opinion**

We have audited the financial report, being a special purpose financial report, of Hills Christian Life Centre Pty Ltd (formerly Hills Christian Life Centre Ltd) (the 'Company'), which comprises the statement of financial position as at 31 December 2020, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, notes to the financial statements, including a summary of significant accounting policies, and the directors' declaration.

In our opinion, the accompanying financial report of the Company is in accordance with the *Australian Charities and Not-for-Profits Commission Act 2012*, including:

- a) giving a true and fair view of the Company's financial position as at 31 December 2020 and of its financial performance for the year ended on that date; and
- b) complying with Australian Accounting Standards to the extent described in Note 2, and the *Australian Charities and Not-for-Profits Commission Regulation 2013*.

### **Basis for Opinion**

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Company in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

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

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

We draw attention to Note 2 to the financial statements, which describes the basis of accounting. The financial report has been prepared for the purpose of fulfilling the directors' financial reporting responsibilities under the *Australian Charities and Not-for-Profits Commission Act 2012*. As a result, the financial report may not be suitable for another purpose. Our opinion is not modified in respect of this matter.



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## **Responsibilities of the Directors for the Financial Report**

The directors of the Company 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 2 to the financial statements is appropriate to meet the requirements of the *Australian Charities and Not-for-Profits Commission Act 2012* and is appropriate to meet the needs of the members. The directors' responsibility also includes such internal control as the directors determine 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.

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 either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

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

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' 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 we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.



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- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Ernst & Young

Anthony Jones  
Partner  
Sydney  
25 May 2021





**Sydney Christian Life Centre Pty Ltd  
(formerly known as “Sydney Christian Life Centre Ltd”)**

**ABN 79 002 637 069**

**Annual Financial Report**

**For the Year Ended 31 December 2021**

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**Statement of Comprehensive Income**  
For the Year Ended 31 December 2021

	2021	2020
	\$	\$
Donations received	-	-
<b>Total revenue</b>	-	-
Property expenses	-	-
Other expenses	-	-
<b>Total expenses</b>	-	-
<b>Deficit from for church and ministry projects</b>	-	-
Other comprehensive income	-	-
<b>Total comprehensive loss for the period</b>	-	-

The accompanying notes form part of these financial statements.

**Statement of Financial Position**

As at 31 December 2021

	Note	2021 \$	2020 \$
<b>ASSETS</b>			
Cash and cash equivalents		-	-
<b>Total current assets</b>		-	-
<b>TOTAL ASSETS</b>		-	-
<b>LIABILITIES</b>			
<b>TOTAL LIABILITIES</b>		-	-
<b>NET ASSETS</b>		-	-
<b>ACCUMULATED FUNDS</b>			
Retained surplus		-	-
Common control reserve		-	-
<b>TOTAL ACCUMULATED FUNDS</b>		-	-

**Statement of Changes in Equity**  
**For the Year Ended 31 December 2021**

	<b>Retained surplus</b>	<b>Common control reserve</b>	<b>Total</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>
Balance at 1 January 2021	-	-	-
Total comprehensive loss for the period	-	-	-
Balance at 31 December 2021	-	-	-

	<b>Retained surplus</b>	<b>Common control reserve</b>	<b>Total</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>
Balance at 1 January 2020	27,314,878	(27,314,878)	-
Transfer of reserve	(27,314,878)	27,314,878	-
Total comprehensive loss for the period	-	-	-
Balance at 31 December 2020	-	-	-

The accompanying notes form part of these financial statements.

**Statement of Cash Flows**  
**For the Year Ended 31 December 2021**

	Note	2021 \$	2020 \$
<b>Cash flows from operating activities:</b>			
Cash receipts in the course of operations		-	-
Cash payments to suppliers and employees		-	-
<b>Net cash provided by/(used in) operating activities</b>		-	-
<b>Cash flows from financing activities:</b>			
Loans from related parties		-	-
Repayments to related parties		-	-
<b>Net cash (used in)/provided by financing activities</b>		-	-
<b>Net (decrease)/increase in cash and cash equivalents</b>		-	-
Cash and cash equivalents at beginning of year		-	-
<b>Cash and cash equivalents at end of year</b>		-	-



## **Notes to the Financial Statements**

### **1 Corporate information**

Sydney Christian Life Centre Pty Ltd (formerly known as "Sydney Christian Life Centre Ltd") ("the Entity") is a not-for-profit company domiciled in Australia.

The principal place of business & registered office for the Entity is 1-9 Solent Circuit, Norwest, NSW, Australia. On 23 March 2021, the Entity is registered as a proprietary company limited by shares.

The financial report was authorised for issue by the directors on 16 June 2022.

### **2 Summary of Significant Accounting Policies**

#### **(a) Statement of compliance**

This special purpose financial report complies with Australian Accounting Standards as described below.

Certain Australian Accounting Standards and Interpretations have recently been issued or amended but are not yet effective and have not been adopted by the Entity for the annual reporting period ended 31 December 2021. The directors have not early adopted any of these new or amended standards or interpretations. The directors have not yet fully assessed the impact of these new or amended standards (to the extent relevant to the Entity) and interpretations.

#### **(b) Basis of preparation**

This special purpose financial report has been prepared for distribution to the members to fulfil the directors' financial reporting requirements under the Australian Charities and Not-for-Profits Commission Act 2012 and the Australian Charities and Not-for-Profits Commission Regulation 2013. The accounting policies used in the preparation of this financial report, as described below, are consistent with previous years, and are, in the opinion of the directors, appropriate to meet the needs of the members:

- (i) The financial report has been prepared on an accrual basis of accounting including the historical cost convention and the going concern assumption.
- (ii) The Entity is not a reporting entity because in the opinion of the directors there are unlikely to exist users of the financial report who are unable to command the preparation of reports tailored so as to satisfy specifically all of their information needs. The board has elected to prepare special purpose financial statements to reduce the preparation and administrative time and cost as the Entity operates an open book policy with the congregation in accordance with the Financial Charter of the Hillsong Group.

Accordingly, the financial report has been prepared in accordance with the Australian Charities and Not-for-Profits Commission Regulation 2013, the basis of accounting specified by all Accounting Standards and Interpretations and the disclosure requirements of AASB 101 '*Presentation of Financial Statements*', AASB 107 '*Statement of Cash Flow*', AASB 108 '*Accounting Policies, Changes in Accounting Estimates and Errors*', AASB 1031 '*Materiality*' and AASB 1048 '*Interpretation and Application of Standards*' which apply to all entities required to prepare financial reports under the Australian Charities and Not-for-Profits Commission Regulation 2013.

The directors have determined that in order for the financial report to give a true and fair view of the Entity's performance, cash flows and financial position, the requirements of Australian Accounting Standards and other financial reporting requirements in Australia relating to the measurement of assets, liabilities, revenues, expenses and equity should be complied with.

The financial report is presented in Australian dollars.

## **Notes to the Financial Statements (continued)**

### **3 Key Management Personnel Transactions**

All directors fulfil their responsibilities to the Entity in a voluntary capacity.

Key management personnel are defined as 'those people having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly'.

The Entity does not employ any key management personnel. The key management activities of the Entity are performed by employees of related entities. The Entity is not recharged for these services as an allocation of the compensation paid to these employees in respect of activities on behalf of the Entity has not been determined.

From time to time, key management personnel including directors or their related entities may purchase or sell goods, make donations or generally partake in Entity related services offered by the Entity and its related parties. These transactions are carried out under the same terms and conditions generally applicable in respect of such activities. The terms and conditions of the transactions with key management personnel and their related entities were no more favourable than those also available, or which might reasonably be expected to be available, on similar arm's length transactions to other third parties.

Apart from the above, no director has entered into a material contract with the Entity since the end of the previous year and there were no material contracts involving directors' interests subsisting at period end.

### **4 Significant events after balance sheet date**

There have been no significant events occurring after balance date which may affect either the Entity's operations or results of those operations or state of affairs.

## **Directors' Declaration**

In the opinion of the directors of Sydney Christian Life Centre Pty Ltd (formerly known as "Sydney Christian Life Centre Ltd") ("the Entity"):

- (a) the Entity is not a reporting entity as defined in the Australian Accounting Standards;
- (b) the financial statements and notes are in accordance with the Australian Charities and Not-for-Profits Commission Act 2012, including:
  - (i) giving a true and fair view of the financial position of the Entity as at 31 December 2021 and of its performance, as represented by the results of its operations and its cash flows for the year ended on that date; and
  - (ii) complying with Australian Accounting Standards and the Australian Charities and Not-for-Profits Commission Regulation 2013 to the extent described in Note 2 to the financial statements; and
- (c) there are reasonable grounds to believe that the Entity will be able to pay its debts as and when they become due and payable.

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

Director: .....

Dated: 16 June 2022



**The Trustee for Community Venues**

**ABN 36 143 775 230**

**Annual Financial Report**

**For the Period Ended 31 December 2021**

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**Statement of Comprehensive Income**  
For the Period Ended 31 December 2021

	2021
	\$
Donations received	720,000
Other revenue	549,400
<b>Total revenue</b>	<u>1,269,400</u>
Property expenses	(864,027)
<b>Total expenses</b>	<u>(864,027)</u>
<b>Surplus from operations</b>	405,373
Financial expenses	(403,671)
<b>Surplus available for church and ministry project</b>	1,703
Other comprehensive income	<u>-</u>
<b>Total comprehensive income for the period</b>	<u><u>1,703</u></u>

The accompanying notes form part of these financial statements.



**Statement of Financial Position**  
As at 31 December 2021

	Note	2021 \$
<b>ASSETS</b>		
Cash and cash equivalent		-
<b>Total current assets</b>		<u>-</u>
Other Receivables	5	799,521
Property, plant and equipment	6	22,005,916
<b>Total non-current assets</b>		<u>22,805,437</u>
<b>TOTAL ASSETS</b>		<u>22,805,437</u>
<b>LIABILITIES</b>		
Other payables	7	54,940
<b>Total current liabilities</b>		<u>54,940</u>
Other payables	7	22,748,794
<b>Total non-current liabilities</b>		<u>22,748,794</u>
<b>TOTAL LIABILITIES</b>		<u>22,803,734</u>
<b>NET ASSETS</b>		<u>1,703</u>
<b>TRUST FUNDS</b>		
Retained earnings		1,703
<b>TOTAL TRUST FUNDS</b>		<u>1,703</u>

The accompanying notes form part of these financial statements.

**Statement of Changes in Equity**  
**For the Period Ended 31 December 2021**

	<b>Retained Earnings</b> <b>\$</b>	<b>Total</b> <b>\$</b>
Total comprehensive surplus for the period	1,703	1,703
<b>Balance at 31 December 2021</b>	<b>1,703</b>	<b>1,703</b>

The accompanying notes form part of these financial statements.

**Statement of Cash Flows**  
For the Period Ended 31 December 2021

	Note	2021 \$
<b>Cash flows from operating activities:</b>		
Cash receipts in the course of operations		1,269,325
Cash payments to suppliers and employees		(294,598)
Interest paid		(403,671)
<b>Net cash provided by operating activities</b>	9(b)	<u>571,056</u>
<b>Cash flows from investing activities:</b>		
Payments for property, plant and equipment		(22,520,329)
Proceeds from property plant and equipment		-
<b>Net cash provided by/(used in) investing activities</b>		<u>(22,520,329)</u>
<b>Cash flows from financing activities:</b>		
Loans to related parties		(799,521)
Loans from related parties		22,748,794
Repayments to related parties		-
Repayments from related parties		-
<b>Net cash provided by financing activities</b>		<u>21,949,273</u>
<b>Net increase/(decrease) in cash and cash equivalents</b>		-
Cash and cash equivalents at beginning of period		-
<b>Cash and cash equivalents at end of period</b>	9(a)	<u>-</u>

## **Notes to the Financial Statements**

### **1 Organisation Information**

The Trustee for Community Venues Trust ("the Trust") is a trust established under the Trust Deed dated 1 May 2020 and domiciled in Australia.

The Trustee is Community Venues Limited, an entity incorporated and domiciled in Australia. The registered office and the place of business of the Entity is 1-9 Solent Circuit, Norwest, NSW, Australia.

The financial report for the period ended 31 December 2021 was authorised for issue by the directors of the Trustee on 16 June 2022.

### **2 Summary of Significant Accounting Policies**

#### **(a) Statement of compliance**

This special purpose financial report complies with Australian Accounting Standards as described below.

Certain Australian Accounting Standards and Interpretations have recently been issued or amended but are not yet effective and have not been adopted by the Trust for the annual reporting period ended 31 December 2021. The directors have not early adopted any of these new or amended standards or interpretations. The directors have not yet fully assessed the impact of these new or amended standards (to the extent relevant to the Trust) and interpretations.

#### **(b) Basis of preparation**

This special purpose financial report has been prepared for distribution to the Trustee to fulfil the financial reporting requirements under the Trust Deed dated 1 May 2020 the Australian Charities and Not-for-Profits Commission Act and the Australian Charities and Not-for-Profits Commission Regulation 2013. The accounting policies used in the preparation of this financial report, as described below, are consistent since incorporation, and are, in the opinion of the directors, appropriate to meet the needs of the stakeholders:

- (i) The financial report has been prepared on an accrual basis of accounting including the historical cost convention and the going concern assumption.
- (ii) The Trust is not a reporting Trust because in the opinion of the Trustee there are unlikely to exist users of the financial report who are unable to command the preparation of reports tailored so as to satisfy specifically all of their information needs. The board of the Trustee has elected to prepare special purpose financial statements to reduce the preparation and administrative time and cost as the Hillsong Group operates an open book policy with its congregation in accordance with the Financial Charter.

Accordingly, the financial report has been prepared in accordance with the Trust Deed dated 1 May 2020, the basis of accounting specified by all Accounting Standards with exception of AASB 16 'Leases' and Interpretations and the disclosure requirements of AASB 101 '*Presentation of Financial Statements*', AASB 107 '*Statement of Cash Flow*', AASB 108 '*Accounting Policies, Changes in Accounting Estimates and Errors*', AASB 1031 '*Materiality*' and AASB 1048 '*Interpretation and Application of Standards*' and the Australian Charities and Not-for-Profits Commission Regulation 2013.

The Trustee has determined that in order for the financial report to give a true and fair view of the Trust's performance, cash flows and financial position, the requirements of Australian Accounting Standards and other financial reporting requirements in Australia relating to the recognition and measurement of assets, liabilities, revenues, expenses and equity should be complied with except AASB 16.

## Notes to the Financial Statements (continued)

### 2 Summary of Significant Accounting Policies (continued)

#### (b) Basis of preparation (continued)

The financial report is presented in Australian dollars. The financial report has been prepared for the single entity The Trustee for Community Venues Trust.

#### (c) Property, plant and equipment

##### (i) Owned assets

Items of property, plant and equipment are stated at cost or deemed cost less accumulated depreciation (see below) and impairment losses (see Note 2(f)). The cost of self-constructed assets includes the cost of materials, direct labour, the initial estimate, where relevant, of the costs of dismantling and removing the items and restoring the site on which they are located, and an appropriate proportion of production overheads.

Where parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items of property, plant and equipment.

For assets identified as qualifying assets, the attributable borrowing costs have been capitalised in accordance with AASB 123 "Borrowing costs".

##### (ii) Subsequent costs

The Trust recognises in the carrying amount of an item of plant and equipment the cost of replacing part of such an item when that cost is incurred if it is probable that the future economic benefits embodied within the item will flow to the Trust and the cost of the item can be measured reliably. All other costs are recognised in the Statement of Comprehensive Income as an expense as incurred.

##### (iii) Depreciation

Depreciation is charged to the Statement of Comprehensive Income on a straight-line basis over the estimated useful lives of each part of an item of plant and equipment. The estimated useful lives in the current and comparative periods are as follows:

- buildings and building improvements 4 – 50 years
- plant and equipment 3 – 20 years
- fixtures and fittings 3 – 50 years

The residual value, if not insignificant, is reassessed annually.

## **Notes to the Financial Statements (continued)**

### **2 Summary of Significant Accounting Policies (continued)**

#### **(d) Trade payables**

Trade and other payables are stated at amounts contracted with other parties.

#### **(e) Revenue and other income**

The Trustee for Community Venues Trust is a charitable fund that relies predominantly on donation income. These donations are received from Hillsong Church and its related entities. Donations are recognised as they are received.

#### **(f) Impairment**

The carrying amount of the Trust's assets are reviewed at each balance sheet date to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated (see below).

An impairment loss is recognised whenever the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. Impairment losses are recognised in the Statement of Comprehensive Income.

##### ***(i) Calculation of recoverable amount***

The recoverable amount of the Trust's assets is the greater of their fair value less costs to sell and value in use. Where the future economic benefits of an asset is not primarily dependent on the asset's ability to generate net cash inflows and where the Trust would if deprived of the asset, replace its remaining future economic benefits, value in use is determined as the asset's depreciated replacement cost, being the asset's current replacement cost less, where applicable, accumulated depreciation calculated on the basis of such cost to reflect the already consumed or expired economic benefits of the asset. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For an asset that does not generate largely independent cash inflows, the recoverable amount is determined for the cash-generating unit to which the asset belongs.

##### ***(ii) Reversals of impairment***

An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

#### **(g) Taxation**

No income tax is payable by the Trust as it has a tax exempt status pursuant to section 50 -5 Item 1.2 of the Income Tax Assessment Act 1997.

## **Notes to the Financial Statements (continued)**

### **2 Summary of Significant Accounting Policies (continued)**

#### **(h) Goods and services tax (GST)**

Revenues, expenses and assets are recognised net of the amount of goods and services tax (GST), except where the amount of GST incurred is not recoverable from the Australian Taxation Office (ATO). In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of expense.

Receivables and payables are stated with the amount of GST included.

The net amount of GST recoverable from, or payable to, the ATO is included as a current asset or liability in the Statement of Financial Position.

Cash flows are included in the Statement of Cash Flows on a gross basis. The GST components of cash flows arising from investing and financing activities, which are recoverable from, or payable to, the ATO are classified as operating cash flows.

#### **(i) Use of estimates and judgements**

The preparation of financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income, and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected.

### **3 Auditors' remuneration**

The auditor of the financial report is Ernst & Young. The audit of 2021 financial report is paid by related entities.

2021  
\$

### **4 Expenses items**

Depreciation

514,413



**Notes to the Financial Statements (continued)**

2021  
\$

**5 Trade and other receivables**

Non-current

Other receivables	799,521
	<u>799,521</u>

**6 Property, plant and equipment**

**Buildings and building improvements**

Cost

Acquisitions	21,250,000
Balance at 31 December	<u>21,250,000</u>

Accumulated depreciation

Depreciation charge for the period	(514,413)
Balance at 31 December	<u>(514,413)</u>

Carrying value – Buildings	<u>20,735,587</u>
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**Capital work in progress**

Cost

Acquisitions	1,270,329
Balance at 31 December	<u>1,270,329</u>

Carrying value – Capital work in progress	<u>1,270,329</u>
---	------------------

Total property, plant and equipment	<u>22,005,916</u>
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## Notes to the Financial Statements (continued)

	2021
	\$
<b>7 Trade and other payables</b>	
<u>Current</u>	
Trade and other payables	54,940
	<u>54,940</u>
<u>Non-current</u>	
Amounts payable to related parties	22,748,794
	<u>22,748,794</u>
<b>9 Reconciliation of cash flows from operating activities</b>	
<b>(a) Reconciliation of cash</b>	
For the purposes of the Statement of Cash Flows, cash includes cash on hand and at bank and short term deposits at call, net of outstanding overdrafts. Cash at the end of the period as shown in the Statement of Cash Flows is reconciled to the related items in the Statement of Financial Position as follows:	
Cash on hand and in bank	-
	<u>-</u>
<b>(b) Reconciliation of cash flow from operations with net surplus/(loss)</b>	
Net surplus for the period	1,703
Cash flows excluded from surplus attributable to operating activities	
Non-cash items:	
Depreciation	514,413
	<u>516,116</u>
Changes in assets and liabilities	
Increase in other payables	54,940
Net cash provided by/(used in) operating activities	<u>571,056</u>

## 10 Significant events after balance sheet date

There have been no other significant events occurring after balance date which may affect either the Trust's operations or results of those operations or the Trust's state of affairs.

## **Trustee's Declarations**

In the opinion of the directors of Community Venues Ltd ("the Trustee"):

- (a) the Trust is not a reporting Trust as defined in the Australian Accounting Standards;
- (b) the financial statements and notes of the Trust are in accordance with the terms of the Trust Deed 1 May 2020 and the Australian Charities and Not-for-Profits Commission Act 2012, including:
  - (i) giving a true and fair view of the financial position of the Trust as at 31 December 2021 and of its performance, as represented by the results of its operations and its cash flows for the period ended on that date; and
  - (ii) complying with Australian Accounting Standards and the Australian Charities and Not-for-Profits Commission Regulation 2013 to the extent described in Note 2 to the financial statements, and
- (c) the Trust has operated during the year ended 31 December 2021 in accordance with the provisions of the Trust Deed dated 1 May 2020.
- (d) there are reasonable grounds to believe that the Trust will be able to pay its debts as and when they become due and payable; and
- (e) the Register of Beneficiaries, has during the period ended 31 December 2021, been properly drawn up and maintained so as to give a true account of the Beneficiaries of the Trust.

This declaration is signed in accordance with a resolution of the directors of Hillsong Church Australia Ltd ("the Trustee").

Director: .....

Dated: 25 May 2021



**Hillsong Limited**

ABN 83 123 030 179

**Annual Financial Report**

**For the Year Ended 31 December 2021**

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**Statement of Changes in Equity**  
For the Year Ended 31 December 2021

	Retained deficit \$	Common control reserve \$	Total \$
Balance at 1 January 2021	-	-	-
Total comprehensive surplus for the year	-	-	-
Balance at 31 December 2021	-	-	-

	Retained deficit \$	Common control reserve \$	Total \$
Balance at 1 January 2020	(13,350)-	13,350	-
Total comprehensive surplus for the year	-	-	-
Balance at 31 December 2020	-	-	-

The accompanying notes form part of these financial statements.



**Statement of Cash Flows**  
**For the Year Ended 31 December 2021**

<b>Note</b>	<b>2021</b> <b>\$</b>	<b>2020</b> <b>\$</b>
<b>Cash flows from operating activities:</b>		
Cash receipts in the course of operations	-	-
Cash payments to suppliers and employees	-	-
<b>Net cash provided by operating activities</b>	-	-
<b>Net (decrease)/increase in cash and cash equivalents</b>	-	-
Cash and cash equivalents at beginning of year	-	-
<b>Cash and cash equivalents at end of year</b>	-	-

The accompanying notes form part of these financial statements.

## Notes to the Financial Statements

### 1 Corporate Information

Hillsong Limited ("the Entity") is a not-for-profit company limited by guarantee and domiciled in Australia.

The principal place of business & registered office for the Entity is 1-9 Solent Circuit, Baulkham Hills, NSW, Australia.

The financial report was authorised for issue by the directors on 12 May 2022.

### 2 Summary of Significant Accounting Policies

#### (a) Statement of compliance

This special purpose financial report complies with Australian Accounting Standards as described below.

Certain Australian Accounting Standards and Interpretations have recently been issued or amended but are not yet effective and have not been adopted by the Entity for the annual reporting period ended 31 December 2021. The directors have not early adopted any of these new or amended standards or interpretations. The directors have not yet fully assessed the impact of these new or amended standards (to the extent relevant to the Entity) and interpretations.

#### (b) Basis of preparation

Due to changes enacted by the Corporations Amendment (Corporate Reporting Reform) Act 2010, the Entity is no longer required to prepare audited financial statements. Though the preparation of special purpose financial statements is not a requirement, the directors have opted to continue to do so. The accounting policies used in the preparation of this financial report, as described below, are consistent with previous years, and are, in the opinion of the directors, appropriate to meet the needs of the members:

- (i) The financial report has been prepared on an accrual basis of accounting including the historical cost convention and the going concern assumption.
- (ii) The Entity is not a reporting entity because in the opinion of the directors there are unlikely to exist users of the financial report who are unable to command the preparation of reports tailored so as to satisfy specifically all of their information needs. The board has elected to prepare special purpose financial statements to reduce the preparation and administrative time and cost as the Entity operates an open book policy with the congregation in accordance with the Financial Charter of the Hillsong Group.

Accordingly, the financial report has been prepared in accordance with the basis of accounting specified by all Accounting Standards and Interpretations and the disclosure requirements of AASB 101 *'Presentation of Financial Statements'*, AASB 107 *'Statement of Cash Flow'*, AASB 108 *'Accounting Policies, Changes in Accounting Estimates and Errors'*, AASB 1031 *'Materiality'* and AASB 1048 *'Interpretation and Application of Standards'*.

The directors have determined that in order for the financial report to fairly present the Entity's performance, cash flows and financial position, the requirements of Australian Accounting Standards and other financial reporting requirements in Australia relating to the measurement of assets, liabilities, revenues, expenses and equity should be complied with.

The financial report is presented in Australian dollars.

## Notes to the Financial Statements (continued)

### 3 Common control reserve

In 2018, the Entity was part of a reorganisation with other related entities. As a part of the reorganisation, certain related party loans have been forgiven. As both the borrowing and the lending entities form part of the same group, the transactions have been recorded through the common control equity reserve.

### 4 Key management personnel transactions

All directors fulfil their responsibilities to the Entity in a voluntary capacity.

Key management personnel are defined as 'those people having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly'.

The Entity does not employ any key management personnel. The key management activities of the Entity are performed by employees of related parties. The Entity is not recharged for these services as an allocation of the compensation paid to these employees in respect of activities on behalf of the Entity has not been determined.

Apart from the above, no director has entered into a material contract with the Entity since the end of the previous year and there were no material contracts involving directors' interests subsisting at year end.

### 5 Other related party transactions

#### *Transactions with related parties*

All transactions with related parties are on normal terms and conditions, with the exception of loans to and from Hillsong Group entities, which are interest free and not required to be repaid within the next twelve months.

### 6 Significant events after balance sheet date

There has been no significant events occurring after balance date which may affect either the Entity's operations or results or those operations or the Entity's state of affairs.

## **Directors' Declaration**

In the opinion of the directors of Hillsong Limited ("the Entity"):

- (a) the Entity is not a reporting entity as defined in the Australian Accounting Standards;
- (b) the financial statements and notes:
  - (i) giving a true and fair view of the Entity's financial position as at 31 December 2021 and of its performance, as represented by the results of its operations and its cash flows for the year ended on that date; and
  - (ii) complying with Australian Accounting Standards and the Corporations Regulations 2001 to the extent described in Note 2 to the financial statements; and
- (c) there are reasonable grounds to believe that the Entity will be able to pay its debts as and when they become due and payable.

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

Director: .....

Dated: 12 May 2022



**Hillsong Church Ltd**

ABN 37 002 745 879

**Annual Financial Report**

**For the Year Ended 31 December 2021**

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## Statement of Financial Position

As at 31 December 2021

	Note	2021 \$	2020 \$
<b>ASSETS</b>			
Cash and cash equivalents	6	974,865	1,217,666
Trade and other receivables	7	310	133,058
<b>Total current assets</b>		<u>975,175</u>	<u>1,350,724</u>
Trade and other receivables	7	2,476,907	2,192,966
<b>Total non-current assets</b>		<u>2,476,907</u>	<u>2,192,966</u>
<b>TOTAL ASSETS</b>		<u>3,452,082</u>	<u>3,543,690</u>
<b>LIABILITIES</b>			
Trade and other payables	8	155,464	18,168
Interest bearing liabilities	9	-	74,645
Employee benefits	10	753,577	830,179
<b>Total current liabilities</b>		<u>909,041</u>	<u>922,992</u>
Trade and other payables	8	1,848,658	1,843,863
Employee benefits	10	99,077	170,022
<b>Total non-current liabilities</b>		<u>1,947,735</u>	<u>2,013,885</u>
<b>TOTAL LIABILITIES</b>		<u>2,856,776</u>	<u>2,936,877</u>
<b>NET ASSETS</b>		<u>595,306</u>	<u>606,813</u>
<b>ACCUMULATED FUNDS</b>			
Retained earnings		35,718,393	35,729,900
Common control reserve	12	(35,123,087)	(35,123,087)
<b>TOTAL ACCUMULATED FUNDS</b>		<u>595,306</u>	<u>606,813</u>

The accompanying notes form part of these financial statements.

**Statement of Comprehensive Income**  
**For the Year Ended 31 December 2021**

	2021	2020
Note	\$	\$
Government grants	565,678	939,015
Other revenue	3,184,614	3,136,658
<b>Total revenue</b>	<u>3,750,292</u>	<u>4,075,673</u>
Cost of Church and other benevolent activities	(2,678,721)	(2,724,866)
Bible college expenses	(691,150)	(828,704)
Conferences expenses	(161,761)	(292,257)
Other expenses	(230,031)	(150,979)
<b>Total expenses</b>	<u>(3,761,663)</u>	<u>(3,996,806)</u>
<b>(Deficit)/surplus from operations</b>	(11,371)	78,867
Financial income	5 917	9,333
Financial expenses	5 (1,053)	(436)
<b>(Loss)/surplus available for church and ministry projects</b>	(11,507)	87,764
Other comprehensive income	<u>-</u>	<u>-</u>
<b>Total comprehensive (loss)/income for the period</b>	<u>(11,507)</u>	<u>87,764</u>

The accompanying notes form part of these financial statements.

**Jun Sim**

---

**From:** Peter Ridley  
**Sent:** Tuesday, 8 February 2022 2:31 PM  
**To:** Jun Sim  
**Subject:** Financial support for Atlanta

Hi Jun,

Can you please organize a transfer of \$82,500 from Hillsong Global LLC to Hillsong Atlanta.

These proceeds will be used to settle the break costs for the former Atlanta weekend venue.

Thanks



**Peter Ridley**  
Chief Financial Officer | Hillsong Church



**Jun Sim**

---

**From:** Andrew Hempfling  
**Sent:** Friday, 20 December 2019 9:44 AM  
**To:** Jun Sim  
**Subject:** Fw: Monterrey Loan

Andrew Hempfling  
Treasurer  
Hillsong Church  
100 Norwest Business Park | Norwest NSW 2153 | Australia  
a: PO Box 1195 | Castle Hill NSW 1765 | Australia  
m: +61 (0)412 347 633 | d: +61 2 8853 5230 | [www.hillsong.com](http://www.hillsong.com)

---

**From:** George Aghajanian <GEORGEA@hillsong.com>  
**Sent:** Friday, December 20, 2019 9:24 AM  
**To:** Peter Ridley <peter.ridley@hillsong.com>  
**Cc:** George Aghajanian <GEORGEA@hillsong.com>; Andrew Hempfling <andrew.hempfling@hillsong.com>  
**Subject:** Monterrey Loan

Hi Peter

I just spoke with Chris Mendez. He has revised the Monterrey budget and will get a new version to us tomorrow. Their giving has strengthened significantly over the last few weeks and they have reduced costs to land at a deficit of USD \$100,000 for the year rather than the USD \$190,000 they had initially projected.

They will need USD \$50,000 by end of this month so can we organise that to the Monterrey account. He is aware that it is a loan. Then at the end of Feb we will review what their needs are going forward. He is hoping that with continued strengthening of their giving, he may not need too much further help but we will see.

Kind regards,

**George Aghajanian**  
**General Manager**

**Hillsong Church**  
a: Norwest Business Park | 1-9 Solent Circuit | Norwest NSW 2153 | Australia  
a: PO Box 1195 | Castle Hill NSW 1765 | Australia  
m: +61 (0)412 347 633 | d: +61 2 8853 5230 | [www.hillsong.com](http://www.hillsong.com)



**Jun Sim**

---

**Subject:** FW: Monterrey Transfer

**From:** Peter Ridley <peter.ridley@hillsong.com>  
**Sent:** Thursday, 24 October 2019 12:17 PM  
**To:** Chris Mendez <chris.mendez@hillsong.com>  
**Cc:** Jun Sim <jun.sim@hillsong.com>; Sarah Carvalho <sarah.carvalho@hillsong.com>  
**Subject:** RE: Monterrey Transfer

OK, thanks Chris.

We are organising the additional \$50k support to be sent today.

All the best.

Peter





**Jun Sim**

---

**From:** Sarah Carvalho  
**Sent:** Saturday, 24 August 2019 7:17 AM  
**To:** Jun Sim  
**Cc:** Chris Mendez  
**Subject:** Monterrey Transfer

Hi Jun, how are you?

I've just got a confirmation from Chris in regards to request another transfer to Monterrey. The amount would be USD 50,000.00.

Chris already spoke to George in regards to this and received his approval. Could you let me know how long the process would take?

If there is anything I can help you with, please let me know.

Thank You  
Sarah Carvalho  
Hillsong São Paulo

## HILLSONG CHURCH PLANT FUNDING

Location : **Hillsong Monterrey**  
Lead Pastor : **Ps. Chris Mendez**  
Email : [chris.mendez@hillsong.com](mailto:chris.mendez@hillsong.com)  
Currency : **USD**  
GL Code : **JBSA9008395MEX**

Approved Loan Amount : USD \$ 285,000

#	Date	AUD	USD Sent	Balance
1	12-Dec-18	100,000.00	75,000.00	210,000.00
2	20-Mar-19	142,836.74	100,000.00	110,000.00
3	30-May-19	71,952.80	50,000.00	60,000.00
4	26-Aug-19		50,000.00	10,000.00
5				10,000.00
6				10,000.00
7				10,000.00
8				10,000.00
9				10,000.00
10				10,000.00
		<b>314,789.54</b>	<b>275,000.00</b>	<b>10,000.00</b>

## HILLSONG CHURCH PLANT FUNDING

Location : **Hillsong Monterrey**  
Lead Pastor : **Ps. Chris Mendez**  
Email : [chris.mendez@hillsong.com](mailto:chris.mendez@hillsong.com)  
Currency : **USD**  
GL Code : **JBSA9008558MEX**

#	Date	AUD	USD Sent	Remarks
1	12-Dec-18	100,000.00	75,000.00	
2	20-Mar-19	142,836.74	100,000.00	
3	30-May-19	71,952.80	50,000.00	
4	26-Aug-19	73,997.34	50,000.00	
5	24-Oct-19	73,110.10	50,000.00	
6	20-Dec-19	73,367.57	50,000.00	
7	05-Mar-20	75,711.69	50,000.00	
8	16-Jul-20	71,715.43	50,000.00	



## Jun Sim

---

**From:** Peter Ridley  
**Sent:** Thursday, 30 May 2019 11:57 AM  
**To:** Jun Sim  
**Subject:** Re: Monterrey Transfer

Ok ... send the \$50k

Thanks

Peter

Sent from my iPhone

On 29 May 2019, at 5:35 pm, Jun Sim <[jun.sim@hillsong.com](mailto:jun.sim@hillsong.com)> wrote:

Hi Peter!!

Are you OK for me to release the fund? And organize the transfer?

Many thanks.

Warm regards,  
**Jun**

Begin forwarded message:

**From:** Sarah Carvalho <[sarah.carvalho@hillsong.com](mailto:sarah.carvalho@hillsong.com)>  
**Date:** 30 May 2019 at 10:04:03 am AEST  
**To:** Jun Sim <[jun.sim@hillsong.com](mailto:jun.sim@hillsong.com)>  
**Subject:** Monterrey Transfer

Hey Jun! How are you?

I've asked Chris in regards to the transfer to Monterrey, he said he had a convo with George and that he already a transfer to be done between this week and next week of USD \$50.000,00.

Let me know if I can help you with something?

Miss you!!  
Sarah Carvalho





**Jun Sim**

---

**From:** Andrew Hempfling  
**Sent:** Monday, 18 March 2019 9:37 AM  
**To:** Jun Sim  
**Subject:** Fw: Transfer for Monterrey

Hi Jun,

Can you put this through in Concur when you get a chance to?

Regards,

Andrew Hempfling  
Banking/Finance Analyst  
Hillsong Church  
100 The Esplanade, Suite 1000, Sydney NSW 1585  
100 The Esplanade, Suite 1000, Sydney NSW 1585  
100 The Esplanade, Suite 1000, Sydney NSW 1585  
100 The Esplanade, Suite 1000, Sydney NSW 1585

---

**From:** Peter Ridley  
**Sent:** Saturday, March 16, 2019 3:58 PM  
**To:** Chris Mendez  
**Cc:** Tracy Lloyd; George Aghajanian; Andrew Hempfling  
**Subject:** RE: Transfer for Monterrey

Hi Chris,

Good to hear from you!

Yes we can make this transfer.

Andrew can you look after this next week please?

Regards,

Peter

-----Original Message-----

**From:** Chris Mendez  
**Sent:** Friday, 15 March 2019 7:46 PM  
**To:** Peter Ridley <peter.ridley@hillsong.com>  
**Cc:** Tracy Lloyd <tracy.lloyd@hillsong.com>; George Aghajanian <GEORGEA@hillsong.com>  
**Subject:** Transfer for Monterrey

Hi you amazing people,

Are you able to transfer the first portion of our loan for the start of Monterrey.

Once we sign the contract we will pay three months rent in advance.

Are you able to transfer \$100,000 USD which covers that rent and also operating costs.

I spoke to George during the week about this and he asked me to email you.

Bank Name: BBVA BANCOMER, S.A.

Account Name: HILLSONG MEXICO

Account Number: 0112553589

CLABE: 012580001125535899

Swift: BCMRMXMMPYM

ABBA: 021000021

Address: Av. Paseo De La Reforma 510, Col Juárez, Delegación Cuauhtémoc; CP 06600, México D.F.

Email: [steven.richards@hillsong.com](mailto:steven.richards@hillsong.com)

RFC: HME181005PA0

Thank you

Chris Mendez

## Ming Tai

---

**From:** Ming Tai  
**Sent:** Wednesday, 5 December 2018 2:09 PM  
**To:** Chris Mendez; Tracy Lloyd  
**Cc:** George Aghajanian  
**Subject:** RE: Transfer For Monterrey

Hi Chris,

I will arrange with the team for this transfer to be included in the payment run before Christmas.

We have already made two transfers in Sep & Nov this year. Balance of the figure is currently AUD 86,348.17.

Kind regards,  
Ming

**From:** Chris Mendez  
**Sent:** Wednesday, 5 December 2018 12:44 PM  
**To:** Tracy Lloyd <tracy.lloyd@hillsong.com>; Ming Tai <ming.tai@hillsong.com>  
**Cc:** George Aghajanian <georgea@hillsong.com>  
**Subject:** Transfer For Monterrey

Hi guys,

Hope you are all well!

Our bank account is ready for Monterrey!!! Praise Jesus!!

In my last conversation with George he mentioned to me that as soon as the bank account was ready we could receive the \$100,000 that will be loaned to us from this year's H4TH. We are ready!

Below are the bank details. It would be great to receive this ASAP as we need to pay venues, accountants and salary.

Are you able to let me know when this can be done?

Bank Name: BBVA BANCOMER, S.A.  
Account Name: HILLSONG MEXICO  
Account Number: 0112553589  
CLABE: 012580001125535899  
Swift: BCMRMXMPYM  
ABBA: [021000021](#)  
Address: [Av. Paseo De La Reforma 510, Col Juárez](#), Delegación Cuauhtémoc; CP 06600, México D.F.  
Email: [steven.richards@hillsong.com](mailto:steven.richards@hillsong.com)

Chris Mendez



## Jun Sim

---

**From:** Chris Mendez  
**Sent:** Wednesday, 15 July 2020 1:21 PM  
**To:** Jun Sim  
**Cc:** George Aghajanian; Peter Ridley  
**Subject:** Re: Support Funds

Hey Jun,

The exchange rate is really good right now so it's a great moment for the transfer.

Chris Mendez

On 14 Jul 2020, at 1:25 am, Jun Sim <jun.sim@hillsong.com> wrote:

Hi Chris,

Thank you for all you're doing for the South Americans.  
Please let me know when you would like the funds to be transferred. I will organise the payment then.

Many thanks.

Warm regards,  
Jun

**From:** George Aghajanian <GEORGEA@hillsong.com>  
**Sent:** Tuesday, 14 July 2020 1:33 PM  
**To:** Chris Mendez <chris.mendez@hillsong.com>  
**Cc:** Peter Ridley <peter.ridley@hillsong.com>; Jun Sim <jun.sim@hillsong.com>  
**Subject:** Re: Support Funds

You get away with more than most Mendez; only because we love you 😊😊😊

Kind regards,

George Aghajanian  
General Manager

On 14 Jul 2020, at 1:16 pm, Chris Mendez <chris.mendez@hillsong.com> wrote:

All I can say is Praise God!!! Hahahaha. The loan is a blessing!!

Appreciate it!!

Chris Mendez

On 14 Jul 2020, at 12:07 am, Peter Ridley <[peter.ridley@hillsong.com](mailto:peter.ridley@hillsong.com)> wrote:

Hi Chris,

I hope you're doing well mate.

George spoke to me regarding your request for an additional 50k in support for Monterey, which he mentioned you would like to receive between now and the year end. We spoke to Brian about it last week who was supportive of us loaning these funds to you.

Please let me know when you would like these funds to be sent.

Regards  
Peter

**HILLSONG GLOBAL DONATION RELEASE REQUEST**



Location : **HILLSONG ISRAEL**  
 Lead Pastor : **Damon Buck**  
 Contact Person : **Damon Buck**  
 Email : [damon.buck@hillsong.com](mailto:damon.buck@hillsong.com)  
 Currency : **USD**  
 GL Code : **UFCHA5006115P**

#	Date	AUD	USD	COMMENTS
1	12-Jan-22		6,500.00	0122BGT_DBSUPPORT
2				
3				
4				
5				

**TOTAL AMOUNT**                          -                          6,500.00

	Printed Name	Date Requested	
Requested by :	Damon Buck	10-Jan-22	
Approved by :	Jun Sim	12-Jan-22	
Approved by :			





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## Contract for the sale and purchase of land 2018 edition

TERM	MEANING OF TERM	NSW Duty:	
Vendor's agent	<b>Colliers International</b> Level 30, Grosvenor Place 225 George Street, Sydney NSW	Phone Fax Ref	02 9257 0222 02 9347 0812 Ian Bennett
Vendor	<b>Prime Esplanade Development Pty Ltd ACN 623 084 775</b>		
Vendor's solicitor	<b>Sparke Helmore</b> Level 29, MLC Centre, 19 Martin Place, Sydney NSW 2000 DX 282 Sydney	Phone Fax Ref Email	+61 2 9260 2616 +61 2 9373 3599 Samantha Galeano samantha.galeano@sparke.com.au
Date for completion	<b>See clause 62.1</b>		
Land (Address, plan details & title reference)	Part of <b>unregistered strata plan</b> being known as <b>Lot 114</b> , 11-13 Solent Circuit, Baulkham Hills NSW 2153, as more particularly specified in <b>Schedule 1</b> .		
Improvements	<input checked="" type="checkbox"/> VACANT POSSESSION <input type="checkbox"/> subject to existing tenancies <input checked="" type="checkbox"/> Home unit <input checked="" type="checkbox"/> carspace (x2)		
Attached copies	<input checked="" type="checkbox"/> documents in the List of Documents as marked or numbered		

**A real estate agent is permitted by legislation to fill up the items in this box in a sale of residential property.**

inclusions	<b>See Schedule 3 and clauses 47 and 48</b>		
	<input type="checkbox"/> Gleam <input type="checkbox"/> Lustre		
exclusions			
purchaser	<b>Hills Christian Life Centre Limited ACN 074 657 935</b> 1-9 Solent Circuit, Baulkham Hills NSW 2153		
guarantor			
purchaser's solicitor	<b>Hills Christian Life Centre</b> 1-5 Solent Circuit Norwest NSW 2153	Phone Fax Ref Email	02 8853 5230  George Aghahanian george@hillsong.com
price	<b>\$2,825,000.00</b>		
deposit	<b>\$ 141 250.00</b>	(10% of the price, unless otherwise stated)	
balance	<b>\$2,542,500.00</b>		
contract date	<b>17<sup>th</sup> October 2018</b> . (if not stated, the date this contract was made)		

See execution page

vendor

See execution page

witness

**GST AMOUNT** (optional)  
The price includes  
GST of: \$

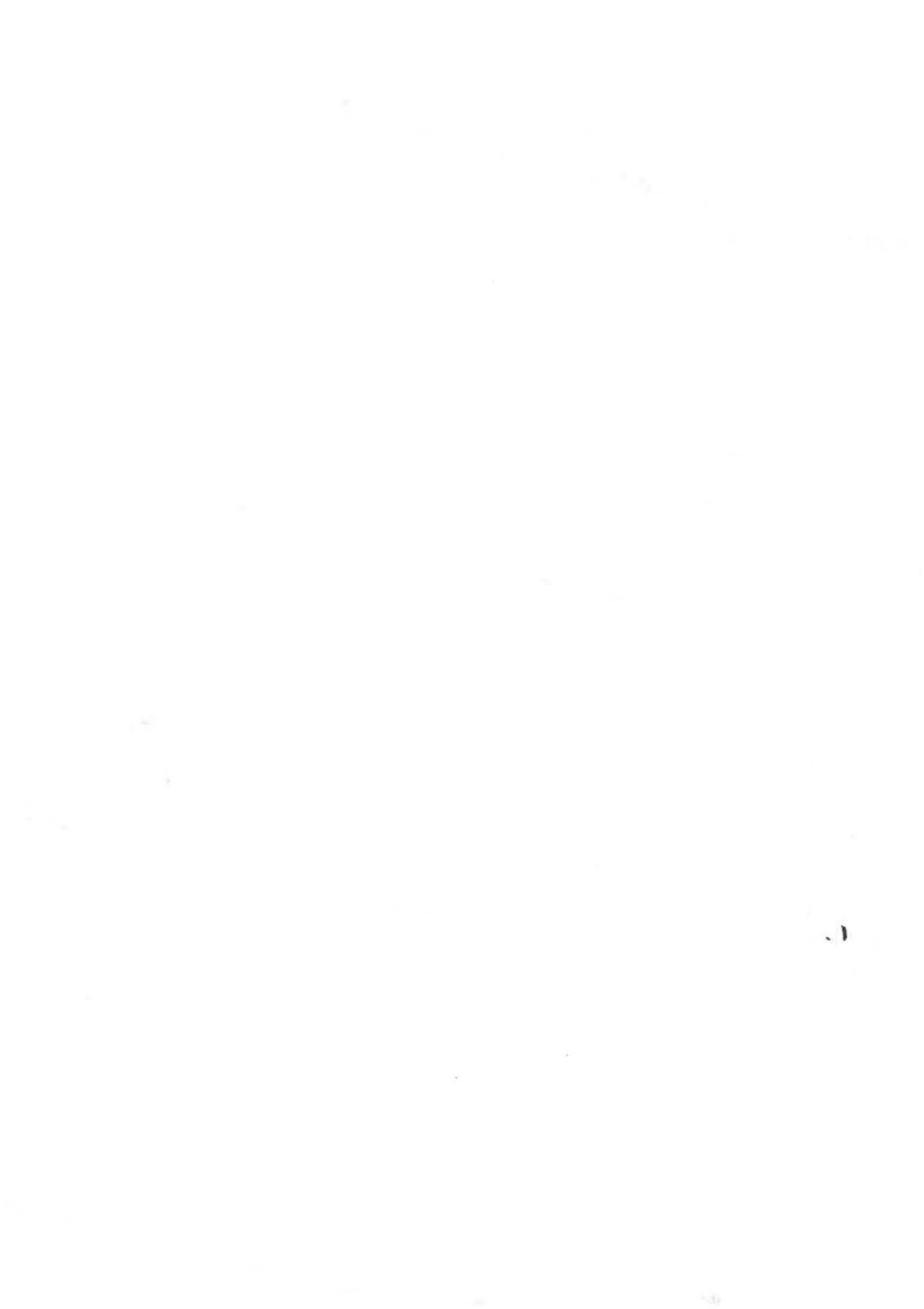
See execution page

purchaser

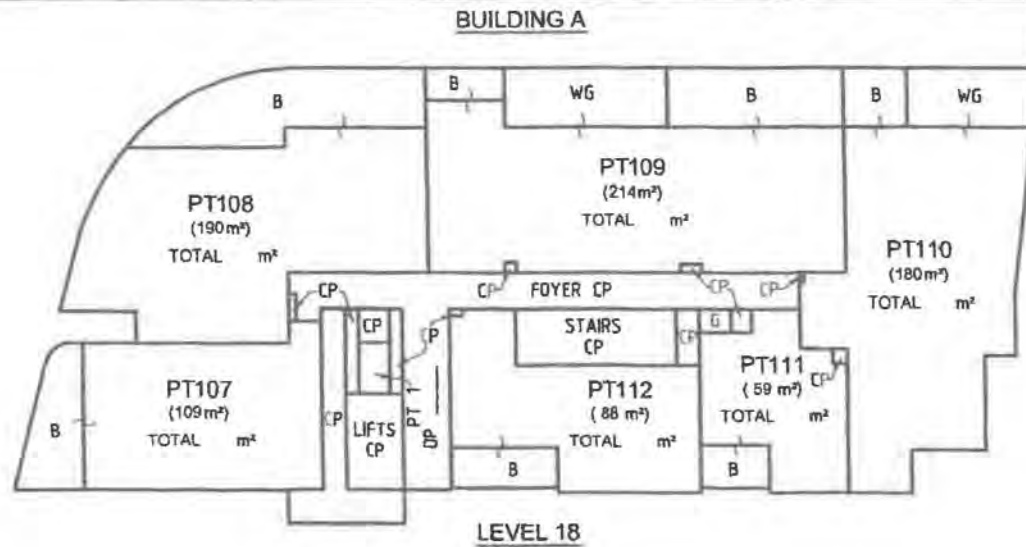
JOINT TENANTS     tenants in common     in unequal shares

See execution page

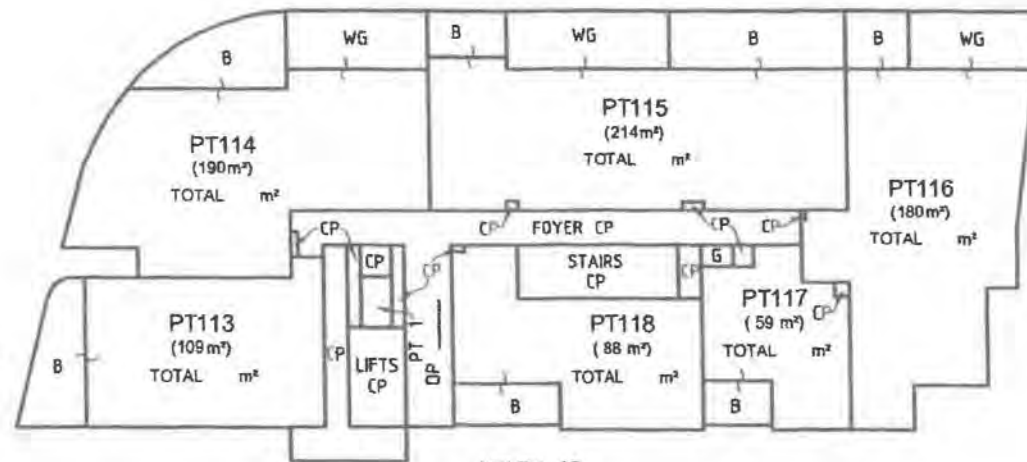
witness



THIS IS A DRAFT PLAN ONLY AND IS SUBJECT TO FINAL SURVEY



LEVEL 18



LEVEL 19

**NOTES:**

- B - BALCONY
- CP - COMMON PROPERTY
- G - GARBAGE (CP)
- WG - WINTER GARDEN

FOR CLARITY NOT ALL COMMON PROPERTY COLUMNS AND DUCTS HAVE BEEN SHOWN

ALL WINTER GARDENS ARE FULLY ENCLOSED

THE STRATUM OF THE BALCONIES ARE LIMITED IN HEIGHT TO 2.5 ABOVE THEIR RESPECTIVE UPPER HARDSTAND SURFACE UNLESS COVERED WITHIN THIS LIMIT

"THIS IS A DRAFT STRATA PLAN PREPARED FOR CONTRACT PURPOSES ONLY. FINAL DIMENSIONS, AREAS AND LAYOUTS ARE SUBJECT TO SURVEY".

Lot	Unit	B / WG	Parking	Store
107	91	18		
108	147	43		
109	156	58		
110	152	28		
111	51	8		
112	77	11		
113	91	18		
114	147	43		
115	154	60		
116	152	28		
117	51	8		
118	77	11		

**SURVEYOR**  
 Name: MATTHEW GRAHAM SMITH  
 Date of Survey: ..... 2017  
 Surveyor's Reference: 50088 0065P

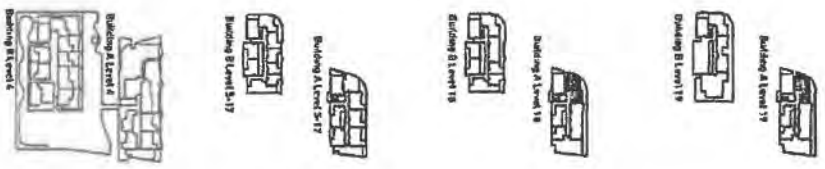
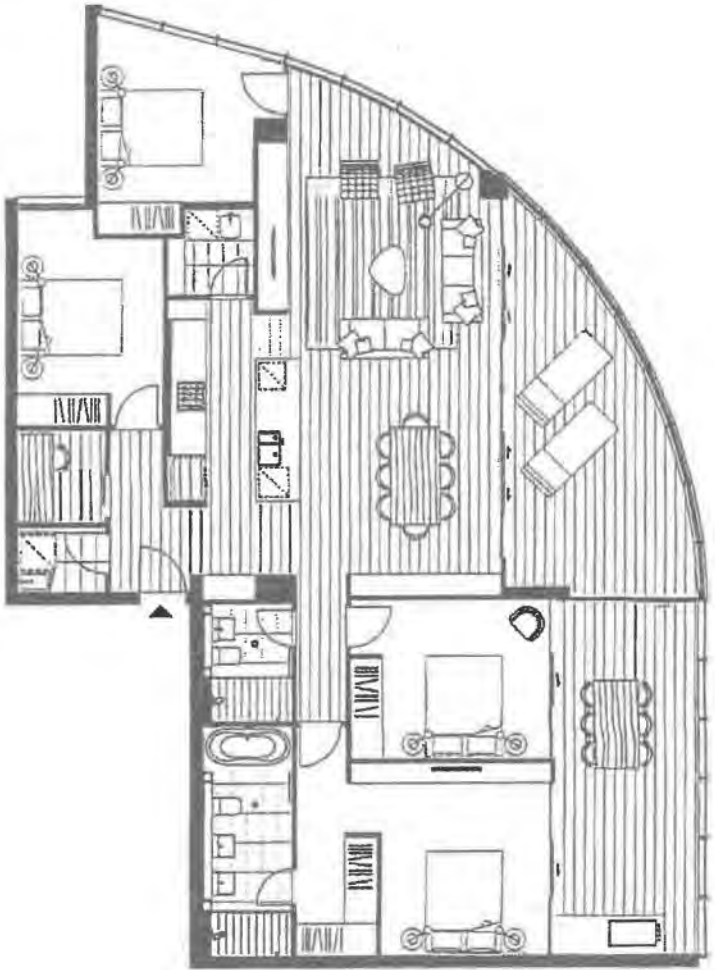
PLAN OF SUBDIVISION OF LOT 3 IN DP \_\_\_\_\_

LGA: THE HILLS  
 Locality: BAULKHAM HILLS  
 Reduction Ratio 1: 250  
 Lengths are in metres.



**SP DRAFT**  
 ISSUE B FOR REVIEW : 30-10-2017





1802.1902  
Internal Area = 147 m<sup>2</sup>

Scale 1:100







<b>BONDI</b>	Event Cinemas, 500 Oxford Street, Bondi Junction	2022		\$	344,585	Extension Service	
				\$	-		
<b>MERRYLANDS</b>	Holroyd Centre, Miller Street, Merrylands	2176		\$	126,000	Extension Service	
				\$	-		
<b>ALEXANDRIA</b>	15/45-61 Huntley Street, Alexandria	2011		\$	25,200	Recording Studio Fit Out	
				\$	-		
<b>WOLLONGONG</b>	Gipps Street, Wollongong (Truck - Kennards Storage)			\$	20,000		
				\$	-		
				\$	166,477,121	\$60,808,146	
<b>QUEENSLAND</b>							
<b>MT GRAVATT - Garden City Property Ltd att</b>							
<b>(Garden City Property Trust)</b>							
	16 Rover Street, Mt Gravatt	4122	\$	9,707,660	\$	2,283,645	Church and Offices
	79 Tenby Street, Mt Gravatt	4122	\$	155,820	\$	10,710	Residential House (rented to tenants)
	Units 1,2,3 / 83 Tenby Street, Mt Gravatt	4122	\$	592,305	\$	32,130	Residential Units (rented to tenants)
	75 Tenby Street, Mt Gravatt	4122	\$	184,360	\$	10,710	Residential House (rented to tenants)
	81 Tenby Street, Mt Gravatt	4122	\$	177,240	\$	-	Residential House (used as a manse)
	85 Tenby Street Mt Gravatt	4122	\$	631,050	\$	-	Residential House (rented to tenants)
	87 Tenby Street Mt Gravatt	4122	\$	262,500	\$	42,000	Residential House (rented to tenants)
			\$	-	\$	-	
<b>BRISBANE CITY</b>	Judith Wright Centre Fortitude Valley	4006	\$	-	\$	645,343	Church
	342-356 George Street Brisbane	4000	\$	2,150,000	\$	1,300,000	Church (fit out and contents) BNE Theatre
			\$	-	\$	-	
<b>NOOSA</b>	60 Noosa Drive, Noosa Junction	4567	\$	-	\$	-	Church
	180 Conveys Road, Timberwath	4567	\$	2,257,500	\$	-	Conference Hall and Residence
	24 Sunshine Beach Road, Noosa Heads		\$	-	\$	6,380	Office (Leasehold)
			\$	-	\$	94,500	Office (fitout)
			\$	-	\$	-	
<b>GOLD COAST - BURLEIGH</b>	49 Leda Drive, Burleigh	4220	\$	-	\$	472,500	Church
			\$	-	\$	-	
<b>GOLD COAST - COOMERA</b>	7 Kohl Street, Upper Coomera	4209	\$	1,280,000	\$	262,500	Church
			\$	-	\$	-	
<b>GOLD COAST</b>	6/3 Dalton Street, Upper Coomera	4209	\$	-	\$	210,000	Soul Centre / CityCare
			\$	-	\$	-	
<b>BRISBANE WEST (SPRINGFIELD)</b>	Level 1/Shop 35 Orion Town Centre 1 Main St Springfield	4300	\$	-	\$	148,155	Office Contents (inc tools in Community Assistance Trailer)
	Springfield Central High School Parkland Drive Springfield	4300	\$	-	\$	59,010	Other Contents
	Other People's Property	4300	\$	-	\$	6,405	Other people's property
			\$	-	\$	-	
<b>GOLD COAST - SURFERS PARADISI</b>	126 Racecourse Drive Bundall	4217	\$	-	\$	420,000	Contents - in shipping containers onsite
			\$	-	\$	-	
			\$	17,378,456	\$	6,003,987	
<b>VICTORIA</b>							



MELBOURNE - CITY	Athenaeum Theatre, 188 Collins Street, Melbourne	3000	\$ -	\$ 599,038	Church
	AT: 79 Sunshine Road West Footscray		\$ -	\$ 300,000	Food bank contents and fit out
MELBOURNE - WEST (Life Christian)	90-92 Mitchell Street, Maidstone	3012	\$ 3,244,500	\$ 883,588	Church and Offices
MELBOURNE	1037-1067 Plumpton Road, Plumpton	3335	\$ 282,500	\$ -	Caretaker House, Shed and Fencing
			\$ -	\$ -	
MELBOURNE - EAST	32 Stud Road, Bayswater 557 Burwood Hwy Knoxfield	3153 3180	\$ 2,104,687	\$ 413,317	Church and Offices
			\$ 12,700,000	\$ 970,000	Church Building
MELBOURNE - GREATER WEST	Hoyts Cinema, 399 Melton Highway, Taylors Lakes 42 Westwood Drive Ravenhall	3038			Extension Service
				\$ 250,000	contents
				\$ 250,000	leasehold fitout
			<b>\$ 18,311,687</b>	<b>\$ 3,695,942</b>	
<b>TASMANIA</b>					
HOBART	209 Davey Street, South Hobart	7004		\$ 262,500	Connect
				\$ 262,500	
<b>NORTHERN TERRITORY</b>					
PALMERSTON	5 Moulden Terrace Palmerston		\$ 2,919,000	\$ 315,000	Contents
			\$ -	\$ 210,000	Improvements
			\$ -	\$ -	
MALAK	11 Dalwood Crescent Malak		\$ -	\$ -	Contents
			\$ 1,596,000	\$ 262,500	
			<b>\$ 4,515,000</b>	<b>\$ 787,500</b>	
<b>WESTERN AUSTRALIA</b>					
SUBIACO	1 Harborne Street, Subiaco (National Storage Subiaco) and Octagon Theatre		\$ -	\$ 450,000	Contents
				\$ 450,000	
<b>Combined Removal of Debris, Contingency, BCA increases, Architect costs.</b>			\$ 5,000,000		
			<b>Buildings</b>	<b>Contents</b>	
			\$ 211,682,263	\$ 71,978,075	
			<b>TOTAL ASSET VALUE Sec. 1 \$ 283,660,338</b>		
<b>Section 2</b>					
Sub Limits	Gross Profit (first loss)			\$ 4,326,000	
	Claims Preparation Costs			\$ 540,750	
	Specified Customers & Suppliers			\$ 4,974,900	
	Additional Increased Cost of Working			\$ 4,326,000	



Fines & Penalties		\$	54,075	
Accounts Receivable		\$	216,300	
Infectious Diseases/Closure of Premises (Clause 9.1.2 cover)		\$	270,375	
				<b>Business Interruption Sec. 2 \$ 14,700,400</b>
				<b>TOTAL INSURANCE VALUE \$ 298,368,738</b>
Special Equipment (Audio/Visual) hired for large events	various	Mainly Acer Arena	\$ 31,000,000	rated separately



April 18, 2017

Attn: Mr Jason Allen  
Hill Song Church Property  
Email: Jason.allen@hillsong.com



APP: SP480 615 168

**Norwest**  
P (02) 9681 5000 F (02) 9680 9911  
Suite G 08, 29 Solent Circuit,  
Norwest Business Park, Baulkham Hills

**Blacktown**  
P (02) 9672 3111 F (02) 9672 6666  
Suite 105, Town Centre,  
10 Campbell Street, Blacktown

**Correspondence To:**  
P O Box 6677, Baulkham Hills NSW 2157  
E info@hillscommercial.com.au  
www.hillscommercial.com.au

Dear Jason,

**Ppty: Suite 10/ 40-44 Brookhollow Avenue, Baulkham Hills**

Further to our recent discussions I write to you in the strictest of confidence. I confirm I act under instructions from my client to prefers to stay anonymous in their property acquisitions. As to be expected I am retained by the purchaser therefore there are no agents fees for you to factor in selling.

We have included the following terms of their offer for your consideration and response. To the best of our knowledge we believe the below property information to be correct, please advise if these details are not accurate.

**Property Information:**

Subject Address	<u>Suite 10, 40-44 Brookhollow Ave, Baulkham Hills NSW</u>
Total (NLA)	<u>325sqm approx</u>
Lot No.	<u></u>
Strata Plan #   Deposit Plan#	<u>SP54644</u>
No. Car spaces (on title)	<u>13</u>
Additional Car spaces	<u>0</u>
Storeroom (NLA)	<u>None identified</u>
Tenanted investment	<u>\$ Yes ,ongoing concern rent to be confirmed.</u>
Outgoings	<u>Hillsong to advise</u>
Lessee	<u>Hillsong businesses, various, details to be provided</u>
Lease Term	<u>To be advised</u>
Lease Commencement	<u>-</u>
Lease Option	<u>-</u>





**Offer to Purchase:**

Price	\$ 4,100,000.00
Deposit	10%
Terms of sale	Immediate exchange on production of contract
	Settlement 6 months

Dated this \_\_\_\_\_ day of \_\_\_\_\_ 20 \_\_\_\_\_

I Jason Allen for and on behalf of Hillsong Church Propert accept the above offer and its terms of sale.

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Print Name in full

Kind Regards

Mark Perminov  
Licensed Real Estate Agent & Auctioneer  
Hills Commercial Real Estate

Mobile: 0404 010 888

### 16 Rover Street Mt Gravatt

Domain | Buy | Rent | New Homes | Sold | Commercial | Finance | Advice | Agents | More

Search

#### Guide price

Low	High
\$500k	\$785k

Is this your home? Track its value

Buy as low as \$435k

3.53%

16 Rover Street, Mount Gravatt QLD 4122

Home | Rent | Bath | Parking

Show me how much I could save

### 75-77 Tenby St

Domain | Buy | Rent | New Homes | Sold | Commercial | Finance | Advice | Agents | More

Search

#### Estimate range

Low	High
\$600k	\$790k

Buy as low as \$695k

Is this your home? Track its value

3.53%

77 Tenby Street, Mount Gravatt QLD 4122

Home | Rent | Bath | Parking

Show me how much I could save


## 79 Tenby St

Secure | <https://www.domain.com.au/property/ro/79-tenby-street-mount-gravatt-ql-4122>

Apps | NAB Transact - Web | HSBCnet | HSBC | Login - NAB Connect | Corporate Online | Service Portal - Sign | FX International Pay | Sign in to Concur | bolt - Login

Domain Buy Rent New Homes SA | Commercial News Advice Agents More

Home | Property | 79 Tenby Street | Mount Gravatt QLD 4122



Estimate range High Confidence

LOAN	RATE	REP
\$495k	<b>\$570k</b>	\$645k

Excludes from APR based on high availability of comparable data in this area

Is this your home? Track its value

LOAN	RATE
\$370	Unknown

79 Tenby Street, Mount Gravatt QLD 4122

House

2 beds | 1 bath | Parking

Show me how much I could save


## 81 Tenby St

Secure | <https://www.domain.com.au/property/ro/81-tenby-street-mount-gravatt-ql-4122>

Apps | NAB Transact - Web | HSBCnet | HSBC | Login - NAB Connect | Corporate Online | Service Portal - Sign | FX International Pay | Sign in to Concur | bolt - Login

Domain Buy Rent New Homes SA | Commercial News Advice Agents More

Home | Property | 81 Tenby Street | Mount Gravatt QLD 4122



Estimate range High Confidence

LOAN	RATE	REP
\$545k	<b>\$630k</b>	\$715k

Excludes from APR based on high availability of comparable data in this area

Is this your home? Track its value

LOAN	RATE
\$435	3.53%

81 Tenby Street, Mount Gravatt QLD 4122

House

bed | bath | Parking


Show me how much I could save



# 93 Tenby St

Domain Buy Rent New Homes Sold Commercial News Advice Agents More Sign in Register

1/93 Tenby Street, Mount Gravatt QLD 4122



Estimate range

Low High

\$430k \$495k \$560k

Is this your home? Track its value

\$395 4.42%

Show me how much I could save

1/93 Tenby Street, Mount Gravatt QLD 4122

Land Bath Parking

Domain Buy Rent New Homes Sold Commercial News Advice Agents More Sign in Register

2/93 Tenby Street, Mount Gravatt QLD 4122



Estimate range

Low High

\$430k \$495k \$560k

Is this your home? Track its value

\$395 4.42%

Show me how much I could save

2/93 Tenby Street, Mount Gravatt QLD 4122

Land Bath Parking

Domain Buy Rent New Homes Sold Commercial News Advice Agents More Sign in Register

3/93 Tenby Street, Mount Gravatt QLD 4122



Estimate range

Low High

\$430k \$495k \$560k

Is this your home? Track its value

\$395 4.42%

Show me how much I could save

3/93 Tenby Street, Mount Gravatt QLD 4122

Land Bath Parking

Swimming Pool Bath

## 85 Tenby St

Secure https://www.domain.com.au/property-profile/85-tenby-street-mount-gravatt-4122

Domain Buy Rent New Homes Sell Commercial News Advice Agents Map

85 Tenby Street, Mount Gravatt QLD 4122



Estimate range [View Estimate](#)

LOW	MID	HIGH
\$545k	<b>\$630k</b>	\$715k

Estimated based on local strength of properties of similar size and location.

[Is this your home? Track its value](#)

**\$435** **3.69%**

85 Tenby Street, Mount Gravatt QLD 4122

3 Beds 1 Bath 2 Parking


Show me how much I could save

## 87 Tenby Street

Secure https://www.domain.com.au/property-profile/87-tenby-street-mount-gravatt-4122

Domain Buy Rent New Homes Sell Commercial News Advice Agents Map

87 Tenby Street, Mount Gravatt QLD 4122



Guide price [View Guide Price](#)

LOW	MID	HIGH
\$452k	<b>\$721k</b>	\$990k

Estimated guide price based on similar properties in this area.

[Is this your home? Track its value](#)

**\$435** **3.53%**

87 Tenby Street, Mount Gravatt QLD 4122

3 Beds 1 Bath 2 Parking

Show me how much I could save



**HILLSONG CHURCH GROUP** **SCHEDULE OF ASSETS** **AS AT 17/12/18**

Name:	Address	P/Code	Buildings Sum Insured	Occupied As:
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**NEW SOUTH WALES**

<b>SYDNEY HILLS</b> (Property Holding Co.)	1 Solent Circuit, Baulkham Hills	2153	\$ 23,998,000	\$ 30,715,041	Church - The Hub
	7 Solent Circuit, Baulkham Hills	2153	\$ 59,261,512		Church - Convention Centre
	9 Solent Circuit, Baulkham Hills	2153	\$ 13,650,870		Church - Chapel
			2153	\$ 37,904,000	\$ 14,167,215
<b>(Non fixed assets &amp; Activities)</b>	Car Park, Solent Circuit, Baulkham Hills	2153	\$ 5,145,301		Media Centre Footings
	4/42 Carrington Road Castle Hill	2154		\$ 1,816,500	Carpark & Landscaping Publishing, HMA, Marketing (Ice Rink)
<b>Hillsong CityCare</b>	Unit 10/40-44 Brookhollow Avenue, Baulkham Hills	2153	\$ 2,205,000	\$ 315,000	CityCare / HMA
	Unit 10/40-44 Brookhollow Avenue, Baulkham Hills (Leasehold Ir	2153	\$ -	\$ 315,000	CityCare / HMA
<b>Hillsong Media &amp; Performing Arts In-</b> (Property Holding Co.)	1 Solent Circuit, Baulkham Hills	2148		\$ 549,895	Lighting, Sound and Audio Visual Equipment
<b>SYDNEY DANKS</b>					
<b>SYDNEY CLC LTD.</b> (Property Holding Co.)	188 Young Street, Waterloo	2017	\$ 11,460,017	\$ 6,550,382	Church and Bible College
<b>CityCare</b>	20/198-222 Young Street, Waterloo	2017		\$ 167,772	Office / Warehouse
	65 Doody Street, Alexandra (Leasehold Improvements)	2015	\$ 5,844,655	\$ 3,509,725	Church and Bible College
<b>SYDNEY SOUTH WEST</b>	5 Watsford Road, Campbelltown	2560	\$ 1,293,805	\$ 380,942	Church and Offices
	5 Watsford Road, Campbelltown	2560	\$ -	\$ 3,780	Trailer contents (TV, Xbox, BBQ, etc)
<b>NEWCASTLE (Church 180 inc)</b>	699 Hunter Street, Newcastle	2300	\$ 3,716,160	\$ 666,028	Church and Offices
	659-665 Hunter Street, Newcastle	2300	\$ 1,500,000		Residential/Retail Tenancy
<b>GREATER WEST &amp; CITYCARE</b>	Building BB Western Sydney University Werrington Campus We	2747		\$ 43,260	Office
	UWS, Werrington South Campus, Werrington	2747		\$ -	Extension Service
	12 Carsons Lane, St Marys	2780		\$ 64,890	Storage, Sound & Lighting Equip & Chairs
	17 Weaver Street, Erskine Park	2759		\$ 182,225	Truck With Equipment
				\$ -	
<b>MACQUARIE</b>	Macquarie Shopping Centre, Cnr Herring and Waterloo Roads,	2113		\$ 136,456	Extension Service
				\$ -	
<b>BURWOOD</b>	96-98 Tennyson Road, Mortlake	2134		\$ 420,000	Extension Service
				\$ -	
<b>CHATSWOOD CHINESE</b>	Hoyts Cinemas, 65 Albert Avenue, Chatswood	2067		\$ 88,250	Extension Service
				\$ -	
<b>NORTHERN BEACHES</b>	11B 9/13 Winbourne Road Brookvale	2100	\$ 500,000	\$ 250,000	Extension Service
				\$ -	
<b>HILLS CHINESE</b>	Hillsong Chapel, Cnr Norwest Boulevard & Solent Circuit, Baulkh	2154		\$ -	Extension Service
				\$ -	





## LOAN AGREEMENT No.1

## ДОГОВІР ПОЗИКИ №1

Kyiv City, Ukraine

01 June 2017

м. Київ, Україна

01 червня 2017 р.

This Loan Agreement No.1 is entered into (the "Agreement") by and between:

Цей Договір позики №1 (далі – «Договір») укладено між:

**HILLSONG CHURCH LIMITED** (the "Lender"), a legal entity duly incorporated and operating under the laws of Australia, registration number under the Australian Business Register: 37002745879, registered as a charity with the Australian Charities and Not-for-Profits Commission (ACNC) registration number: 002745879, having its registered office at 1765, Castle Hill, New South Wales, PO Box 1195, Australia, represented by George Aghajanian, General Manager/Director, and Peter Ridley, Chief Financial Officer/Company Secretary, acting on the basis of the Constitution, on one hand,

**ХІЛЛСОНГ ЧЕРЧ ЛІМІТЕД** (далі - «Позикодавець»), юридична особа, належним чином зареєстрована та діюча за законодавством Австралії, реєстраційний номер за Австралійським комерційним реєстром: 37002745879, зареєстрована як благодійна організація у реєстрі Австралійської Комісії благодійних та неприбуткових організацій (ACNC) за номером: 002745879, зареєстроване місцезнаходження: 1765, Касл Хілл, Новий Південний Уельс, Австралія, поштова скринька: 1195, в особі Генерального менеджера/Директора Джорджа Аггаджаняна і Фінансового директора/Секретаря Компанії Пітера Рідлі, які діють на підставі Конституції, з однієї сторони,

and

та

**RELIGIOUS COMMUNITY "INDEPENDENT LOCAL CHRISTIAN CHURCH 'HILLSONG' IN SHEVCHENKIVSKY DISTRICT IN KYIV CITY"** (the "Borrower"), a legal entity duly incorporated and operating under the laws of Ukraine, identification code: 22908131, having its registered office at: 2-B Mykhailivska Street, Kyiv, 01001, Ukraine, represented by Chief Presbyter Mr. Yuriy Ravnushkin, acting on the basis of the Charter, on the other hand,

**РЕЛІГІЙНОЮ ГРОМАДОЮ «НЕЗАЛЕЖНА ПОМІСНА ХРИСТІАНСЬКА ЦЕРКВА "ХІЛЛСОНГ (ПІСНЯ НА ГОРІ)" У ШЕВЧЕНКІВСЬКОМУ РАЙОНІ М.КИЄВА»** (далі – «Позичальник»), юридичною особою належним чином зареєстрованою та діючою за законодавством України, ідентифікаційний код 22908131, зареєстроване місцезнаходження: Україна, 01001, м.Київ, вул. Михайлівська, 2-В, в особі Головного пресвітера Равнушкіна Юрія Юрійовича, який діє на підставі Статуту, з іншої сторони,

both hereinafter referred to as the "Parties" and each of them individually as the "Party".

надалі разом іменовані як «Сторони», а кожна окремо – «Сторона».

## 1. SUBJECT OF THE AGREEMENT

## 1. ПРЕДМЕТ ДОГОВОРУ

1.1. Subject to the terms and conditions of this Agreement, the Lender agrees to extend the

1.1. Згідно з положеннями та умовами цього Договору Позикодавець згоден надати

loan to the Borrower in the amount of USD 400,000.00 (Four Hundred Thousand US Dollars) (the "Loan").

Позичальнику позику в розмірі 400 000,00 (чотириста тисяч) доларів США (далі – «Позика»).

1.2. The Borrower shall apply all amounts borrowed by it under this Agreement for its statutory activities.

1.2. Позичальник використовуватиме запозичені суми за цим Договором з метою проведення його статутної діяльності.

## 2. LOAN PROVISION TERMS

## 2. ПОРЯДОК НАДАННЯ ПОЗИКИ

2.1. The Loan shall be transferred by the Lender to the current account of the Borrower, in accordance with written requests of the latter, in one or more installments.

2.1. Позика перераховується Позикодавцем на поточний рахунок Позичальника одним або декількома платежами на підставі письмової заявки Позичальника.

In this regard the Borrower shall have a right to apply to the Lender with a written request on change of the aforesaid payment method, which the Lender may, however, reject with no reason given.

При цьому Позичальник має право подати Позикодавцю письмову заявку про інший порядок перерахування коштів, з яким Позикодавець, проте, має право не погодитись без пояснення причин.

2.2. The Loan may be provided by the Lender and received by the Borrower only after registration of this Agreement with the National Bank of Ukraine which fact shall be notified by the Borrower to the Lender.

2.2. Позика може бути надана Позикодавцем і отримана Позичальником виключно після реєстрації цього Договору в Національному Банку України, про що Позичальник повідомляє Позикодавця.

2.3. The Loan (its part) shall be transferred by a wire transfer to current account of the Borrower within 15 (fifteen) business days from the date of approval of a written request of the Borrower to transfer the amount of the Loan (its part).

2.3. Позика (її частина) перераховується безготівковим шляхом на поточний рахунок Позичальника протягом 15 (п'ятнадцяти) робочих днів з дати погодження письмової заявки Позичальника про перерахування суми Позики (її частини).

2.4. The Lender grants the Loan for a term until 01 June 2037 inclusive (the "Repayment Date").

2.4. Позикодавець надає Позику терміном до 01 червня 2037 року включно («Дата повернення»).

## 3. LOAN REPAYMENT TERMS

## 3. ПОРЯДОК ПОВЕРНЕННЯ ПОЗИКИ

3.1. The Loan shall be repaid in equal parts on a monthly basis starting from 01 November 2018 and until the Repayment Date.

3.1. Позика повертається рівними частинами щомісячно починаючи з 01 листопада 2018 р. і до Дати Повернення.

3.2. The Borrower may prepay all or part of the outstanding balance under the Loan plus accrued interest thereon without penalty or premium.

3.3. The Parties agreed that subject to prior written approval by the Lender, no penalty sanctions, specified in Article 8 hereto, shall be imposed on the Borrower in case the latter fails to effect any repayment of the Loan in due course.

#### 4. INTEREST CALCULATION AND PAYMENT TERMS

4.1. The outstanding balance under the Loan shall bear a variable interest rate, that is the **American Federal Funds Rate (FED) + 3% (three per cent) per annum.**

4.2. The amount of payments for use of the Loan (under interest rate, including floating interest rate, set out in the Agreement, including commission, default interests and other payments provided for under this Agreement including sanctions for the improper fulfillment of conditions hereof shall not exceed the amount of payments for the use of the Loan calculated on the basis of maximum interest rate established by National Bank of Ukraine that is applied to the agreement according to conditions of registration hereof by National Bank of Ukraine

4.3. The interest shall accrue upon the moment of crediting the Borrower's current account with the funds of the Loan (its first part). The interest shall be repaid on a monthly basis starting from 01 November 2017.

3.2. Позичальник може достроково сплатити всю або частину фактичної заборгованості за Позикою плюс нараховані проценти на неї без штрафних виплат або премії.

3.3. Сторони цим погодились, що за умов попереднього письмового погодження Позикодавцем, неспроможність Позичальника сплатити будь який з платежів по поверненню Позики не призведе до накладення на нього штрафних санкцій, вказаних в статті 8 Договору.

#### 4. ПОРЯДОК НАРАХУВАННЯ ТА СПЛАТИ ПРОЦЕНТІВ

4.1. На фактичну суму заборгованості за Позикою нараховується змінювана процентна ставка, яка складається зі **ставки по Федеральних фондах США (FED) + 3% річних.**

4.2. Розмір виплат за користування кредитом за встановленою договором процентною ставкою, у тому числі в разі змінюваної процентної ставки, з урахуванням комісій, неустойки та інших установлених договором платежів, у тому числі тих, що є санкціями за неналежне виконання умов цього договору, не може перевищувати розмір виплат за цим кредитом, розрахований виходячи з установленної Національним банком України максимальної процентної ставки, яка застосовується до договору згідно з умовами його реєстрації Національним банком України

4.3. Нарахування процентів розпочинається з моменту зарахування Позики (її першої частини) на поточний рахунок Позичальника. Проценти сплачуються щомісячно, починаючи з 01 листопада 2017 року.



4.4. Interest will be calculated daily on the outstanding amount of the Loan. For the purpose of interest calculation the number of days in the calendar year shall be 365 days.

4.5. The Parties agreed that subject to prior written approval by the Lender, no penalty sanctions whatsoever shall be imposed on the Borrower in case the latter fails to effect any payment of the accrued interest in due course.

4.6. Bank charges, including commission, shall be paid by the Party initiating the transaction, e.g. Loan drawdown (by the Lender), repayment of the Loan (by the Borrower).

4.4. Процент нараховується щоденно на несплачену суму отриманої Позики. Кількість днів в одному календарному році для розрахунку приймається за 365 днів.

4.5. Сторони цим погодилися, що за умов попереднього письмового погодження Позикодавцем, неспроможність Позичальника сплатити будь який з платежів по нарахованих процентах не призведе до накладення на нього будь-яких штрафних санкцій.

4.6. Банківські витрати, включаючи банківські комісійні, мають бути сплачені Стороною, що ініціювала платіжну операцію, а саме: при перерахуванні позикових коштів ці витрати сплачує Позикодавець, а при здійсненні операції з виплати для погашення позики – Позичальник.

## 5. RIGHTS AND OBLIGATIONS OF THE PARTIES

## 5. ПРАВА І ОБОВ'ЯЗКИ СТОРІН

5.1. The Lender undertakes to:

5.1.1. grant the Loan (or parts thereof) to the Borrower in accordance with cl.2.3 of the Agreement;

5.1.2. accept a preterm repayment of the Loan in full amount or partially, including interest accrued.

5.2. The Lender has the right to:

5.2.1. terminate the Loan if conditions as described in Article 6 hereof occur.

5.3. The Borrower undertakes to:

5.3.1. register this Agreement with the National Bank of Ukraine prior to the actual receipt of the Loan amounts hereunder.

5.3.2. use the Loan for purposes indicated in clause 1.2. hereof.

5.1. Позикодавець зобов'язується:

5.1.1. надати Позику (або її частини) Позичальнику згідно умов п.2.3 Договору;

5.1.2. прийняти дострокову оплату за Позикою в цілому або частково, включаючи нараховані проценти.

5.2. Позикодавець має право:

5.2.1. розірвати Договір Позики у разі настання умов, передбачених статтею 6 цього Договору.

5.3. Позичальник зобов'язується:

5.3.1. зареєструвати Договір у Національному банку України до фактичного одержання сум Позики за цим Договором;

5.3.2. використовувати Позику в цілях, зазначених у пункті 1.2. цього Договору;

5.3.3. repay the amount of the Loan, accrued interest within the terms established by this Agreement.

5.3.3. повернути суми, отримані в рамках Позики, і сплатити нараховані проценти у встановлені цим Договором терміни.

5.4. The Borrower has the right to:

5.4. Позичальник має право:

5.4.1. terminate the Loan if conditions as described in Article 6 hereof occur.

5.4.1. розірвати Договір Позики у разі настання умов, передбачених статтею 6 цього Договору.

## 6. TERMINATION OF THE AGREEMENT

## 6. ПРИПИНЕННЯ ДОГОВОРУ

6.1. The Lender shall be entitled to unilaterally terminate this Agreement and to demand payment of all amounts payable under this Agreement within 60 calendar days if any of the following events occurs:

6.1. Позикодавець має право припинити цей Договір Позики в односторонньому порядку та вимагати сплати усіх належних за цим Договором Позики платежів протягом 60 календарних днів, у разі настання будь-якої з таких обставин:

6.1.1. the Borrower fails to meet the payment obligation, specified in cl.3.1 herein, towards the Lender over 3 consecutive months, and such failure was not approved in written by the Lender;

6.1.1. Позичальник протягом 3-х місяців поспіль не виконує платіжне зобов'язання на користь Позикодавця, зазначене у п.3.1 Договору, і таке невиконання не було письмово погоджене Позикодавцем;

6.1.2. any law, regulation, decision, directive or any act of any authority or any order of any court precludes the due performance and fulfillment or may affect or impair the validity of this Agreement or any security interest hereunder;

6.1.2. будь-який закон, розпорядження, рішення, постанова або інший акт будь-якого органу або наказ будь-якого суду перешкоджає належному виконанню або припиняє чи ставить під загрозу чинність цього Договору позики або будь-якого передбаченого ним інтересу;

6.1.3. in the reasonable judgment of the Lender the Borrower's financial situation materially deteriorates or the assets of the Borrower are endangered or other exceptional circumstances occur which imperil delay or preclude the fulfilment of any obligations under this Agreement, including in the event when the Borrower ceases to be affiliated party to the Lender (part of Hillsong Church);

6.1.3. Позикодавець має усі підстави вважати, що фінансовий стан Позичальника значно погіршується або активи Позичальника знаходяться під загрозою, або виникають інші надзвичайні події, які можуть спричинити затримку або унеможливити виконання будь-яких зобов'язань за цим Договором позики, в тому числі у випадку якщо Позичальник перестає бути особою, афілійованою з Позикодавцем (частиною Церкви Хілсонг (Пісня на горі));

6.2. This Agreement can be terminated by mutual agreement between the Parties.

6.2. Дію цього Договору також може бути припинено за взаємною згодою обох

## 7. FORCE MAJEURE

7.1. The Parties are exempt from liability for failure to fulfil in whole or in part their obligations hereunder in case of force-majeure circumstances, i.e. external extraordinary events, which did not exist at the date of signing hereof, and the Parties could not prevented occurrence and effect of such circumstances through implementation of measures which could reasonably be expected from the Party which was exposed to force-majeure circumstances.

7.2. The following events are force-majeure circumstances hereunder: war and military operations, rebellions, mobilization, strikes at enterprises of the Borrower and the Lender, epidemics, fire, natural disasters, official acts, which affect fulfilment of obligations, and all other events and circumstances, which will be acknowledged as force-majeure circumstances by the Parties or a competent body of the respective state.

7.3. The Party exposed to force-majeure circumstances is obliged to promptly inform by fax or telegram the other Party on occurrence, kind and probable duration of force-majeure or other circumstances, which hamper fulfilment of obligations hereunder. If such Party fails to timely inform on occurrence of such circumstances, then it is deprived of its right to refer thereto unless such circumstances prevent sending or delivery of such notice.

7.4. For the time of force-majeure and other circumstances, which exempt from liability, obligations of the Lender and the Borrower are suspended, sanctions for failure to fulfil obligations hereunder are not applied and the

## 7. ОБСТАВИНИ НЕПЕРЕБОРНОЇ СИЛИ

7.1. Сторони звільняються від відповідальності за повне або часткове невиконання їх зобов'язань за цим Договором у випадку настання обставин непереборної сили, тобто зовнішніх і надзвичайних подій, що не існували на дату підписання цього Договору, настанню і дії яких Сторони не могли перешкодити за допомогою заходів, застосування яких справедливо очікувати від Сторони, відносно якої склалися обставини непереборної сили.

7.2. Обставинами непереборної сили за цим Договором визнаються наступні події: війна і воєнні дії, повстання, мобілізація, страйки на підприємствах Позикодавця і Позичальника, епідемії, пожежа, стихійні лиха, акти органів влади, що мають вплив на виконання зобов'язань, і всі інші події і обставини, які Сторони або компетентний орган відповідної держави визнає обставинами непереборної сили.

7.3. Сторона, відносно якої склалися обставини непереборної сили, повинна негайно факсом або телеграмою повідомити іншу Сторону про виникнення, вид і можливу тривалість непереборної сили або інших обставин, що перешкоджають виконанню зобов'язань за Договором. Якщо ця Сторона своєчасно не повідомить про настання таких обставин, вона позбавляється права посилатися на них, якщо тільки самі ці обставини не перешкождали направленню або доставці такого повідомлення.

7.4. На час дії непереборної сили та інших обставин, що звільняють від відповідальності, зобов'язання Позикодавця і Позичальника припиняються, санкції за невиконання договірних зобов'язань не

term of fulfilment of obligations hereunder is prolonged for a period that corresponds to duration of force-majeure circumstance, which arose, and to a reasonable period required to eliminate its consequences.

7.5. Force-majeure circumstance and their duration must be confirmed by certificates issued by a Chamber of Commerce and Industry of Ukraine and/or an authorized body of country of the Lender.

## **8. RESPONSIBILITY OF THE PARTIES AND DISPUTE RESOLUTION PROCEDURES**

8.1. This Agreement and all matters arising from or connected with it shall be governed by, and construed in accordance with the laws of Ukraine.

8.2. In case of violation of the terms and conditions of this Agreement, the Parties shall be held liable in accordance with applicable laws of Ukraine.

However should the Borrower fail to repay in due time the Loan, as per cl.3.1 hereinabove, the Lender shall have a right to unilaterally increase the margin under the varied interest rate by up to 4%.

8.3. In the event the Parties fail to agree on the disputed issues through negotiations within 10 days from the date of submitting notification by one of the Parties to the other Party about the existence of the disputes, such disputes shall be submitted to the International Commercial Arbitration Court at the Ukrainian Chamber of Commerce and Industry in accordance with its Rules, which shall make a binding and final decision.

## **9. MISCELLANEOUS**

застосовуються, а термін виконання зобов'язань продовжується на термін, що відповідає терміну дії обставини непереборної сили, яка наступила, і розумному терміну для усунення наслідків.

7.5. Обставини непереборної сили і термін їх дії повинні підтверджуватися довідками, виданими Торгово-промисловою палатою України і/або уповноваженим органом держави Позикодавця.

## **8. ВІДПОВІДАЛЬНІСТЬ СТОРІН І ПОРЯДОК ВИРІШЕННЯ СУПЕРЕЧОК**

8.1. Цей Договір регулюється і повинний тлумачитись згідно з матеріальним правом України.

8.2. За порушення умов цього Договору Сторони несуть відповідальність згідно чинного законодавства України.

При цьому за порушення Позичальником строків сплати Позики, зазначених в п.3.1 Договору, Позикодавець має право в односторонньому порядку збільшити маржу за змінюваною процентною ставкою на 4%.

8.3. Якщо Сторони не досягнуть згоди з суперечливих питань шляхом переговорів протягом 10 (десяти) днів з моменту подачі повідомлення однією із Сторін іншій Стороні про наявність суперечностей, їх розгляд передається в Міжнародний комерційний арбітражний суд при Торгово-промисловій палаті України згідно з його Регламентом, який приймає остаточне рішення. Арбітражний суд складається з одноособового арбітра. Місцем проведення засідання Арбітражного суду є місто Київ, Україна.

## **9. ІНШІ УМОВИ**



9.1. The Parties have agreed that as the collateral under this Agreement the Borrower shall pledge to the Lender its real property, in particular: (1) non-residential office premises located at: 10 Lunacharskogo Street, Kyiv, Ukraine, and (2) non-residential office premises located at: 2B Mykhailivska Street, Kyiv, Ukraine, which are owned by the Borrower. Such pledge will be documented by the Parties in a separate mortgage agreement.

9.2. This Agreement shall come into effect on the date of registration with the National Bank of Ukraine, remain valid until full performance by the Parties of their obligations hereunder and may be terminated subject to conditions hereunder.

9.3. This Agreement may not be assigned by the Borrower without the prior written consent of the Lender. Whenever in this Agreement reference is made to any of the Parties hereto, such reference shall be deemed to include, where applicable, a reference to the successors and permitted assigns of the Borrower and the successors and assigns of the Lender.

9.4. Whenever possible, each provision of this Agreement shall be interpreted in such manner as to be effective and valid, but if any provision of this Agreement shall be prohibited or invalid under applicable law, such provision shall be ineffective only to the extent of such prohibition or invalidity, without invalidating the remainder of such provisions or the remaining provisions of this Agreement.

9.5. The section titles contained in this Agreement shall be interpreted as without substantive meaning or content and are not to be construed as a part of the understanding between the Parties.

9.1. Сторони домовились, що в якості забезпечення своїх зобов'язань за цим Договором, Позичальник передасть в заставу Позикодавцю нерухоме майно, а саме: (1) нежитлове офісне приміщення за адресою: Україна, м. Київ, вул. Луначарського,10, і (2) нежитлове офісне приміщення за адресою: Україна, м. Київ, вул. Михайлівська, 2В, що належать Позичальнику на праві власності. Така застава буде оформлена Сторонами окремим договором іпотеки.

9.2. Цей Договір набуває чинності з дати його реєстрації в Національному Банку України, діє до виконання Сторонами своїх зобов'язань та може бути припинений за умов, зазначених у цьому Договорі.

9.3. Позичальник не може переуступити цей Договір без попередньої письмової згоди Позикодавця. Кожен раз коли в цьому Договорі робиться посилання на одну зі Сторін, то вважається, що таке посилання містить, де це може бути застосоване, посилання на правонаступників і цесіонаріїв Позичальника та правонаступників і цесіонаріїв Позикодавця.

9.4. Кожен раз коли це можливо, кожне положення цього Договору має бути викладене таким чином, щоб залишатися діючим та правомірним; але якщо будь-яке з положень цього Договору заборонене чи неправомірне згідно з відповідним законом, таке положення є недіючим тільки в рамках такої заборони чи неправомірності, без поширення такої неправомірності на решту положення або залишившихся положень цього Договору.

9.5. Назви розділів цього Договору розглядаються не самостійно, а в його контексті, та не тлумачаться як самостійна частина домовленості між Сторонами.

9.6. This Agreement constitutes the entire agreement among the Parties with respect to the subject matter hereof, and supersedes all prior oral or written agreements with respect thereto. This Agreement may be amended only by the mutual agreement of the Parties evidenced in writing. The amendments to the Agreement shall be subject to registration with the National Bank of Ukraine.

9.7. This Agreement (each of its original counterparts) shall be executed in both the English language and the Ukrainian language. Both the English and the Ukrainian texts shall be legally binding texts; provided, however, that in the case of inconsistency or issues of interpretation between the English and the Ukrainian text, the Ukrainian text shall prevail.

9.8. This Agreement shall be executed in two original counterparts one – for each of the Parties.

9.6. Цей Договір представляє собою увесь договір між Сторонами стосовно його предмету та відміняє всі відповідні попередні усні чи письмові домовленості. Цей Договір може бути змінений тільки за взаємною згодою Сторін, що оформлена в письмовій формі. Зміни до Договору повинні бути зареєстровані в Національному Банку України.

9.7. Цей Договір (кожен з його примірників) укладається англійською та українською мовами. Тексти англійською та українською мовами мають зобов'язальну силу за умови, однак, що у випадку невідповідності або виникнення питань щодо тлумачення між текстом англійською та українською мовами, текст українською мовою має переважну силу.

9.8. Цей Договір укладено у двох оригінальних примірниках, по одному для кожної Сторони.

#### 10. LEGAL ADDRESSES AND ESSENTIALS OF THE PARTIES

#### 10. ЮРИДИЧНІ АДРЕСИ ТА РЕКВІЗИТИ СТОРІН

##### The Lender:

##### **HILLSONG CHURCH LIMITED**

Registration No. under the Australian Business Register: 37002745879

Registration No. under Australian Charities and Not-for-Profits Commission (ACNC) Register: 002745879

Registered office: 1765, Castle Hill, New South Wales, PO Box 1195, Australia.

##### Bank details:

Account No. 02 872 9549

Beneficiary Bank: National Bank of Australia

Branch No. 082 135

SWIFT: NATAAU3302S

##### Позикодавець:

##### **ХІЛЛСОНГ ЧЕРЧ ЛІМІТЕД**

Реєстраційний № за Австралійським комерційним реєстром: 37002745879

Реєстраційний № за Реєстром Австралійської Комісії благодійних та неприбуткових організацій (ACNC): 002745879

Адреса місцезнаходження: 1765, Касл Хілл, Новий Південний Уельс, Австралія, поштова скринька: 1195.

##### Банківські реквізити:

Рахунок № 02 872 9549

Банк: Національний банк Австралії

код відділення: 082 135

SWIFT: NATAAU3302S

**The Borrower:**

RELIGIOUS COMMUNITY "INDEPENDENT LOCAL CHRISTIAN CHURCH 'HILLSONG' IN SHEVCHENKIVSKY DISTRICT IN KYIV CITY"

Identification code 22908131

Місцезнаходження: 2-В Mykhailivska Street, Kyiv, 01001, Ukraine

**Bank details:**

Account No. 26005455010017

Beneficiary Bank: "Politechnichne division of "JSC "OTP Bank", 29 Peremohy avenue, Kyiv City, 03055, Ukraine

MFO: 300528

SWIFT: OTPVUAUK

Correspondent Account No. 6550275660

Correspondent Bank: The Bank of America N.A., 100 West 33 str., New York, NY 10001, USA

SWIFT: BOFAUS3N

**Позичальник:**

РЕЛІГІЙНА ГРОМАДА «НЕЗАЛЕЖНА ПОМІСНА ХРИСТІЯНСЬКА ЦЕРКВА "ХІЛЛСОНГ" (ПІСНЯ НА ГОРІ)" У ШЕВЧЕНКІВСЬКОМУ РАЙОНІ М. КИЄВА»

Ідентифікаційний код 22908131

Місцезнаходження: Україна, 01001, м.Київ, вул. Михайлівська, 2-В

**Банківські реквізити:**

Рахунок №26005455010017

Банк: відділення «Політехнічне» АТ «ОТП Банк», 03055, Україна, м. Київ, пр. Перемоги, 29

МФО: 300528

SWIFT: OTPVUAUK

Кореспондентський рахунок № 6550275660

Банк-кореспондент: The Bank of America N.A., 100 West 33 str., New York, NY 10001, USA

SWIFT: BOFAUS3N

**SIGNATURES OF THE PARTIES/ПІДПИСИ СТОРІН**

On behalf of the Lender/Від Позикодавця



George Aghajanian, General Manager/Director  
Джордж Агаджанян, Генеральний менеджер/Директор

On behalf of the Borrower/Від Позичальника



Yuriy Vasylushkin, Chief Presbyter/  
Василюшкін Юрій Юрійович, Головний пресвітер



Peter Ridley, Chief Financial Officer/Company Secretary  
Пітер Рідлі, Фінансовий директор/Секретар Компанії



LOAN AGREEMENT No.1	ДОГОВІР ПОЗИКИ №1
Kyiv City, Ukraine 4 August 2015	м. Київ, Україна 4 серпня 2015
This Loan Agreement No.1 is entered into (the "Agreement") by and between:	Цей Договір позики №1 (далі – «Договір») укладено між:
<p><b>HILLSONG CHURCH LIMITED</b> (the "Lender"), a legal entity duly incorporated and operating under the laws of Australia, registration number under the Australian Business Register: 37002745879, having its registered office at 1-5 Solent Circuit, Norwest Boulevard, Baulkham Hills, New South Wales, 2153, Australia, represented by George Aghajanian, General Manager/Director, and Peter Ridley, Chief Financial Officer/Company Secretary, acting on the basis of the Constitution, on one hand,</p>	<p><b>ХІЛЛСОНГ ЧЕРЧ ЛІМІТЕД</b> (далі – «Позикодавець»), юридичною особою належним чином зареєстрованою та діючою за законодавством Австралії, реєстраційний номер за Австралійським комерційним реєстром: 37002745879, зареєстроване місцезнаходження: Австралія, 2153 Новий Південний Уельс, Болкхем Хілс, на розі бульвару Норвест і Солент Серкет, 1-5, в особі Генерального менеджера/Директора Джорджа Агаджаняна і Фінансового директора/Секретаря Компанії Пітера Рідлі, які діють на підставі Конституції, з однієї сторони,</p>
and	та
<p><b>RELIGIOUS COMMUNITY "INDEPENDENT LOCAL CHRISTIAN CHURCH 'HILLSONG' IN SHEVCHENKIVSKY DISTRICT IN KYIV CITY"</b> (the "Borrower"), a legal entity duly incorporated and operating under the laws of Ukraine, identification code: 22908131, having its registered office at: 2-B Mykhailivska Street, Kyiv, 01001, Ukraine, represented by Chief Presbyter Mr. Yuriy Ravnushkin, acting on the basis of the Charter, on the other hand,</p>	<p><b>РЕЛІГІЙНОЮ ГРОМАДОЮ «НЕЗАЛЕЖНА ПОМІСНА ХРИСТІЯНСЬКА ЦЕРКВА "ХІЛЛСОНГ (ПІСНЯ НА ГОРІ)" У ШЕВЧЕНКІВСЬКОМУ РАЙОНІ М.КИЄВА»</b> (далі – «Позичальник»), юридичною особою належним чином зареєстрованою та діючою за законодавством України, ідентифікаційний код 22908131, зареєстроване місцезнаходження: Україна, 01001, м.Київ, вул. Михайлівська, 2-В, в особі Головного пресвітера Равнушкіна Юрія Юрійовича, який діє на підставі Статуту, з іншої сторони,</p>
both hereinafter referred to as the "Parties" and each of them individually as the "Party".	надалі разом іменовані як «Сторони», а кожна окремо – «Сторона».
<p><b>1. SUBJECT OF THE AGREEMENT</b></p>	<p><b>1. ПРЕДМЕТ ДОГОВОРУ</b></p>
<p>1.1. Subject to the terms and conditions of this Agreement, the Lender agrees to extend the loan to the Borrower in the amount of USD <b>1,500,000.00 (One Million Five Hundred Thousand US Dollars)</b> (the "Loan").</p>	<p>1.1. Згідно з положеннями та умовами цього Договору Позикодавець згоден надати Позичальнику позику в розмірі <b>1 500 000,00 (один мільйон п'ятсот тисяч) доларів США</b> (далі – «Позика»).</p>



<p>1.2. The Borrower shall apply all amounts borrowed by it under this Agreement for purchase and refurbishment of a building or premises, which is to be used by the Borrower for its statutory activities (the “Building”).</p>	<p>1.2. Позичальник використовуватиме запозичені суми за цим Договором з метою придбання будівлі або приміщення, які будуть використовуватись для проведення Позичальником його статутної діяльності (далі – «Будівля»), а також для оплати робіт по опорядженню Будівлі.</p>
<p style="text-align: center;"><b>2. LOAN PROVISION TERMS</b></p>	<p style="text-align: center;"><b>2. ПОРЯДОК НАДАННЯ ПОЗИКИ</b></p>
<p>2.1. The Loan shall be transferred by the Lender to the current account of the Borrower, in accordance with written requests of the latter, in two installments as follows:</p> <ol style="list-style-type: none"> <li>1) the first installment amounting to USD 1,000,000.00 (One Million US Dollars) to be used for purchase of the Building; and</li> <li>2) the second installment amounting to USD 500,000.00 (Five Hundred Thousand US Dollars) to be used for refurbishment of the Building.</li> </ol> <p>In this regard the Borrower shall have a right to apply to the Lender with a written request on change of the aforesaid payment method, which the Lender may, however, reject with no reason given.</p>	<p>2.1. Позика перераховується Позикодавцем на поточний рахунок Позичальника двома частинами на підставі письмових заявок Позичальника:</p> <ol style="list-style-type: none"> <li>1) перший транш розміром 1 000 000,00 (одн мільйон) доларів США, для цілей придбання Будівлі; та</li> <li>2) другий транш розміром 500 000,00 (п'ятсот тисяч) доларів США, для цілей оплати робіт по опорядженню Будівлі.</li> </ol> <p>При цьому Позичальник має право подати Позикодавцю письмову заявку про інший порядок перерахування коштів, з яким Позикодавець, проте, має право не погодитись без пояснення причин.</p>
<p>2.2. The Loan may be provided by the Lender and received by the Borrower only after registration of this Agreement with the National Bank of Ukraine which fact shall be notified by the Borrower to the Lender.</p>	<p>2.2. Позика може бути надана Позикодавцем і отримана Позичальником виключно після реєстрації цього Договору в Національному Банку України, про що Позичальник повідомляє Позикодавця.</p>
<p>2.3. The Loan (its part) shall be transferred by a wire transfer to current account of the Borrower within 15 (fifteen) business days from the date of approval of a written request of the Borrower to transfer the amount of the Loan (its part).</p>	<p>2.3. Позика (її частина) перераховується безготівковим шляхом на поточний рахунок Позичальника протягом 15 (п'ятнадцяти) робочих днів з дати погодження письмової заявки Позичальника про перерахування суми Позики (її частини).</p>
<p>2.4. The Lender grants the Loan for a term until 30 June 2030 inclusive (the “Repayment Date”).</p>	<p>2.4. Позикодавець надає Позику терміном до 30 червня 2030 року включно («Дата повернення»).</p>

3. LOAN REPAYMENT TERMS	3. ПОРЯДОК ПОВЕРНЕННЯ ПОЗИКИ
3.1. The Loan shall be repaid in equal parts on a monthly basis starting from 1 July 2016 until the Repayment Date.	3.1. Позика повертається рівними частинами щомісячно починаючи з 1 липня 2016 року і до Дати Повернення.
3.2. The Borrower may prepay all or part of the outstanding balance under the Loan plus accrued interest thereon without penalty or premium.	3.2. Позичальник може достроково сплатити всю або частину фактичної заборгованості за Позикою плюс нараховані проценти на неї без штрафних виплат або премії.
3.3. The Parties agreed that subject to prior written approval by the Lender, no penalty sanctions, specified in Article 8 hereto, shall be imposed on the Borrower in case the latter fails to effect any repayment of the Loan in due course.	3.3. Сторони цим погодилися, що за умов попереднього письмового погодження Позикодавцем, неспроможність Позичальника сплатити будь який з платежів по поверненню Позики не призведе до накладення на нього штрафних санкцій, вказаних в статті 8 Договору.
4. INTEREST CALCULATION AND PAYMENT TERMS	4. ПОРЯДОК НАРАХУВАННЯ ТА СПЛАТИ ПРОЦЕНТІВ
4.1. The outstanding balance under the Loan shall bear a variable interest rate, that is the <b>American Federal Funds Rate (FED) + 3% (three per cent) per annum.</b>	4.1. На фактичну суму заборгованості за Позикою нараховується змінювана процентна ставка, яка складається зі ставки по Федеральних фондах США (FED) + 3% річних.
4.2. Interest rate for using the Loan (at the set variable interest rate, including commission, forfeit and other costs set forth by this Agreement, sanctions for improper execution of this Agreement) during the entire period of validity of this Agreement should not exceed the amount of payments under the maximum rate of interest, which shall be indicated at the time of the Agreement's registration, in particular 3 month US Dollar LIBOR interest rate plus 750 basis points.	4.2. Розмір виплат за користування Позикою (за встановленою Договором змінюваною процентною ставкою, з урахуванням комісій, неустойки та інших установлених Договором платежів, у тому числі тих, що є санкціями за неналежне виконання умов цього Договору) протягом усього періоду дії Договору не може перевищувати розмір виплат за максимальною процентною ставкою, яка зазначається під час реєстрації Договору, а саме ставка LIBOR для тримісячних депозитів у доларах США плюс 750 базисних пунктів.
4.3. The interest shall accrue upon the moment	4.3. Нарахування процентів розпочинається

of crediting the Borrower's current account with the funds of the Loan (its first part), and shall be repaid on a monthly basis.	з моменту зарахування Позики (її першої частини) на поточний рахунок Позичальника та проценти сплачуються щомісячно.
4.4. Interest will be calculated daily on the outstanding amount of the Loan. For the purpose of interest calculation the number of days in the calendar year shall be 365 days.	4.4. Процент нараховується щоденно на несплачену суму отриманої Позики. Кількість днів в одному календарному році для розрахунку приймається за 365 днів.
4.5. The Parties agreed that subject to prior written approval by the Lender, no penalty sanctions whatsoever shall be imposed on the Borrower in case the latter fails to effect any payment of the accrued interest in due course.	4.5. Сторони цим погодилися, що за умов попереднього письмового погодження Позикодавцем, неспроможність Позичальника сплатити будь який з платежів по нарахованих процентах не призведе до накладення на нього будь-яких штрафних санкцій.
4.6. Bank charges, including commission, shall be paid by the Party initiating the transaction, e.g. Loan drawdown (by the Lender), repayment of the Loan (by the Borrower).	4.6. Банківські витрати, включаючи банківські комісійні, мають бути сплачені Стороною, що ініціювала платіжну операцію, а саме: при перерахуванні позикових коштів ці витрати сплачує Позикодавець, а при здійсненні операції з виплати для погашення позики – Позичальник.
<b>5. RIGHTS AND OBLIGATIONS OF THE PARTIES</b>	<b>5. ПРАВА І ОБОВ'ЯЗКИ СТОРІН</b>
5.1. The Lender undertakes to:	5.1. Позикодавець зобов'язується:
5.1.1. grant the Loan (or parts thereof) to the Borrower in accordance with cl.2.3 of the Agreement;	5.1.1. надати Позику (або її частини) Позичальнику згідно умов п.2.3 Договору;
5.1.2. accept a preterm repayment of the Loan in full amount or partially, including interest accrued.	5.1.2. прийняти дострокову оплату за Позикою в цілому або частково, включаючи нараховані проценти.
5.2. The Lender has the right to:	5.2. Позикодавець має право:
5.2.1. terminate the Loan if conditions as described in Article 6 hereof occur.	5.2.1. розірвати Договір Позики у разі настання умов, передбачених статтею 6 цього Договору.
5.3. The Borrower undertakes to:	5.3. Позичальник зобов'язується:



5.3.1. register this Agreement with the National Bank of Ukraine prior to the actual receipt of the Loan amounts hereunder.	5.3.1. зареєструвати даний Договір у Національному банку України до фактичного одержання сум Позики за цим Договором;
5.3.2. use the Loan for purposes indicated in clause 1.2. hereof.	5.3.2. використовувати Позику в цілях, зазначених у пункті 1.2. цього Договору;
5.3.3. repay the amount of the Loan, accrued interest within the terms established by this Agreement.	5.3.3. повернути суми, отримані в рамках Позики, і сплатити нараховані проценти у встановлені цим Договором терміни.
5.4. The Borrower has the right to:	5.4. Позичальник має право:
5.4.1. terminate the Loan if conditions as described in Article 6 hereof occur.	5.4.1. розірвати Договір Позики у разі настання умов, передбачених статтею 6 цього Договору.
<b>6. TERMINATION OF THE AGREEMENT</b>	<b>6. ПРИПИНЕННЯ ДОГОВОРУ</b>
6.1. The Lender shall be entitled to unilaterally terminate this Agreement and to demand payment of all amounts payable under this Agreement within 60 calendar days if any of the following events occurs:	6.1. Позикодавець має право припинити цей Договір Позики в односторонньому порядку та вимагати сплати усіх належних за цим Договором Позики платежів протягом 60 календарних днів, у разі настання будь-якої з таких обставин:
6.1.1. the Borrower fails to meet the payment obligation, specified in cl.3.1 herein, towards the Lender over 3 consecutive months, and such failure was not approved in written by the Lender;	6.1.1. Позичальник протягом 3-х місяців поспіль не виконує платіжне зобов'язання на користь Позикодавця, зазначене у п.3.1 Договору, і таке невиконання не було письмово погоджене Позикодавцем;
6.1.2. any law, regulation, decision, directive or any act of any authority or any order of any court precludes the due performance and fulfillment or may affect or impair the validity of this Agreement or any security interest hereunder;	6.1.2. будь-який закон, розпорядження, рішення, постанова або інший акт будь-якого органу або наказ будь-якого суду перешкоджає належному виконанню або припиняє чи ставить під загрозу чинність цього Договору позики або будь-якого передбаченого ним інтересу;
6.1.3. in the reasonable judgment of the Lender the Borrower's financial situation materially deteriorates or the assets of the Borrower are endangered or other exceptional circumstances occur which imperil delay or preclude the fulfilment of any obligations under this Agreement, including in the event when the Borrower ceases to be affiliated party to the Lender	6.1.3. Позикодавець має усі підстави вважати, що фінансовий стан Позичальника значно погіршується або активи Позичальника знаходяться під загрозою, або виникають інші надзвичайні події, які можуть спричинити затримку або унеможливити виконання будь-яких зобов'язань за цим Договором позики, в тому числі у






(part of Hillsong Church);	випадку якщо Позичальник перестав бути особою, афілійованою з Позикодавцем (частиною Церкви Хіллсонг (Пісня на горі));
6.2. This Agreement can be terminated by mutual agreement between the Parties.	6.2. Дію цього Договору також може бути припинено за взаємною згодою обох Сторін.
<b>7. FORCE MAJEURE</b>	<b>7. ОБСТАВИНИ НЕПЕРЕБОРНОЇ СИЛИ</b>
7.1. The Parties are exempt from liability for failure to fulfil in whole or in part their obligations hereunder in case of force-majeure circumstances, i.e. external extraordinary events, which did not exist at the date of signing hereof, and the Parties could not prevented occurrence and effect of such circumstances through implementation of measures which could reasonably be expected from the Party which was exposed to force-majeure circumstances.	7.1. Сторони звільняються від відповідальності за повне або часткове невиконання їх зобов'язань за цим Договором у випадку настання обставин непереборної сили, тобто зовнішніх і надзвичайних подій, що не існували на дату підписання цього Договору, настанню і дії яких Сторони не могли перешкодити за допомогою заходів, застосування яких справедливо очікувати від Сторони, відносно якої склалися обставини непереборної сили.
7.2. The following events are force-majeure circumstances hereunder: war and military operations, rebellions, mobilization, strikes at enterprises of the Borrower and the Lender, epidemics, fire, natural disasters, official acts, which affect fulfilment of obligations, and all other events and circumstances, which will be acknowledged as force-majeure circumstances by the Parties or a competent body of the respective state.	7.2. Обставинами непереборної сили за цим Договором визнаються наступні події: війна і воєнні дії, повстання, мобілізація, страйки на підприємствах Позикодавця і Позичальника, епідемії, пожежа, стихійні лиха, акти органів влади, що мають вплив на виконання зобов'язань, і всі інші події і обставини, які Сторони або компетентний орган відповідної держави визнає обставинами непереборної сили.
7.3. The Party exposed to force-majeure circumstances is obliged to promptly inform by fax or telegram the other Party on occurrence, kind and probable duration of force-majeure or other circumstances, which hamper fulfilment of obligations hereunder. If such Party fails to timely inform on occurrence of such circumstances, then it is deprived of its right to refer thereto unless such circumstances prevent sending or delivery of such notice.	7.3. Сторона, відносно якої склалися обставини непереборної сили, повинна негайно факсом або телеграмою повідомити іншу Сторону про виникнення, вид і можливу тривалість непереборної сили або інших обставин, що перешкоджають виконанню зобов'язань за Договором. Якщо ця Сторона своєчасно не повідомить про настання таких обставин, вона позбавляється права посилатися на них, якщо тільки самі ці обставини не перешкождали направленню або доставці

	такого повідомлення.
7.4. For the time of force-majeure and other circumstances, which exempt from liability, obligations of the Lender and the Borrower are suspended, sanctions for failure to fulfil obligations hereunder are not applied and the term of fulfilment of obligations hereunder is prolonged for a period that corresponds to duration of force-majeure circumstance, which arose, and to a reasonable period required to eliminate its consequences.	7.4. На час дії непереборної сили та інших обставин, що звільняють від відповідальності, зобов'язання Позикодавця і Позичальника припиняються, санкції за невиконання договірних зобов'язань не застосовуються, а термін виконання зобов'язань продовжується на термін, що відповідає терміну дії обставини непереборної сили, яка напустила, і розумному терміну для усунення наслідків.
7.5. Force-majeure circumstance and their duration must be confirmed by certificates issued by a Chamber of Commerce and Industry of Ukraine and/or an authorized body of country of the Lender.	7.5. Обставини непереборної сили і термін їх дії повинні підтверджуватися довідками, виданими Торгово-промисловою палатою України і/або уповноваженим органом держави Позикодавця.
<b>8. RESPONSIBILITY OF THE PARTIES AND DISPUTE RESOLUTION PROCEDURES</b>	<b>8. ВІДПОВІДАЛЬНІСТЬ СТОРІН І ПОРЯДОК ВИРІШЕННЯ СУПЕРЕЧОК</b>
8.1. This Agreement and all matters arising from or connected with it shall be governed by, and construed in accordance with the laws of Ukraine.	8.1. Цей Договір регулюється і повинний тлумачитись згідно з матеріальним правом України.
8.2. In case of violation of the terms and conditions of this Agreement, the Parties shall be held liable in accordance with applicable laws of Ukraine.  However should the Borrower fail to repay in due time the Loan, as per cl.3.1 hereinabove, the Lender shall have a right to unilaterally increase the margin under the varied interest rate by up to 4%.	8.2. За порушення умов цього Договору Сторони несуть відповідальність згідно чинного законодавства України.  При цьому за порушення Позичальником строків сплати Позики, зазначених в п.3.1 Договору, Позикодавець має право в односторонньому порядку збільшити маржу за змінюваною процентною ставкою на 4%.
8.3. In the event the Parties fail to agree on the disputed issues through negotiations within 10 days from the date of submitting notification by one of the Parties to the other Party about the existence of the disputes, such disputes shall be submitted to the International Commercial Arbitration Court at the Ukrainian Chamber of Commerce and Industry in accordance with its Rules, which shall make a	8.3. Якщо Сторони не досягнуть згоди з суперечливих питань шляхом переговорів протягом 10 (десяти) днів з моменту подачі повідомлення однією із Сторін іншій Стороні про наявність суперечностей, їх розгляд передається в Міжнародний комерційний арбітражний суд при Торгово-промисловій палаті України згідно з його Регламентом, який приймає остаточне

binding and final decision.	рішення. Арбітражний суд складається з одноособового арбітра. Місцем проведення засідання Арбітражного суду є місто Київ, Україна.
<b>9. MISCELLANEOUS</b>	<b>9. ІНШІ УМОВИ</b>
9.1. The Parties have agreed that as the collateral under this Agreement the Borrower shall pledge to the Lender its real property, in particular: (1) non-residential office premises located at: 10 Lunacharskogo Street, Kyiv, Ukraine, and (2) non-residential office premises located at: 2B Mykhailivska Street, Kyiv, Ukraine, which are owned by the Borrower. Such pledge will be documented by the Parties in a separate mortgage agreement.	9.1. Сторони домовились, що в якості забезпечення своїх зобов'язань за цим Договором, Позичальник передасть в заставу Позикодавцю нерухоме майно, а саме: (1) нежитлове офісне приміщення за адресою: Україна, м. Київ, вул. Луначарського, 10, і (2) нежитлове офісне приміщення за адресою: Україна, м. Київ, вул. Михайлівська, 2В, що належать Позичальнику на праві власності. Така застава буде оформлена Сторонами окремим договором іпотеки.
9.2. This Agreement shall come into effect on the date of registration with the National Bank of Ukraine, remain valid until full performance by the Parties of their obligations hereunder and may be terminated subject to conditions hereunder.	9.2. Цей Договір набуває чинності з дати його реєстрації в Національному Банку України, діє до виконання Сторонами своїх зобов'язань та може бути припинений за умов, зазначених у цьому Договорі.
9.3. This Agreement may not be assigned by the Borrower without the prior written consent of the Lender. Whenever in this Agreement reference is made to any of the Parties hereto, such reference shall be deemed to include, where applicable, a reference to the successors and permitted assigns of the Borrower and the successors and assigns of the Lender.	9.3. Позичальник не може переуступити цей Договір без попередньої письмової згоди Позикодавця. Кожен раз коли в цьому Договорі робиться посилання на одну зі Сторін, то вважається, що таке посилання містить, де це може бути застосоване, посилання на правонаступників і цесіонаріїв Позичальника та правонаступників і цесіонаріїв Позикодавця.
9.4. Whenever possible, each provision of this Agreement shall be interpreted in such manner as to be effective and valid, but if any provision of this Agreement shall be prohibited or invalid under applicable law, such provision shall be ineffective only to the extent of such prohibition or invalidity, without invalidating the remainder of such provisions or the remaining provisions of this Agreement.	9.4. Кожен раз коли це можливо, кожне положення цього Договору має бути викладене таким чином, щоб залишатися діючим та правомірним; але якщо будь-яке з положень цього Договору заборонене чи неправомірне згідно з відповідним законом, таке положення є недіючим тільки в рамках такої заборони чи неправомірності, без поширення такої неправомірності на решту положення або залишившихся положень цього Договору.



9.5. The section titles contained in this Agreement shall be interpreted as without substantive meaning or content and are not to be construed as a part of the understanding between the Parties.	9.5. Назви розділів цього Договору розглядаються не самостійно, а в його контексті, та не тлумачаться як самостійна частина домовленості між Сторонами.
9.6. This Agreement constitutes the entire agreement among the Parties with respect to the subject matter hereof, and supersedes all prior oral or written agreements with respect thereto. This Agreement may be amended only by the mutual agreement of the Parties evidenced in writing. The amendments to the Agreement shall be subject to registration with the National Bank of Ukraine.	9.6. Цей Договір представляє собою увесь договір між Сторонами стосовно його предмету та відміняє всі відповідні попередні усні чи письмові домовленості. Цей Договір може бути змінений тільки за взаємною згодою Сторін, що оформлена в письмовій формі. Зміни до Договору повинні бути зареєстровані в Національному Банку України.
9.7. This Agreement (each of its original counterparts) shall be executed in both the English language and the Ukrainian language. Both the English and the Ukrainian texts shall be legally binding texts; provided, however, that in the case of inconsistency or issues of interpretation between the English and the Ukrainian text, the Ukrainian text shall prevail.	9.7. Цей Договір (кожен з його примірників) укладається англійською та українською мовами. Тексти англійською та українською мовами мають зобов'язальну силу за умови, однак, що у випадку невідповідності або виникнення питань щодо тлумачення між текстом англійською та українською мовами, текст українською мовою має переважну силу.
9.8. This Agreement shall be executed in three original counterparts, one – for each of the Parties, and one for submission to the National Bank of Ukraine.	9.8. Цей Договір укладено у трьох оригінальних примірниках, по одному для кожної Сторони, та один для подання до Національного банку України.
<b>10. LEGAL ADDRESSES AND ESSENTIALS OF THE PARTIES</b>	<b>10. ЮРИДИЧНІ АДРЕСИ ТА РЕКВІЗИТИ СТОРІН</b>
<b>The Lender:</b>	<b>Позикодавець:</b>
<b>HILLSONG CHURCH LIMITED</b> Registration No. 37002745879 Registered office: 1-5 Solent Circuit, Norwest Boulevard, Baulkham Hills, New South Wales, 2153, Australia.	<b>ХІЛЛСОНГ ЧЕРЧ ЛІМІТЕД</b> Реєстраційний № 37002745879 Адреса місцезнаходження: Австралія, 2153 Новий Південний Уельс, Болкхем Хіллс, на розі бульвару Норвест і Солент Серкет, 1-5.

<p><u>Bank details:</u> Account No. 02 872 9549 Beneficiary Bank: National Bank of Australia Branch No. 082 135 SWIFT: NATAAU3302S</p>	<p><u>Банківські реквізити:</u> Рахунок № 02 872 9549 Банк: Національний банк Австралії код відділення: 082 135 SWIFT: NATAAU3302S</p>
<p><u>The Borrower:</u> <b>RELIGIOUS COMMUNITY "INDEPENDENT LOCAL CHRISTIAN CHURCH 'HILLSONG' IN SHEVCHENKIVSKY DISTRICT IN KYIV CITY"</b> Identification code 22908131 Місцезнаходження: 2-В Mykhailivska Street, Kyiv, 01001, Ukraine</p>	<p><u>Позичальник:</u> <b>РЕЛІГІЙНА ГРОМАДА «НЕЗАЛЕЖНА ПОМІСНА ХРИСТІАНСЬКА ЦЕРКВА "ХІЛЛСОНГ (ПІСНЯ НА ГОРІ)" У ШЕВЧЕНКІВСЬКОМУ РАЙОНІ М. КИЄВА»</b> Ідентифікаційний код 22908131 Місцезнаходження: Україна, 01001, м.Київ, вул. Михайлівська, 2-В</p>
<p><u>Bank details:</u> Account No. 26005455010017 Beneficiary Bank: "Politechnichne division of "JSC "OTP Bank", 29 Peremohy avenue, Kyiv City, 03055, Ukraine MFO: 300528 SWIFT: OTPVUAUK Correspondent Account No. 6550275660 Correspondent Bank: The Bank of America N.A., 100 West 33 str., New York, NY 10001, USA SWIFT: BOFAUS3N</p>	<p><u>Банківські реквізити:</u> Рахунок №26005455010017 Банк: відділення «Політехнічне» АТ «ОТП Банк», 03055, Україна, м. Київ, пр. Перемоги, 29 МФО: 300528 SWIFT: OTPVUAUK Кореспондентський рахунок № 6550275660 Банк-кореспондент: The Bank of America N.A., 100 West 33 str., New York, NY 10001, USA SWIFT: BOFAUS3N</p>
<p><b>SIGNATURES OF THE PARTIES/ПІДПИСИ СТОРІН</b></p>	
<p>On behalf of the Lender/Від Позикодавця</p> <p> George Aghajanian, General Manager/Director Джордж Агаджанян, Генеральний менеджер/Директор</p> <p> Peter Ridley, Chief Financial Officer/Company Secretary Пітер Рідлі, Фінансовий директор/Секретар Компанії</p> 	<p>On behalf of the Borrower/ Від Позичальника</p> <p> Yuriy Ravnushkin, Chief Presbyter/ Равнушкін Юрій Юрійович, Головний пресвітер</p> 



**RELIGIOUS COMMUNITY "INDEPENDENT LOCAL CHRISTIAN CHURCH 'HILLSONG' IN SHEVCHENKIVSKY DISTRICT IN KYIV C**

Identification code - 22908131

Customer - 26005455010017 (370002)

Registration certificate №18723 dated 08.10.2015

Loan Agreement №1 dated 04.09.2015 (repayment 30.10.2032)

Counterparty - "Hillsong Church Limited" (Australia)

Australia 1-5 Solent Circuit, Norwest Boulevard, Baulkham Hills, New South Wales, 2153,

№028729549 в National Bank of Australia Sydney, Australia, Branch № 082 135, SWIFT: NATAAU3302S.

The loan is returned in equal instalments  
% are paid monthly

<http://forex.uki.qasbank.com/rus/manual/rates/>

<https://investfuture.ru/meetings/bank/3>

**American Federal Funds Rate**

16/12/2015	0.50%
14/12/2016	0.75%
15/03/2017	1.00%
14/06/2017	1.25%
1/11/2017	1.25%
13/12/2017	1.50%
31/01/2018	1.50%
21/03/2018	1.75%
13/06/2018	2.00%
26/09/2018	2.25%
19/12/2018	2.50%
30/01/2019	2.50%

Contract amount	\$	1,500,000	\$	200.00
Actually in use	\$	1,499,800		

Received:	credit / distribution	credit / current	Total:		
	31/12/2015	6/01/2016	\$ 999,800	\$	999,800
	21/04/2016	22/04/2016	\$ 25,000	\$	1,024,800
		26/04/2016	\$ 75,000	\$	1,099,800
	7/09/2016	8/09/2016	\$ 70,000	\$	1,169,800
	7/09/2016	8/09/2016	\$ 130,000	\$	1,299,800
	9/12/2016	12/12/2016	\$ 200,000	\$	1,499,800

Date	repayment of the loan	Principal amount of debt, total	Interest rate: (FED) + 3% per annum.	Period	Accrued interest	Taxed on non-resident income	Amount interest of payment
31/01/2019	\$ 8,875	\$ 1,473,175	5.50%	1/01/2018 01/02/2018	31 \$ 6,881.54	\$ 1,032.23	\$ 5,849.31
28/02/2019	\$ 8,875	\$ 1,464,300	5.50%	1/02/2018 01/03/2018	28 \$ 6,178.14	\$ 926.72	\$ 5,251.42
31/03/2019	\$ 8,875	\$ 1,455,425	5.50%	1/03/2018 01/04/2018	31 \$ 6,798.63	\$ 1,019.79	\$ 5,778.83
30/04/2019	\$ 8,875	\$ 1,446,550	5.50%	1/04/2018 01/05/2018	30 \$ 6,539.20	\$ 980.88	\$ 5,558.32
31/05/2019	\$ 8,875	\$ 1,437,675	5.50%	1/05/2018 01/06/2018	31 \$ 6,715.71	\$ 1,007.36	\$ 5,708.36
30/06/2019	\$ 8,875	\$ 1,428,800	5.50%	1/06/2018 01/07/2018	30 \$ 6,458.96	\$ 968.84	\$ 5,490.12
31/07/2019	\$ 8,875	\$ 1,419,925	5.50%	1/07/2018 01/08/2018	31 \$ 6,632.80	\$ 994.92	\$ 5,637.88
31/08/2019	\$ 8,875	\$ 1,411,050	5.50%	1/08/2018 01/09/2018	31 \$ 6,591.34	\$ 988.70	\$ 5,602.64
30/09/2019	\$ 8,875	\$ 1,402,175	5.50%	1/09/2018 01/10/2018	30 \$ 6,338.60	\$ 950.79	\$ 5,387.81
31/10/2019	\$ 8,875	\$ 1,393,300	5.50%	1/10/2018 01/11/2018	31 \$ 6,508.43	\$ 976.26	\$ 5,532.16
30/11/2019	\$ 8,875	\$ 1,384,425	5.50%	1/11/2018 01/12/2018	30 \$ 6,258.36	\$ 938.75	\$ 5,319.61
31/12/2019	\$ 8,875	\$ 1,375,550	5.50%	1/12/2018 01/01/2019	31 \$ 6,425.51	\$ 963.83	\$ 5,461.69
<b>TOTAL:</b>	<b>\$ 106,500</b>					<b>\$ 11,749.08</b>	<b>\$ 66,578.15</b>





	Years	25	300						
	Principal	\$ 1,499,800	\$ 300,000	\$ 395,975					
	Repayment	\$ 8,875	\$ 1,775	\$ 1,785	\$ 12,435				
					TOTAL	MTH ACC INT.	YR ACC INT.	YR REPAYMENT	PRINCIPAL
		\$ 1,499,800	\$ 300,000	\$ 395,975	\$ 2,195,775	\$ 227,129.82			
1	30/11/2018	\$ 1,490,925	\$ 298,225	\$ 394,190	\$ 2,183,340	9,869.89			
2	31/12/2018	\$ 1,482,050	\$ 296,450	\$ 392,405	\$ 2,170,905	10,140.80	20,010.70	24,870.00	4,859.30
3	31/01/2019	\$ 1,473,175	\$ 294,675	\$ 390,620	\$ 2,158,470	10,082.72			
4	28/02/2019	\$ 1,464,300	\$ 292,900	\$ 388,835	\$ 2,146,035	9,054.50			
5	31/03/2019	\$ 1,455,425	\$ 291,125	\$ 387,050	\$ 2,133,600	9,966.54			
6	30/04/2019	\$ 1,446,550	\$ 289,350	\$ 385,265	\$ 2,121,165	9,588.83			
7	31/05/2019	\$ 1,437,675	\$ 287,575	\$ 383,480	\$ 2,108,730	9,850.37			
8	30/06/2019	\$ 1,428,800	\$ 285,800	\$ 381,695	\$ 2,096,295	9,476.40			
9	31/07/2019	\$ 1,419,925	\$ 284,025	\$ 379,910	\$ 2,083,860	9,734.20			
10	31/08/2019	\$ 1,411,050	\$ 282,250	\$ 378,125	\$ 2,071,425	9,676.11			
11	30/09/2019	\$ 1,402,175	\$ 280,475	\$ 376,340	\$ 2,058,990	9,307.76			
12	31/10/2019	\$ 1,393,300	\$ 278,700	\$ 374,555	\$ 2,046,555	9,559.94			
13	30/11/2019	\$ 1,384,425	\$ 276,925	\$ 372,770	\$ 2,034,120	\$ 9,195			
14	31/12/2019	\$ 1,375,550	\$ 275,150	\$ 370,985	\$ 2,021,685	\$ 9,444	\$ 114,936	\$ 149,220	\$ 34,284
15	31/01/2020	\$ 1,366,675	\$ 273,375	\$ 369,200	\$ 2,009,250	\$ 8,084			
16	29/02/2020	\$ 1,357,800	\$ 271,600	\$ 367,415	\$ 1,996,815	\$ 7,515			
17	31/03/2020	\$ 1,348,925	\$ 269,825	\$ 365,630	\$ 1,984,380	\$ 7,984			
18	30/04/2020	\$ 1,340,050	\$ 268,050	\$ 363,845	\$ 1,971,945	\$ 7,678			
19	31/05/2020	\$ 1,331,175	\$ 266,275	\$ 362,060	\$ 1,959,510	\$ 7,884			
20	30/06/2020	\$ 1,322,300	\$ 264,500	\$ 360,275	\$ 1,947,075	\$ 7,581			
21	31/07/2020	\$ 1,313,425	\$ 262,725	\$ 358,490	\$ 1,934,640	\$ 7,783			
22	31/08/2020	\$ 1,304,550	\$ 260,950	\$ 356,705	\$ 1,922,205	\$ 7,733			
23	30/09/2020	\$ 1,295,675	\$ 259,175	\$ 354,920	\$ 1,909,770	\$ 7,436			
24	31/10/2020	\$ 1,286,800	\$ 257,400	\$ 353,135	\$ 1,897,335	\$ 7,633			
25	30/11/2020	\$ 1,277,925	\$ 255,625	\$ 351,350	\$ 1,884,900	\$ 7,339			
26	31/12/2020	\$ 1,269,050	\$ 253,850	\$ 349,565	\$ 1,872,465	\$ 7,533	\$ 92,183	\$ 149,220	\$ 57,037
27	31/01/2021	\$ 1,260,175	\$ 252,075	\$ 347,780	\$ 1,860,030				
28	28/02/2021	\$ 1,251,300	\$ 250,300	\$ 345,995					
29	31/03/2021	\$ 1,242,425	\$ 248,525	\$ 344,210					
30	30/04/2021	\$ 1,233,550	\$ 246,750	\$ 342,425					
31	31/05/2021	\$ 1,224,675	\$ 244,975	\$ 340,640					

32	30/06/2021	\$ 1,215,800	\$ 243,200	\$ 338,855					
33	31/07/2021	\$ 1,206,925	\$ 241,425	\$ 337,070					
34	31/08/2021	\$ 1,198,050	\$ 239,650	\$ 335,285					
35	30/09/2021	\$ 1,189,175	\$ 237,875	\$ 333,500					
36	31/10/2021	\$ 1,180,300	\$ 236,100	\$ 331,715					
37	30/11/2021	\$ 1,171,425	\$ 234,325	\$ 329,930					
38	31/12/2021	\$ 1,162,550	\$ 232,550	\$ 328,145					
39	31/01/2022	\$ 1,153,675	\$ 230,775	\$ 326,360					
40	28/02/2022	\$ 1,144,800	\$ 229,000	\$ 324,575					
41	31/03/2022	\$ 1,135,925	\$ 227,225	\$ 322,790					
42	30/04/2022	\$ 1,127,050	\$ 225,450	\$ 321,005					
43	31/05/2022	\$ 1,118,175	\$ 223,675	\$ 319,220					
44	30/06/2022	\$ 1,109,300	\$ 221,900	\$ 317,435					
45	31/07/2022	\$ 1,100,425	\$ 220,125	\$ 315,650					
46	31/08/2022	\$ 1,091,550	\$ 218,350	\$ 313,865					
47	30/09/2022	\$ 1,082,675	\$ 216,575	\$ 312,080					
48	31/10/2022	\$ 1,073,800	\$ 214,800	\$ 310,295					
49	30/11/2022	\$ 1,064,925	\$ 213,025	\$ 308,510					
50	31/12/2022	\$ 1,056,050	\$ 211,250	\$ 306,725					
51	31/01/2023	\$ 1,047,175	\$ 209,475	\$ 304,940					
52	28/02/2023	\$ 1,038,300	\$ 207,700	\$ 303,155					
53	31/03/2023	\$ 1,029,425	\$ 205,925	\$ 301,370					
54	30/04/2023	\$ 1,020,550	\$ 204,150	\$ 299,585					
55	31/05/2023	\$ 1,011,675	\$ 202,375	\$ 297,800					
56	30/06/2023	\$ 1,002,800	\$ 200,600	\$ 296,015					
57	31/07/2023	\$ 993,925	\$ 198,825	\$ 294,230					
58	31/08/2023	\$ 985,050	\$ 197,050	\$ 292,445					
59	30/09/2023	\$ 976,175	\$ 195,275	\$ 290,660					
60	31/10/2023	\$ 967,300	\$ 193,500	\$ 288,875					
61	30/11/2023	\$ 958,425	\$ 191,725	\$ 287,090					
62	31/12/2023	\$ 949,550	\$ 189,950	\$ 285,305					
63	31/01/2024	\$ 940,675	\$ 188,175	\$ 283,520					
64	29/02/2024	\$ 931,800	\$ 186,400	\$ 281,735					
65	31/03/2024	\$ 922,925	\$ 184,625	\$ 279,950					
66	30/04/2024	\$ 914,050	\$ 182,850	\$ 278,165					
67	31/05/2024	\$ 905,175	\$ 181,075	\$ 276,380					



**RELIGIOUS COMMUNITY "INDEPENDENT LOCAL CHRISTIAN CHURCH 'HILLSONG' IN SHEVCHENKIVSKY DISTRICT**

Identification code - 22908131

Customer - 26005455010017 (370002)

Registration certificate №19831 dated 23.02.2017

Loan Agreement №1 dated 20.09.2016 (repayment 30.10.2032)

Counterparty - "Hillsong Church Limited" (Australia)

Australia 1-5 Solent Circuit, Norwest Boulevard, Baulkham Hills, New South Wales, 2153,

№028729549 в National Bank of Australia Sydney, Australia, Branch № 082 135, SWIFT: NATAAU3302S.

The loan is returned in equal installments starting on November 1, 21 % are paid monthly

<http://forex.ukrgasbank.com/rus/manual/rates/>


Contract amount \$ **300,000** \$ -

Actually in use \$ **300,000**

Received:	credit / distribution	credit / current	Total:	\$	300,000	\$	105,000	\$	300,000
	2/03/2017	3/03/2017	\$	105,000					
		3/03/2017	\$	195,000					

Date	repayment of the loan	Principal amount of debt, total	Interest rate: (FED) + 3% per annum.	Period			Accrued interest	Taxed on non-resident income	Amount interest of payment
31/01/2019	\$ 1,775	\$ 294,675	5.50%	1/01/2018	01/02/2018	31	\$ 1,376.50	\$ 206.47	\$ 1,170.02
28/02/2019	\$ 1,775	\$ 292,900	5.50%	1/02/2018	01/03/2018	28	\$ 1,235.80	\$ 185.37	\$ 1,050.43
31/03/2019	\$ 1,775	\$ 291,125	5.50%	1/03/2018	01/04/2018	31	\$ 1,359.91	\$ 203.99	\$ 1,155.93
30/04/2019	\$ 1,775	\$ 289,350	5.50%	1/04/2018	01/05/2018	30	\$ 1,308.02	\$ 196.20	\$ 1,111.82
31/05/2019	\$ 1,775	\$ 287,575	5.50%	1/05/2018	01/06/2018	31	\$ 1,343.33	\$ 201.50	\$ 1,141.83
30/06/2019	\$ 1,775	\$ 285,800	5.50%	1/06/2018	01/07/2018	30	\$ 1,291.97	\$ 193.80	\$ 1,098.18
31/07/2019	\$ 1,775	\$ 284,025	5.50%	1/07/2018	01/08/2018	31	\$ 1,326.75	\$ 199.01	\$ 1,127.73
31/08/2019	\$ 1,775	\$ 282,250	5.50%	1/08/2018	01/09/2018	31	\$ 1,318.46	\$ 197.77	\$ 1,120.69
30/09/2019	\$ 1,775	\$ 280,475	5.50%	1/09/2018	01/10/2018	30	\$ 1,267.90	\$ 190.19	\$ 1,077.72
31/10/2019	\$ 1,775	\$ 278,700	5.50%	1/10/2018	01/11/2018	31	\$ 1,301.87	\$ 195.28	\$ 1,106.59
30/11/2019	\$ 1,775	\$ 276,925	5.50%	1/11/2018	01/12/2018	30	\$ 1,251.85	\$ 187.78	\$ 1,064.07
31/12/2019	\$ 1,775	\$ 275,150	5.50%	1/12/2018	01/01/2019	31	\$ 1,285.29	\$ 192.79	\$ 1,092.50
<b>TOTAL:</b>	<b>\$ 21,300</b>						<b>\$ 15,667.65</b>	<b>\$ 2,350.15</b>	<b>\$ 13,317.50</b>



<b>Hillsong Church: Briefing Note</b>		
BN Number	GLOBAL 19.092	
Topic	Variety Arts Centre Loan Forgiveness	
Entity	Hillsong Church, Inc.	
Date	8 November 2019	
Prepared for	The Hillsong Church, Inc., Board of Directors	
Prepared by	Kylee Tranter	Jun Sim
Approved by	Peter Ridley	
Attachment(s)	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	

**Purpose**

To facilitate consideration of the treatment of the irrecoverable costs associated with the Variety Arts Centre Loan from Global to Hillsong LA, LLC.

**Background**

The costs incurred by this project to date include;

<b>Variety Arts Centre Costs</b>	<b>USD</b>	<b>AUD</b>
	<b>0.7</b>	
Hillsong LA Fit Out	1,270,331.42	1,814,759.17
Change of Lease Cost	298,352.00	426,217.14
Misc Expenses	13,115.97	18,737.10
Production	271,887.80	388,411.14
WESTPAC LOC	283,371.38	404,816.26
	<b>2,137,058.57</b>	<b>3,052,940.81</b>

**Current Situation**

With the change in the direction pursued by Hillsong LA and Global regarding the Variety Arts Centre is tabled for the Board to consider forgiving the loan to Hillsong LA.

**Conclusion**

It is requested that the Board consider the possibility of forgiving the loan and discuss at the upcoming Board meeting.





**HILLSONG L.A.**

Starting Date	31/10/2016	Payment no.	Period	Payment	Principal	Interest	Balance
Ending Date	31/10/2026	0	31/10/2016	\$ -	\$ -	\$ -	\$ 8,500,000.00
Currency	USD	1	31/01/2017	\$ 275,545.11	\$ 212,500.00	\$ 63,045.11	\$ 8,287,500.00
Period (10 years - Quarters)	40	2	30/04/2017	\$ 273,968.98	\$ 212,500.00	\$ 61,468.98	\$ 8,075,000.00
Principal	\$ 8,500,000.00	3	31/07/2017	\$ 272,392.85	\$ 212,500.00	\$ 59,892.85	\$ 7,862,500.00
Annual Rate	3.00%	4	31/10/2017	\$ 270,816.73	\$ 212,500.00	\$ 58,316.73	\$ 7,650,000.00
Quarterly Rate	0.74%	5	31/01/2018	\$ 269,240.60	\$ 212,500.00	\$ 56,740.60	\$ 7,437,500.00
		6	30/04/2018	\$ 267,664.47	\$ 212,500.00	\$ 55,164.47	\$ 7,225,000.00
		7	31/07/2018	\$ 266,088.34	\$ 212,500.00	\$ 53,588.34	\$ 7,012,500.00
		8	31/10/2018	\$ 264,512.22	\$ 212,500.00	\$ 52,012.22	\$ 6,800,000.00
		9	31/01/2019	\$ 262,936.09	\$ 212,500.00	\$ 50,436.09	\$ 6,587,500.00
		10	30/04/2019	\$ 261,359.96	\$ 212,500.00	\$ 48,859.96	\$ 6,375,000.00
		11	31/07/2019	\$ 259,783.83	\$ 212,500.00	\$ 47,283.83	\$ 6,162,500.00
		12	31/10/2019	\$ 258,207.70	\$ 212,500.00	\$ 45,707.70	\$ 5,950,000.00
		13	31/01/2020	\$ 256,631.58	\$ 212,500.00	\$ 44,131.58	\$ 5,737,500.00
		14	30/04/2020	\$ 255,055.45	\$ 212,500.00	\$ 42,555.45	\$ 5,525,000.00
		15	31/07/2020	\$ 253,479.32	\$ 212,500.00	\$ 40,979.32	\$ 5,312,500.00
		16	31/10/2020	\$ 251,903.19	\$ 212,500.00	\$ 39,403.19	\$ 5,100,000.00
		17	31/01/2021	\$ 250,327.07	\$ 212,500.00	\$ 37,827.07	\$ 4,887,500.00
		18	30/04/2021	\$ 248,750.94	\$ 212,500.00	\$ 36,250.94	\$ 4,675,000.00
		19	31/07/2021	\$ 247,174.81	\$ 212,500.00	\$ 34,674.81	\$ 4,462,500.00
		20	31/10/2021	\$ 245,598.68	\$ 212,500.00	\$ 33,098.68	\$ 4,250,000.00
		21	31/01/2022	\$ 244,022.56	\$ 212,500.00	\$ 31,522.56	\$ 4,037,500.00
		22	30/04/2022	\$ 242,446.43	\$ 212,500.00	\$ 29,946.43	\$ 3,825,000.00
		23	31/07/2022	\$ 240,870.30	\$ 212,500.00	\$ 28,370.30	\$ 3,612,500.00
		24	31/10/2022	\$ 239,294.17	\$ 212,500.00	\$ 26,794.17	\$ 3,400,000.00
		25	31/01/2023	\$ 237,718.04	\$ 212,500.00	\$ 25,218.04	\$ 3,187,500.00
		26	30/04/2023	\$ 236,141.92	\$ 212,500.00	\$ 23,641.92	\$ 2,975,000.00
		27	31/07/2023	\$ 234,565.79	\$ 212,500.00	\$ 22,065.79	\$ 2,762,500.00
		28	31/10/2023	\$ 232,989.66	\$ 212,500.00	\$ 20,489.66	\$ 2,550,000.00



29	31/01/2024	\$ 231,413.53	\$ 212,500.00	\$ 18,913.53	\$ 2,337,500.00
30	30/04/2024	\$ 229,837.41	\$ 212,500.00	\$ 17,337.41	\$ 2,125,000.00
31	31/07/2024	\$ 228,261.28	\$ 212,500.00	\$ 15,761.28	\$ 1,912,500.00
32	31/10/2024	\$ 226,685.15	\$ 212,500.00	\$ 14,185.15	\$ 1,700,000.00
33	31/01/2025	\$ 225,109.02	\$ 212,500.00	\$ 12,609.02	\$ 1,487,500.00
34	30/04/2025	\$ 223,532.89	\$ 212,500.00	\$ 11,032.89	\$ 1,275,000.00
35	31/07/2025	\$ 221,956.77	\$ 212,500.00	\$ 9,456.77	\$ 1,062,500.00
36	31/10/2025	\$ 220,380.64	\$ 212,500.00	\$ 7,880.64	\$ 850,000.00
37	31/01/2026	\$ 218,804.51	\$ 212,500.00	\$ 6,304.51	\$ 637,500.00
38	30/04/2026	\$ 217,228.38	\$ 212,500.00	\$ 4,728.38	\$ 425,000.00
39	31/07/2026	\$ 215,652.26	\$ 212,500.00	\$ 3,152.26	\$ 212,500.00
40	31/10/2026	\$ 214,076.13	\$ 212,500.00	\$ 1,576.13	\$ -



**Jun Sim**

---

**From:** Andrew Hempfling  
**Sent:** Wednesday, 10 July 2019 11:33 AM  
**To:** Jun Sim  
**Subject:** Fwd: Transfer to California

This can go next week if we can put it into concur

Begin forwarded message:

**From:** Peter Ridley <[peter.ridley@hillsong.com](mailto:peter.ridley@hillsong.com)>  
**Date:** 10 July 2019 at 10:54:14 am AEST  
**To:** Andrew Hempfling <[andrew.hempfling@hillsong.com](mailto:andrew.hempfling@hillsong.com)>  
**Subject:** Transfer to California

Hi Andrew

Can you please transfer \$180k USD to Hillsong California.

I will come back to you with what portion of this is a loan and what portion is a gift.

Thanks

Peter

Sent from my iPhone



## HILLSONG CHURCH LOAN

Location : **Hillsong California**  
 Lead Pastor : **Ps. Ben Houston**  
 Email : [meredith.park@hillsong.com](mailto:meredith.park@hillsong.com)  
 Currency : **USD**  
 GL Code : **JBSA9008558LA**

Approved Loan Amount : USD \$ 100,000

#	Date	AUD	USD Sent	Balance
1	27-Jun-19	143,020.59	100,000.00	-
2	11-Jul-19	260,983.04	180,000.00	additional request
		<b>404,003.63</b>	<b>280,000.00 -</b>	<b>180,000.00</b>
3	31-Dec-19	332,775.24	232,942.67	Production
4	31-Dec-19	87,751.63	61,426.14	HMA Resources
		<b>824,530.50</b>	<b>574,368.81</b>	



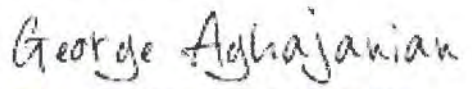
Signatures

Hillsong Buenos Aires  
Chris Mendez  
Lead Pastor



Signed on 2019-08-15 11:09:14 GMT

Hillsong International  
George Aghajanian  
General Manager



Signed on 2019-08-16 06:01:42 GMT

**Jun Sim**

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**From:** Andrew Hempfling  
**Sent:** Wednesday, 26 June 2019 1:09 PM  
**To:** Jun Sim  
**Subject:** Fw: Money to California

Hi Jun,

Are you able to put this through Concur for approval. It needs to go as a loan from International.

Regards,

Andrew Hempfling  
Treasurer  
Hillsong Church  
1015 A Hillway Lane | Adelaide SA 5007 | Australia  
P: +61 8 833 3111 | F: +61 8 833 3112 | E: [andrew.hempfling@hillsong.com](mailto:andrew.hempfling@hillsong.com) | [www.hillsong.com](http://www.hillsong.com)

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**From:** Peter Ridley  
**Sent:** Wednesday, June 26, 2019 9:19 AM  
**To:** Andrew Hempfling  
**Cc:** George Aghajanian  
**Subject:** Money to California

Hi Andrew,

As I discussed yesterday, we are going to need to loan California some funds to meet their short terms cash requirements.

Can you please send them an initial \$100,000 USD in your next run of international payments.

I will email you with a further amount to send through in the coming week.

Thanks

Kind regards



**Peter Ridley**  
Chief Financial Officer | Hillsong Church



## HILLSONG GLOBAL DONATION RELEASE REQUEST



Location : **HILLSONG ISRAEL**  
 Lead Pastor : **Damon Buck**  
 Contact Person : **Damon Buck**  
 Email : [damon.buck@hillsong.com](mailto:damon.buck@hillsong.com)  
 Currency : **USD**  
 GL Code : **UFCHA5006115P**

#	Date	AUD	USD	COMMENTS
1	12-Jan-22		180,000.00	22BGT_ASSET_VENUE
2	12-Jan-22		20,000.00	Q122BGT_OPEX DEFICIT
3				
4				
5				

**TOTAL AMOUNT**                          -                        200,000.00

	Printed Name	Date Requested	
Requested by :	Damon Buck	10-Jan-22	
Approved by :	Jun Sim	12-Jan-22	
Approved by :			

2.2. The Loan may be provided by the Lender and received by the Borrower only after registration of this Agreement with the National Bank of Ukraine which fact shall be notified by the Borrower to the Lender.	2.2. Позика може бути надана Позикодавцем і отримана Позичальником виключно після реєстрації цього Договору в Національному Банку України, про що Позичальник повідомляє Позикодавця.
2.3. The Loan (its part) shall be transferred by a wire transfer to current account of the Borrower within 15 (fifteen) business days from the date of approval of a written request of the Borrower to transfer the amount of the Loan (its part).	2.3. Позика (її частина) перераховується безготівковим шляхом на поточний рахунок Позичальника протягом 15 (п'ятнадцяти) робочих днів з дати погодження письмової заявки Позичальника про перерахування суми Позики (її частини).
2.4. The Lender grants the Loan for a term until 30 June 2030 inclusive (the "Repayment Date").	2.4. Позикодавець надає Позику терміном до 30 червня 2030 року включно («Дата повернення»).



Hillsong Church Cape Town  
Intercompany reconciliation - Sydney  
Period ended 30.12.2013

A9008369

*Creditor - Hillsong Cape Town*

	ZAR		AUD	
Balance 01.01.2013	ZAR	193,614.74	AUD	21,969.47
2013 Movement	ZAR	415,090.77	AUD	44,500.62
Balance as at 21 June 2013	ZAR	<b>608,705.51</b>	<u>AUD</u>	<u><b>66,470.09</b></u>





**HILLSONG CHURCH LTD.**

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**Account Name Hillsong Copenhagen Loan Account  
A9008377**

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			<b>Bal C/fwd</b>
HFTH Commitment July 2012 - June 2013		-AUD 300,000.00	-AUD 300,000.00
<b>Less payments made:</b>			
22/9/2012 - 22/02/2013	<b>Salary</b>	AUD 74,402.80	-AUD 225,597.20
3/05/2012 - 5/3/2013	<b>Expense</b>	-AUD 224.96	-AUD 225,822.16
<b>Monthly Support Payments</b>			
	<b>March 2013</b>	AUD 25,000.00	-AUD 200,822.16
	<b>April 3024</b>	AUD 44,954.24	-AUD 155,867.92
	<b>May 2013</b>	AUD 44,954.24	-AUD 110,913.68
	<b>June 2013</b>	AUD 44,954.25	-AUD 65,959.43
AUSTRALIAN CHRISTIAN CHURCHES	<b>Jan 2013</b>	AUD 300.00	-AUD 65,659.43
			<hr/> <u>-AUD 65,659.43</u>



**Jun Sim**

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**From:** Peter Ridley  
**Sent:** Friday, 22 March 2019 11:26 AM  
**To:** Andrew Hempfling  
**Cc:** Reed Bogard; Jun Sim  
**Subject:** Support payment to Dallas  
**Attachments:** Verification of Business Account.pdf

Hi Andrew,

George and I have been discussing with Reed the support we will be providing this year.

In light of this, can you please organise a support payment of \$150,000 USD either today or Monday to the attached bank details.

This support should carry them through to the end of April.

When you and I next meet we can discuss the likely timing of support payments to them based on their budget to assist you with cash flow planning.

Once you have made the transfer, can you email Reed so he can anticipate the timing of the receipt of funds?

Thanks

Peter

\$40,293.98







## Jun Sim

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**From:** Andrew Hempfling  
**Sent:** Wednesday, 29 May 2019 12:33 PM  
**To:** Jun Sim  
**Cc:** Tracy Lloyd  
**Subject:** Fw: Loan to Norway

Hey Jun,

Would you be able to create codes for this and put this through concur? We will be sending this out of global but will need to come from Australia if we want to hedge. I am waiting on some answers from Peter in regards to a payment schedule and creating a forward contract before we send it.

Regards,

Andrew Hempfling  
Banking/Finance Analyst  
Hillsong Church  
1st Floor, 100 St James Street, Sydney  
NSW 1585, Australia  
t: +61 (0)2 9550 2000  
e: [andrew.hempfling@hillsong.org.au](mailto:andrew.hempfling@hillsong.org.au)

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**From:** Peter Ridley  
**Sent:** Sunday, May 26, 2019 9:26 AM  
**To:** Andrew Hempfling  
**Subject:** Loan to Norway

Hi Andrew,

We are wanting to loan Norway \$250,000 AUD this week.

they are planning to repay this over the next 6 months.

this is to meet some short term cash flow restraints.

What information do you need to put a hedging contract in place?

do you need to know when they will be paying the funds back, or can this remain flexible over the 6 month period?

this loan is to come from Global.

Thanks

Peter





## Ming Tai

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**From:** Ashleigh Bowie  
**Sent:** Thursday, 6 February 2020 11:40 AM  
**To:** Ming Tai  
**Subject:** FW: Hillsong NJ/NYC loans

What do I code this to

**From:** Peter Ridley  
**Sent:** Thursday, 6 February 2020 11:39 AM  
**To:** John Cornelius <[john.cornelius@hillsong.com](mailto:john.cornelius@hillsong.com)>  
**Cc:** John Termini <[john.termini@hillsong.com](mailto:john.termini@hillsong.com)>; George Aghajanian <[georgea@hillsong.com](mailto:georgea@hillsong.com)>; Tolu Badders <[tolu@hillsong.com](mailto:tolu@hillsong.com)>; Andrew Hempfling <[andrew.hempfling@hillsong.com](mailto:andrew.hempfling@hillsong.com)>  
**Subject:** RE: Hillsong NJ/NYC loans

Hi JC,

It's great news that the loan is going through successfully with Bank of Arizona. It must be your charm that won them over 😊

We'll organise the transfer of the \$400k USD to be sent tomorrow. You should have the funds the following day.

Can you send Andrew Hempfling and myself the bank details outlining where you would like the money transferred?

We have identified funds in the US to send which will avoid a hedging cost I mentioned.

The interest rate is consistent with what we have charged other Global Churches for funds lent in the past.

If you have any questions please do not hesitate to contact me.

Regards,

Peter

**From:** John Cornelius <[john.cornelius@hillsong.com](mailto:john.cornelius@hillsong.com)>  
**Sent:** Monday, 3 February 2020 11:53 PM  
**To:** Peter Ridley <[peter.ridley@hillsong.com](mailto:peter.ridley@hillsong.com)>  
**Cc:** John Termini <[john.termini@hillsong.com](mailto:john.termini@hillsong.com)>; George Aghajanian <[GEORGEA@hillsong.com](mailto:GEORGEA@hillsong.com)>; Tolu Badders <[tolu@hillsong.com](mailto:tolu@hillsong.com)>; Andrew Hempfling <[andrew.hempfling@hillsong.com](mailto:andrew.hempfling@hillsong.com)>  
**Subject:** Re: Hillsong NJ/NYC loans

Hi Pete,

Good morning! Our/my understanding and recollection of the U.S. dollar amount range for the very short term bridge loan from Global to East Coast has been \$3-400,000. I apologize if there is any confusion. I will send through our short term obligations and the needs of the funds before the loan is approved so that we are on the same page. We can define and finalize the number today/tomorrow from our end.

For the 5% term rate. Is that a customary rate or are you pulling that from a specific rate exchange?

As for the report from the East Coast, this should be sent in the next two days. The end of the year close is being final reviewed today/tomorrow by Keith and me.

Thank you and talk soon!

John

On Feb 1, 2020, at 6:31 PM, Peter Ridley <[peter.ridley@hillsong.com](mailto:peter.ridley@hillsong.com)> wrote:

Hi JT,

It is great news that the loan is proceeding successfully.

A couple of things. We were speaking of you needing \$250-\$300k, how come this has increased to \$400k?

There'll need to be an interest charge on the funds of 5% p.a. calculated on the number of days you have the funds.

There may also be a cost for an FX hedge to protect against negative movements in the exchange rate if the funds are coming from Australia. Otherwise the loan could become very expensive for you if the exchange rate moves the wrong way. Andrew will be able to confirm whether this is required on Tuesday along with a cost estimate for this.

Normally we don't provide support to a Global Church if we haven't received the latest monthly reports. When will we be receiving the December reports?

All the best.

Peter

**From:** John Termini <[john.termini@hillsong.com](mailto:john.termini@hillsong.com)>

**Sent:** Saturday, 1 February 2020 4:48 AM

**To:** Peter Ridley <[peter.ridley@hillsong.com](mailto:peter.ridley@hillsong.com)>; George Aghajanian <[GEORGEA@hillsong.com](mailto:GEORGEA@hillsong.com)>

**Cc:** John Cornelius <[john.cornelius@hillsong.com](mailto:john.cornelius@hillsong.com)>; Tolu Badders <[tolu@hillsong.com](mailto:tolu@hillsong.com)>

**Subject:** FW: Hillsong NJ/NYC loans

Hi George & Peter,

It was good speaking with you regarding the short term bridge loan of \$400k from Global to Hillsong East Coast. Please see below. As you can see from the email Lesley and the bank are confident we will be receiving the 1.5 mil loan. I believe Andrew H had a conversation with Lesley as well and she relayed the same message. Your immediate bridge loan will give us the ability to keep moving with our expansion as this loan is secured. Please let us know if you need anything further from us. We are in key moment and your help is greatly appreciated. Our goal is to reimburse global in full by next month's end - February 29<sup>th</sup>, 2020, if not sooner.

Sincerely,

JT

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JOHN TERMINI

Executive Pastor  
Hillsong East Coast Church  
363 Lafayette Street | 3rd FL  
New York, NY 10012  
T: 646.966.1448  
M: 646.853.5657

**From:** "Malmstrom, Lesley" <[LMalmstrom@bokf.com](mailto:LMalmstrom@bokf.com)>  
**Date:** Friday, January 31, 2020 at 12:19 PM  
**To:** John Cornelius <[john.cornelius@hillsong.com](mailto:john.cornelius@hillsong.com)>, John Termini <[john.termini@hillsong.com](mailto:john.termini@hillsong.com)>  
**Cc:** "Teran, Myrna" <[MTeran@bokf.com](mailto:MTeran@bokf.com)>  
**Subject:** Hillsong NJ/NYC loans

Thank you for the call today. We have now finalized the desired loan structure as a total of \$1.5MM split into one loan each for NJ (\$700M) and NYC (\$800M).

- Each loan will contain a 12-month funding period. During this time you may draw upon funds as needed for construction, paying Interest-Only payments calculated using only the balance outstanding for the month.
- At the end of the 12-months, the loan will automatically convert into a pre-defined amortization of 5 years (fully amortized). Only the amount outstanding at the end of the 12-months shall be converted. For example, for NJ, it could be the full amount (\$700M) or any amount less than that.
- Your new Principal and Interest Payment would be determined using the 5-year amortization and the fixed rate of interest that would be determined in 12 months.
- One the loan converts in month 13, the loan would be covered by a yield-maintenance prepayment clause for months 13-24. Therefore, any prepayments made during months 13-24 **could** be subject to a prepayment cost, depending on the movements of interest rates.
- The prepayment verbiage only applies to months 13-24. Any time after month 24, you may prepay without any concern for a potential cost.

Here is a schedule of our milestones. If anything deviates significantly from these dates, I will definitely let you know.

- Finish final underwriting draft and submit for loan approval January 31<sup>st</sup>.
- Deliver final loan approval by February 4<sup>th</sup>, along with a loan commitment letter which will contain all terms, including the approved loan covenant structure for your review and acceptance.
- Order loan documents on February 4<sup>th</sup>.
- Deliver final loan documents for Execution by February 7<sup>th</sup> of February 10<sup>th</sup> (latest).
- Receive Executed loan documents back by February 11<sup>th</sup>-February 14<sup>th</sup>.
- Fund the loan on the date of receipt of the signed documents, which are expected between February 11<sup>th</sup> and February 14<sup>th</sup>.



I have included Myrna Teran on this email, as you have already been communicating with her. She will lead the fulfillment of our loan documentation and closing. Please copy her on any future emails as you will be working directly with Myrna and I for the loan funding and subsequent loan draws as needed.

Thank you very much for your organized effort to assist both John Mills and I in the underwriting of your request. We look forward to being a part of the team that will assist in fulfilling the financial purpose of these funds to improve the church facilities for both NJ and NYC.

Have a wonderful weekend,

Lesley

Lesley Malmstrom  
Senior Vice President | Market Team Lead | Commercial Banking  
BOK Financial  
2151 E. Broadway Rd., Ste. 101  
Tempe, AZ 85282  
(480) 835-3056 | Direct  
(480) 426-7833 | Fax  
[lmalmstrom@bokf.com](mailto:lmalmstrom@bokf.com) | Email

\*\*\*\*\*  
The company reserves the right to amend statements made herein in the event of a mistake. Unless expressly stated herein to the contrary, only agreements in writing signed by an authorized officer of the Company may be enforced against it.  
\*\*\*\*\*

Category	Total Cost
<b>Admin</b>	<b>\$ 572,382</b>
Ministry expenses (church supplies, global contributions, storage, donation processing, communications, marketing)	\$ 218,782
Office & Admin (accounting, auditing, legal, licenses, tax, insurance, phone, electricity, office supplies, bank charges, web hosting, cleaning etc)	\$ 353,600
<b>Church Services</b>	<b>\$ 2,805,297</b>
Catering/Food	\$ 7,398
First Aid	\$ 289
Greenroom	\$ 97
Honor Gifts	\$ 2,673
Information Desk	\$ 1,158
Parking	\$ 28,414
Printing	\$ 202
Repairs and Maintenance	\$ 929
Security	\$ 13,470
Supplies	\$ 18,072
Transportation	\$ 3,581
Truck Rentals	\$ 106,876
<b>Venue Hire</b>	<b>\$ 2,622,138</b>
<b>Creative</b>	<b>\$ 135,483</b>
Production	\$ 135,483
<b>Executive Spending</b>	<b>\$ 404,906</b>
Development, Leadership, Training	\$ 9,815
Greenroom	\$ 42,086
Guest Relations (Airfare, Hotel, Transportation, Hospitality, Gifts)	\$ 41,952
Honor Gifts	\$ 6,462
Honorariums for Guest Speakers	\$ 60,000

8.46%

38.74%

5.98%

Item	Total Cost
Catering/Food	\$ 23,969
Development, Leadership, Training	\$ 9,815
First Aid	\$ 289
Gifts	\$ 7,681
Greenroom	\$ 42,183
Guest Relations (Airfare, Hotel, Transportation, Hospitality, Gifts)	\$ 41,952
Honor Gifts	\$ 9,178
Honorariums	\$ 60,000
Hospitality	\$ 45,898
Information Desk	\$ 1,158
Local/Community Initiatives	\$ 45,735
Meals	\$ 2,769
Meetings	\$ 12,923
Ministry expenses (church supplies, global contributions, storage, donation processing, communications, marketing)	\$ 218,782
Miscellaneous	\$ 14,335
Office & Admin (accounting, auditing, legal, licenses, tax, insurance, phone, electricity, office supplies, bank charges, web hosting, cleaning etc)	\$ 353,600
Parking	\$ 28,414
Printing	\$ 3,482
Production	\$ 135,483
Repairs and Maintenance	\$ 929
Salaries	\$ 2,362,085
Security	\$ 13,470
Supplies	\$ 44,168
Transportation	\$ 102,981
Travel	\$ 27,264

3.23%

5.22%

34.90%

Hospitality	\$ 45,898
Meetings	\$ 12,923
Supplies	\$ 8,853
Transportation	\$ 89,386
Travel	\$ 27,264
Travel (Carl Lentz ad Joel Houston)	\$ 60,267
<b>Ministry Program</b>	<b>\$ 368,080</b>
Catering/Food	\$ 4,999
Honor Gifts	\$ 43
Local/Community Initiatives	\$ 45,735
Miscellaneous	\$ 14,335
Printing	\$ 3,280
Supplies	\$ 12,219
Transportation	\$ 5,905
Venue Hire	\$ 281,564
<b>Pastoral Care</b>	<b>\$ 7,681</b>
Gifts	\$ 7,681
<b>Salary and Wages</b>	<b>\$ 2,362,085</b>
Salaries	\$ 2,362,085
<b>Special Events / Groups</b>	<b>\$ 112,165</b>
Catering/Food	\$ 11,572
Meals	\$ 2,769
Supplies	\$ 5,024
Transportation	\$ 4,109
Venue Hire	\$ 88,691
<b>Grand Total</b>	<b>\$ 6,768,079</b>

5.44%

34.90%

Travel	\$ 60,267
Truck Rentals	\$ 106,876
Venue Hire	\$ 2,992,393
<b>Grand Total</b>	<b>\$ 6,768,079</b>

1.58%

44.21%



Category	Total Cost
Admin	\$ 572,382
Church Services	\$ 2,805,297
Creative	\$ 135,483
Executive Spending	\$ 404,906
Ministry Program	\$ 368,080
Pastoral Care	\$ 7,681
Salary and Wages	\$ 2,362,085
Special Events / Groups	\$ 112,165
<b>Grand Total</b>	<b>\$ 6,768,079</b>

Category	Total Cost
<b>Admin</b>	<b>\$ 572,382</b>
Ministry Supplies	\$ 218,782
Office Supplies	\$ 353,600
<b>Church Services</b>	<b>\$ 2,805,297</b>
Baby Dedication	\$ 170
Baptisms	\$ 2,471
Crew	\$ 142,575
EBS	\$ 22,717
Front of House	\$ 22,577
Venue	\$ 2,614,787
<b>Creative</b>	<b>\$ 135,483</b>
<b>Executive Spending</b>	<b>\$ 404,906</b>
Key Team Expenses	\$ 87,752
Lead Pastor Expenses	\$ 317,154
<b>Ministry Program</b>	<b>\$ 368,080</b>
Community Care	\$ 45,735
Kids Ministry	\$ 253,266
Sisterhood	\$ 18,973
Suspense	\$ 14,335
Youth Ministry	\$ 35,771
<b>Pastoral Care</b>	<b>\$ 7,681</b>
Pastoral Gifts	\$ 7,681
<b>Salary and Wages</b>	<b>\$ 2,362,085</b>
Personnel	\$ 2,362,085
<b>Special Events / Groups</b>	<b>\$ 112,165</b>
Connect Group	\$ 10,225
FNL/The Block (College Age Hangs)	\$ 4,370
Heart and Soul	\$ 37,720
Kingdom Builders	\$ 29,267
Other	\$ 1,840
Party	\$ 81
Staff Retreat	\$ 27,354
WTCN	\$ 1,308
<b>Grand Total</b>	<b>\$ 6,768,079</b>

Hillsong NYC  
2016 budget

Ordinary Income/Expense  
Income

OTHER INCOME/EXPENSES

4600 - School

4604 - Application Tuition - Evening College	66,000.00
4603 - Supplies	-1,600.00
4602 - Venue Cost	-57,000.00
4601 - Application Tuition - Seasonal	90,000.00

Total 4600 - School

4500 - Resources

4511 - Resources-gift	-15,000.00
4502 - Purchases of resources	-48,000.00
4523 - Monthly subscription for softwa	0.00
4501 - Resources Income	114,250.00
4520 - Shipping-Resources	0.00
4510 - Cost of Resources sold	0.00

Total 4500 - Resources

Total OTHER INCOME/EXPENSES

INCOMES

4000 - Income

4031 - Kingdom Builders Fund	120,000.00
4027 - Hillsong Conference-LA	0.00
4028 - Hillsong Conference-NYC	0.00
4030 - Donation - Other	0.00
4008 - Hurricane Sandy Reimbursement	0.00
4007 - Heart 4 the house	400,000.00
4006 - Cash Flow from 2012 for growth	0.00
4035 - Interest Income	1,920.00
4030 - Donation - Other	0.00
4026 - Other Income-John termini	0.00
4005.1 - Tithes & Offerings - Offering Sunday	2,360,600.00
4005.2 - Tithes & Offerings - Pushpay	3,893,500.00
4005.3 - Tithes & Offerings - PayPal	836,000.00

Total 4000 - Income

Total INCOMES

Total Income

Expense

SERVICES AND EVENTS

8600 - Marriage Prep

8602 - Supplies	450.00
8601 - Hospitality	900.00
8601 - Marriage Prep - Other	450.00

Total 8600 - Marriage Prep

8901 - Special Events

8911 - Conference Volunteer Meals	0.00
8910 - Conference tickets	0.00
8909 - Transportation	0.00
8908 - Supplies	0.00
8907 - Catering/Food	0.00
8905.1 - Venue/facilities - Kingdom Builders	0.00
8905.2 - Venue/facilities - Staff Retreat/Team Night	0.00
8905.3 - Venue/facilities - Party	0.00
8905.4 - Venue/facilities - Saturday Sessions	0.00
8905.5 - Venue/facilities - Overflow	1,500.00
8905.6 - Venue/facilities - Heart and Soul	0.00

Total 8901 - Special Events

8800 - Connect Group

8805 - Supplies	1,500.00
8803 - Catering/Food	1,800.00
8801 - Venue/Facilities	1,800.00

Total 8800 - Connect Group

8700 - FNL/The Block

TOTAL  
Jan - Dec 16

	97,400.00
	51,250.00
	148,650.00
	7,612,020.00
	7,612,020.00
	7,760,670.00
	7,760,670.00
	1,800.00
	0.00
	1,500.00
	5,000.00
	12,600.00

	8707 - Catering/Food	0.00
	8708 - Supplies	1,050.00
	8709 - Transportation	0.00
	8705 - Venue/Facilities	<u>8,350.00</u>
	<b>Total 8700 - FNL/The Block</b>	<b>9,400.00</b>
	<b>8501 - WTCN</b>	
	8500 - Supplies	1,050.00
	8506 - Transportation	150.00
	8504 - Catering/Food	1,350.00
	8503 - Venue/Facilities	<u>6,600.00</u>
	<b>Total 8501 - WTCN</b>	<b>9,150.00</b>
	<b>8400 - Baptism</b>	
	8409 - Supplies	1,600.00
	8407 - Printing	700.00
	8405 - Accessories	900.00
	8403 - Transportation	0.00
	8401 - Venue/Facilities	<u>9,200.00</u>
	<b>Total 8400 - Baptism</b>	<b>12,400.00</b>
	<b>8300 - EBS</b>	
	8308 - Transportation	275.00
	8307 - Supplies	2,550.00
	8305 - Greenroom	575.00
	8303 - Catering/Food	3,675.00
	8301 - Venue/Facilities	<u>22,925.00</u>
	<b>Total 8300 - EBS</b>	<b>30,000.00</b>
	<b>8201 - Connections</b>	
	8202 - First Aid	600.00
	8203 - Info. Bar	600.00
	8207 - Catering/Food	<u>2,400.00</u>
	<b>Total 8201 - Connections</b>	<b>3,600.00</b>
	<b>8100 - Sunday Front of the House (events)</b>	
	8110 - Catering/Food	10,800.00
	8109 - Honor Moments/Volunteer Appre.	4,700.00
	8108 - Venue Decor	5,950.00
	8107 - Supplies	20,750.00
	8105 - Printing	<u>1,800.00</u>
	<b>Total 8100 - Events</b>	<b>44,000.00</b>
	<b>8000 - Operations Team</b>	
	8030 - Crew	
	8030.12 - Truck Lease	18,000.00
	8030.11 - Truck Insurance	12,000.00
	8030.10 - Fines	0.00
	8030.8 - Repairs & Maintenance	12,000.00
	8030.8 - Parking	31,200.00
	8030.6 - Transportation	480.00
	8030.4 - Truck Rentals	78,000.00
	8030.3 - Tolls	3,600.00
	8030.2 - Gas	15,000.00
	8030.5 - Supplies	5,400.00
	8030.1 - Catering/Food	<u>1,200.00</u>
	<b>Total 8030 - Crew</b>	<b>179,880.00</b>
	8014 - Venue Host	0.00
	8012 - Offering Count	1,200.00
	8010 - Venue Control	0.00
	8002.1 - Venue-NY Manhattan Center	0.00
	8002.2 - Venue-NY Best Buy	1,934,500.00
	8002.2 - Venue-NY Irving Plaza	676,000.00
	8002.3 - Venue-NJ	<u>503,930.00</u>
	<b>Total 8000 - Operations Team</b>	<b>3,292,050.00</b>
	<b>Total SERVICES AND EVENTS PROGRAMS</b>	<b>3,416,530.00</b>
	7600 - Community Care	42,000.00
	<b>7606 - Global Initiatives</b>	<b>2,500.00</b>
	7610 - Transportation	1,200.00
	7605 - Venue/Facilities	<u>10.00</u>



<b>Total 7600 - Community Care</b>	45,700.00
<b>7400 - Kids</b>	
7425 - Supplies	3,000.00
7420 - Catering/Food	2,400.00
7415 - Printing	1,200.00
7410 - Transportation	300.00
7405 - Venue/Facilities	30,051.00
<b>Total 7400 - Kids</b>	<u>36,951.00</u>
<b>5800 - Conference-NYC</b>	
5831 - Other	0.00
5830 - Catering	0.00
5825 - Tickets	0.00
5820 - Venue Supplies	0.00
5815 - Guest Relations	0.00
5810 - Creative	0.00
5805 - Transportation	0.00
<b>Total 5800 - Conference-NYC</b>	<u>0.00</u>
<b>7300 - Youth Ministry</b>	
7325 - Supplies	1,800.00
7320 - Catering/Food	3,600.00
7315 - Printing	0.00
7310 - Transportation	8,150.00
7305 - Venue/Facilities cost (rental of venue space)	34,250.00
<b>Total 7300 - Youth Ministry</b>	<u>47,800.00</u>
<b>7200 - Sisterhood</b>	
7235 - Venue Decor	0.00
7230 - Honor Moments	0.00
7215 - Printing	0.00
7225 - Supplies	0.00
7220 - Catering/Food	0.00
7210 - Transportation	0.00
7205 - Venue/Facilities	0.00
<b>Total 7200 - Sisterhood</b>	<u>0.00</u>
<b>Total PROGRAMS</b>	<u>130,451.00</u>
<b>PERSONNEL</b>	
<b>6500 - 1099 Contractors</b>	
6504 - Childcare provided for Staff	12,000.00
6503 - Joe Termini	49,992.00
6502 - PJ Davis	15,900.00
6502.2 - Nathan Finocchio	45,000.00
6502.3 - Marilyn Payton	7,800.00
6501.1 - Mike Q	9,000.00
6501.2 - Nadine Grant	9,000.00
<b>Total 6500 - 1099 Contractors</b>	<u>148,692.00</u>
<b>6400 - Health Insurance</b>	
6415 - Health Insurance - Dental	12,000.00
6410 - Health Insurance - Vision	2,100.00
6405 - Health Insurance-Medical	288,000.00
<b>Total 6400 - Health Insurance</b>	<u>302,100.00</u>
<b>6100 - Payroll Taxes</b>	
6130 - Payroll Taxes-NY Unemployment	3,000.00
6125 - Payroll Taxes-SDI	-130.00
6115 - Payroll Taxes-Futa	560.00
6110 - Payroll Taxes-Med	18,400.00
6105 - Payroll Taxes-SS	76,000.00
<b>Total 6100 - Payroll Taxes</b>	<u>97,830.00</u>
<b>6000 - Salary &amp; Wages</b>	
6043 - tbd	45,000.00
6043 - tbd	0.00
6047 - Rafael Da Silva	40,999.92
6048 - Brian C Houston	99,995.04
6042 - Leonie Davenport	32,000.00
6043 - Matt Szrtgia	60,000.00
6042 - Mike Fabian	70,000.00
6041 - Brenda Thorn	45,000.00
6040 - Joel assistant	35,500.00

6038 - John Cornelius	123,000.00
6037 - Sarah Cornelius	35,875.00
6036 - Mike Vogel	45,000.00
6035 -	0.00
6034 - Tolu Badders	92,250.00
6033 - Steve D'Agrossa	40,000.00
6032 -	0.00
6031 - Andrew Simila	40,000.00
6030 -	0.00
6029 - Blaze Robinson	76,875.00
6028 - Chris Davenport	70,000.00
6025 - Meredith Anderson	70,000.00
6023 - John Termini	102,500.00
6022 - Laura Lentz	25,625.00
6021 - Kumarie Joseph	71,750.00
6000 -	0.00
6005 - Carl Lentz	220,785.00
6019 - Leona Kimes	45,000.00
6017 - Josh Kimes	87,125.00
6015 - Karla Keating (Sandy Relief)	46,125.00
6013 - Kane Keating	87,125.00
6000 -	0.00
6000 -	0.00
6007 - Joel Houston	115,107.50
<b>Total 6000 - Salary &amp; Wages</b>	<b>1,822,637.46</b>
<b>Total PERSONNEL</b>	<b>2,373,259.46</b>
<b>GENERAL EXPENSE AND ADMIN</b>	
9500 - Ministry Expenses	
9506 - Communications/Marketing	6,000.00
9505 - Donations	0.00
9504 - Storage	16,800.00
9503 - Global Contributions	254,509.96
9502 - Books and Literature	4,200.00
9501 - Church supplies	6,000.00
<b>Total 9500 - Ministry Expenses</b>	<b>287,509.96</b>
9400 - Office & Admin	
9422 - Fidelity Bond Ins	
9421 - Depreciation	
9419 - Misc. Expenses	0.00
9418 - Office Cleaning	3,600.00
9417 - Office Expenses-Other	600.00
9416 - Consumables Items	1,800.00
9415 - Volunteer Appreciation	600.00
9414 - Payroll/401K Processing	4,800.00
9413 - Credit Fees	84,000.00
9412 - Bank Charges	11,400.00
9411 - Internet/Web Hosting	2,400.00
9410 - Office Supplies	6,000.00
9409 - Postage	300.00
9408 - Office Rent	180,000.00
9407 - Utilities-Electric	3,000.00
9406 - Telephone	38,000.00
9405 - Insurance-Workers Comp	7,200.00
9404 - Insurance-Commercial	42,000.00
9403 - Taxes/Fees/License	600.00
9402 - Legal Fees	6,000.00
9401 - Accounting/Auditing	15,000.00
<b>Total 9400 - Office &amp; Admin</b>	<b>405,300.00</b>
9300 - Pastoral care	
9305 - Other	1,800.00
9304 - Sickness	2,400.00
9303 - Deaths	2,400.00
9302 - Births	2,400.00
9301 - Weddings	1,800.00
<b>Total 9300 - Pastoral care</b>	<b>10,800.00</b>
9201 - Creative	

9203 · Consumable Items	600.00
9212 · Web & IT	6,600.00
9211 · Supplies	7,200.00
9210 · Venue Design	6,000.00
9209 · Media	240.00
9208 · Transportation	18,000.00
9207 · Production	98,000.00
9204 · Venue/Facilities	21,675.00
9206 · Catering/Food	19,200.00
9205 · Communications/Marketing	6,600.00
<b>Total 9201 · Creative</b>	<b>182,115.00</b>
<b>9101 · Key Teams</b>	
9109 · Hospitality	31,200.00
9108 · Travel	
9108.4 · Transportation	1,800.00
9108.3 · Food	1,200.00
9108.2 · Hotel	12,500.00
9108.1 · Airfare	17,000.00
<b>Total 9108 · Travel</b>	<b>32,500.00</b>
9106 · Supplies	1,200.00
9105 · Development, Training & Leadership	5,400.00
9104 · Meetings	2,400.00
<b>Total 9101 · Key Teams</b>	<b>72,700.00</b>
<b>9000 · Lead Pastors</b>	
9010 · Hospitality	30,000.00
9009 · Transportation	
9009.10 · Gas	18,000.00
9009.9 · Auto Lease	7,050.36
9009.7 · Auto-Insurance	16,800.00
9009.8 · Car supplies	4,800.00
9009.6 · Toll	6,000.00
9009.5 · Parking	7,200.00
9009.4 · Fines	0.00
9009.3 · Repairs & Maintenance	9,000.00
9009.2 · Transit	600.00
9009.1 · Taxi	1,200.00
<b>Total 9009 · Transportation</b>	<b>70,650.36</b>
9003 · Lead Pastor Travel	
9003.7 · Joel Houston-Food	400.00
9003.8 · Joel Houston-Hotel	4,800.00
9003.5 · Joel Houston-Airfare	12,000.00
9003.3 · Carl Lentz-Food	400.00
9003.2 · Carl Lentz-Hotel	4,800.00
9003.1 · Carl Lentz-Airfare	12,000.00
<b>Total 9003 · Lead Pastor Travel</b>	<b>34,400.00</b>
9006 · Guest Relations	
9006.6 · Guest Relations-Gift	6,000.00
9006.4 · Guest relations-Hospitality	24,000.00
9006.3 · Guest relations-Transportation	6,000.00
9006.2 · Guest Relations-Hotel	24,000.00
9006.1 · Guest Relations-Airfare	18,000.00
<b>Total 9006 · Guest Relations</b>	<b>78,000.00</b>
9007 · Supplies	7,800.00
9008 · Development, Leadership & Training	9,000.00
9005 · Meetings	15,000.00
9004 · Greenroom	42,750.00
9002 · Gifts/Volunteer Appreciation	15,000.00
9001 · Honorariums	60,000.00
<b>Total 9000 · Lead Pastors</b>	<b>362,600.36</b>
<b>Total GENERAL EXPENSE AND ADMIN</b>	<b>1,321,025.32</b>



**Hillsong NYC, LLC.**  
**Profit & Loss**  
 January through October 2016

3:46 PM  
 12/02/2016  
 Accrual Basis  
Jan - Oct 16

**Ordinary Income/Expense**

**Income**

**INCOMES**

**4000 · Income**

**4005 · Tithes & Offerings - Offering S**

4005.1 · Tithes & Offerings - Cash/Check 1,651,940.36

4005.2 · Tithes & Offerings - Pushpay 4,392,326.26

4005.3 · Tithes & Offerings - Paypal 624,439.97

**Total 4005 · Tithes & Offerings - Offering S** 6,668,706.59

**4007 · Heart 4 the house**

4007.1 · H4H- Cash/Check 201,020.89

4007.2 · H4H - Pushpay 284,533.75

**Total 4007 · Heart 4 the house** 485,554.64

4025 · Other Income 71,540.79

4030 · Donation - Other 201.01

4031 · Kingdom Builders Fund 268,799.09

4035 · Interest Income 914.28

**Total 4000 · Income** 7,495,716.40

**Total INCOMES**

7,495,716.40

**OTHER INCOME/EXPENSES**

**4500 · Resources**

4501 · Resources Income 132,300.74

4502 · Purchases of resources -1,089.00

4510 · Cost of Resources sold -25.00

4525 · Monthly subscription for softwa -48.99

**Total 4500 · Resources** 131,137.75

**4600 · Schools**

4601 · Application Tuition- Seasonal 8,075.00

4602 · Venue Cost -10,331.28

4603 · Supplies -6,410.31

4604 · Application Tuition-Evening Col 61,705.00

4600 · Schools - Other 100.00

**Total 4600 · Schools** 53,138.41

**4800 · Marriage Prep Class**

4801 · Marriage prep reg. fees 804.54

4803 · Materials/Supplies -3,064.80

**Total 4800 · Marriage Prep Class** -2,260.26

**4900 · Life Courses**

4902 · Venue/facilities -970.00

4903 · Life Courses - Supplies -5,304.51

4904 · Shine Tuition/fees 2,914.82



	<b>Jan - Oct 16</b>
4905 · Marriage Support Life -reg. fee	2,934.48
4906 · Financial Peace Reg. Fees	3,808.98
4907 · Life Courses-Wellness	493.12
4908 · Catering/Food-Life Courses	-62.21
4909 · Shine-Supplies	-50.06
4910 · Shine-Venue	-830.00
<b>Total 4900 · Life Courses</b>	<b>2,934.62</b>
<b>Total OTHER INCOME/EXPENSES</b>	<b>184,950.52</b>
<b>Total Income</b>	<b>7,680,666.92</b>
<b>Gross Profit</b>	<b>7,680,666.92</b>
<b>Expense</b>	
<b>GENERAL EXPENSE AND ADMIN</b>	
9000 · Lead Pastors	
9001 · Honorariums	60,000.00
9002 · Gifts/Volunteer Appreciation	6,462.82
9003 · Lead Pastor Travel	
9003.1 · Carl Lentz-Airfare	38,352.75
9003.2 · Carl Lentz-Hotel	15,947.26
9003.3 · Carl Lentz-Food	2,287.88
9003.4 · Carl Lentz - Transportation	1,679.38
9003.5 · Joel Houston-Airfare	2,000.00
<b>Total 9003 · Lead Pastor Travel</b>	<b>60,267.27</b>
9004 · Greenroom	42,086.75
9005 · Meetings	11,152.74
9006 · Guest Relations	
9006.1 · Guest Relations-Airfare	6,323.00
9006.2 · Guest Relations-Hotel	15,434.24
9006.3 · Guest relations-Transportation	3,967.54
9006.4 · Guest relations-Hospitality	13,308.79
9006.5 · Guest Relations-Gift	2,919.42
<b>Total 9006 · Guest Relations</b>	<b>41,952.99</b>
9007 · Supplies	4,155.34
9008 · Development,Leadership & Traini	9,176.21
9009 · Transportation	
9009.1 · Taxi	1,269.41
9009.10 · Gas	14,450.92
9009.2 · Transit	558.35
9009.3 · Repairs & Maintenance	11,017.45
9009.5 · Parking	6,497.69
9009.6 · Toll	9,776.50
9009.7 · Auto-Insurance	13,448.25
9009.8 · Car supplies	3,574.53
9009.9 · Auto Lease	5,287.77
<b>Total 9009 · Transportation</b>	<b>65,880.87</b>
9010 · Hospitality	16,024.52

<b>Total 9000 · Lead Pastors</b>	<b>317,159.51</b>
<b>9101 · Key Teams</b>	
9104 · Meetings	1,771.23
9105 · Development, Training & Leadersh	639.66
9106 · Supplies	4,698.87
9108 · Travel	
9108.1 · Airfare	15,715.15
9108.2 · Hotel	8,719.17
9108.3 · Food	2,058.65
9108.4 · Transportation	748.25
9108 · Travel - Other	23.00
<b>Total 9108 · Travel</b>	<b>27,264.22</b>
9109 · Hospitality	29,874.14
9110 · Transportation	
9110.1 · Taxi	10,560.73
9110.2 · Gas	1,295.67
9110.3 · Transit	5,141.77
9110.4 · Repairs & Maintenance	435.00
9110.5 · Parking	5,943.96
9110.6 · Tolls	129.55
<b>Total 9110 · Transportation</b>	<b>23,506.68</b>
<b>Total 9101 · Key Teams</b>	<b>87,754.80</b>
<b>9201 · Creative</b>	
9203 · Consumable Items	15.42
9205 · Venue/Facilities	19,556.16
9206 · Printing	14,993.61
9207 · Catering/Food	24,272.50
9208 · Supplies	15,833.44
9209 · Transportation	3,044.29
9210 · Venue Design	6,992.25
9211 · Production	40,984.43
9212 · Web & IT	8,273.33
9213 · Media	810.00
9214 · H4H expenses	708.03
<b>Total 9201 · Creative</b>	<b>135,483.46</b>
<b>9300 · Pastoral care</b>	
9301 · Weddings	75.95
9302 · Births	1,008.35
9303 · Deaths	4,262.08
9304 · Sickness	689.78
9305 · Other	1,645.35
<b>Total 9300 · Pastoral care</b>	<b>7,681.51</b>
<b>9400 · Office &amp; Amnin</b>	
9401 · Accounting/Auditing	16,061.00
9402 · Legal Fees	12,575.64

Jan - Oct 16

9403 · Taxes/Fees/License	602.50
9404 · Insurance-Commercial	40,318.90
9405 · Insurance-Workers Comp	6,876.70
9406 · Telephone	38,030.58
9407 · Utilities-Electric	960.87
9408 · Office Rent	88,058.00
9409 · Postage	833.19
9410 · Office Supplies	4,622.85
9411 · Internet/Web Hosting	281.99
9412 · Bank Charges	8,343.10
9413 · Credit Fees	127,410.53
9414 · Payroll/401K Processing	5,490.78
9416 · Consumables Items	174.33
9417 · Office Expenses-Other	806.76
9418 · Office Cleaning	1,200.00
9422 · Fidelity Bond Ins	952.30
<b>Total 9400 · Office &amp; Admin</b>	<b>353,600.02</b>
9500 · Ministry Expenses	
9501 · Church supplies	8,514.99
9503 · Global Contributions	98,929.06
9504 · Storage	26,137.79
9505 · Donations	76,885.53
9506 · Communications/Marketing	8,315.48
<b>Total 9500 · Ministry Expenses</b>	<b>218,782.85</b>
<b>Total GENERAL EXPENSE AND ADMIN</b>	<b>1,120,462.15</b>
<b>PERSONNEL</b>	
6000 · Salary & Wages	
<b>Total PERSONNEL</b>	<b>2,362,085.25</b>
<b>PROGRAMS</b>	
7200 · Sisterhood	
7205 · Venue/Facilities	18,335.00
7208 · Supplies	595.61
7230 · Honor Moments	43.33
<b>Total 7200 · Sisterhood</b>	<b>18,973.94</b>
7300 · Youth Ministry	
7305 · Venue/Facilities cost (rental of venue space)	23,102.02
7307 · Catering/Food	3,919.23
7308 · Supplies	4,736.96
7309 · Transportation	4,014.67
<b>Total 7300 · Youth Ministry</b>	<b>35,772.88</b>
7400 · Kids	
7405 · Venue/Facilities	24,027.12
7406 · Printing	3,280.93
7407 · Catering/Food	1,080.07
7408 · Supplies	6,888.46



7409 · Transportation	1,891.05
<b>Total 7400 · Kids</b>	<b>37,167.63</b>
7600 · Community Care	
7605 · Local/community initiatives	45,735.99
<b>Total 7600 · Community Care</b>	<b>45,735.99</b>
9999 · Suspense	14,335.59
<b>Total PROGRAMS</b>	<b>151,986.03</b>
<b>SERVICES AND EVENTS</b>	
8000 · Operations Team	
8001 · Venue-NJ Montclair	481,260.00
8002 · Venue-NY Irving	505,400.00
8003 · Venue - NY Manhattan Center	178,528.67
8004 · Venue - NY Best Buy	1,435,362.00
8012 · Offering Count	767.42
8014 · Venue Control	13,470.00
8030 · Crew	
8030.1 · Catering/Food	1,010.32
8030.11 · Gas	2,038.08
8030.3 · Tolls	35.90
8030.4 · Truck Rentals	106,876.19
8030.5 · Supplies	1,862.27
8030.6 · Transportation	1,411.36
8030.8 · Parking	28,414.73
8030.9 · Repairs & Maintenance	929.25
<b>Total 8030 · Crew</b>	<b>142,578.10</b>
<b>Total 8000 · Operations Team</b>	<b>2,757,366.19</b>
8100 · Sunday Front of the House (Even	
8102 · Honor Moments/Volunteer Appre.	2,673.41
8103 · Transportation	34.76
8104 · Baby dedication supplies	170.41
8106 · Printing	202.44
8107 · Catering/Food	4,156.56
8108 · Supplies	14,055.62
<b>Total 8100 · Sunday Front of the House (Even</b>	<b>21,293.20</b>
8200 · Connections	
8202 · First Aid	289.94
8203 · Info. Bar	1,158.38
8207 · Catering/Food	10.88
<b>Total 8200 · Connections</b>	<b>1,459.20</b>
8300 · EBS	
8303 · Greenroom	97.10
8305 · Venue/Facilities	20,016.80
8307 · Catering/Food	2,222.11
8308 · Supplies	353.42
8309 · Transportation	29.92

Jan - Oct 16

<b>Total 8300 · EBS</b>	<b>22,719.35</b>
<b>8400 · Baptism</b>	
8404 · Accessories	135.82
8405 · Venue/Facilities	1,572.24
8408 · Supplies	730.02
8409 · Transportation	34.32
<b>Total 8400 · Baptism</b>	<b>2,472.40</b>
<b>8500 · WTCN</b>	
8505 · Venue/Facilities	1,000.00
8507 · Catering/Food	223.60
8508 · Supplies	7.18
8509 · Transportation	78.05
<b>Total 8500 · WTCN</b>	<b>1,308.83</b>
<b>8700 · FNL/The Block</b>	
8705 · Venue/Facilities	2,425.00
8707 · Catering/Food	1,537.34
8708 · Supplies	408.86
<b>Total 8700 · FNL/The Block</b>	<b>4,371.20</b>
<b>8800 · Connect Group</b>	
8805 · Venue/Facilities	2,129.00
8807 · Catering/Food	6,937.49
8808 · Supplies	1,259.97
<b>Total 8800 · Connect Group</b>	<b>10,326.46</b>
<b>8901 · Special Events</b>	
8905 · Venue/facilities	
8905.1 · Venue/Facilities - Kingdom Bull	
8905.1b · Catering/Meals	2,151.70
8905.1c · Transportation	170.60
8905.1d · Supplies	806.03
8905.1 · Venue/Facilities - Kingdom Bull - Other	26,140.93
<b>Total 8905.1 · Venue/Facilities - Kingdom Bull</b>	<b>29,269.26</b>
8905.2 · Venue/Facilities - Staff retrea	
8905.2c · Meals	2,769.50
8905.2d · Travel/Trasportation	3,274.33
8905.2e · Supplies	2,115.11
8905.2 · Venue/Facilities - Staff retrea - Other	19,196.00
<b>Total 8905.2 · Venue/Facilities - Staff retrea</b>	<b>27,354.94</b>
8905.3 · Venue/Facilities - Party	81.74
8905.6 · Venue/Facilities - Heart & Soul	37,720.00
<b>Total 8905 · Venue/facilities</b>	<b>94,425.94</b>
8907 · Catering/Food	824.67
8908 · Supplies	429.74
8909 · Transportation	587.50
<b>Total 8901 · Special Events</b>	<b>96,267.85</b>
<b>Total SERVICES AND EVENTS</b>	<b>2,917,584.68</b>

**DRAFT**

Hillsong NYC, LLC.  
**Profit & Loss**  
January through October 2015

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12/01/2015

Accrual Basis

Jan - Oct 15

Ordinary Income/Expense

Income

**INCOMES**

4000 · Income

4005.1 · Tithes & Offerings - Cash/Check	1,783,537.26
4005.2 · Tithes & Offerings - Pushpay	3,240,373.50
4005.3 · Tithes & Offerings - Paypal	770,003.46
4005.4 · Grant - BOA Gift Fund	10,000.00
4007 · Heart 4 the house	
4007.1 · H4H- Cash/Check	158,251.96
4007.2 · H4H - Pushpay	203,187.38
4007.3 · H4H - Paypal	25,198.65
Total 4007 · Heart 4 the house	386,637.99
4009 · Hurricane Sandy Income	234,986.76
4025 · Other Income	22,010.83
4031 · Kingdom Builders Fund	203,788.85
4035 · Interest Income	1,169.18

Total 4000 · Income

6,652,507.83

Total INCOMES

6,652,507.83

**OTHER INCOME/EXPENSES**

4500 · Resources

4501 · Resources Income	104,446.07
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Total 4500 · Resources

104,446.07

4600 · Schools

4601 · Application Tuition- Seasonal	9,357.95
4602 · Venue Cost	-12,665.00
4603 · Supplies	-6,340.20
4604 · Application Tuition-Evening Col	56,413.54
4605 · Catering/Food	-719.44

Total 4600 · Schools

46,046.85

4900 · Life Courses

4902 · Venue/facilities	-3,400.00
4903 · Life Courses - Supplies	-1,460.36
4904 · Shine Tuition/fees	1,576.66
4905 · Marriage Support Life -reg. fee	1,223.07
4906 · Financial Peace Reg. Fees	1,343.83

Total 4900 · Life Courses

-716.80

Total OTHER INCOME/EXPENSES

149,776.12

Total Income

6,802,283.95

Gross Profit

6,802,283.95

Expense



**DRAFT**Jan - Oct 15**GENERAL EXPENSE AND ADMIN**

5100 · Ministry	
5112 · Outreach-Sandy relief	46,175.00
<b>Total 5100 · Ministry</b>	<b>46,175.00</b>
9000 · Lead Pastors	
9001 · Honorariums	34,000.00
9002 · Gifts/Volunteer Appreciation	3,905.96
9003 · Lead Pastor Travel	
9003.1 · Carl Lentz-Airfare	27,073.47
9003.2 · Carl Lentz-Hotel	14,896.16
9003.3 · Carl Lentz-Food	1,866.85
9003.4 · Carl Lentz - Transportation	2,000.67
9003.5 · Joel Houston-Airfare	3,672.57
9003.6 · Joel Houston-Hotel	201.82
<b>Total 9003 · Lead Pastor Travel</b>	<b>49,711.54</b>
9004 · Greenroom	47,433.63
9005 · Meetings	9,113.26
9006 · Guest Relations	
9006.1 · Guest Relations-Airfare	9,477.98
9006.2 · Guest Relations-Hotel	12,887.24
9006.3 · Guest relations-Transportation	9,873.04
9006.4 · Guest relations-Hospitality	22,998.31
9006.5 · Guest Relations-Gift	5,473.86
<b>Total 9006 · Guest Relations</b>	<b>60,710.43</b>
9007 · Supplies	2,803.92
9008 · Development,Leadership & Traini	12,687.04
9009 · Transportation	
9009.1 · Taxi	5,677.75
9009.10 · Gas	13,127.06
9009.2 · Transit	1,712.25
9009.3 · Repairs & Maintenance	13,218.28
9009.5 · Parking	13,824.26
9009.6 · Toll	8,249.11
9009.7 · Auto-Insurance	13,388.82
9009.8 · Car supplies	2,860.01
9009.9 · Auto Lease	5,875.30
<b>Total 9009 · Transportation</b>	<b>77,932.84</b>
9010 · Hospitality	18,600.03
<b>Total 9000 · Lead Pastors</b>	<b>316,898.65</b>
9101 · Key Teams	
9104 · Meetings	4,699.53
9105 · Development,Training & Leadersh	6,497.91
9106 · Supplies	1,797.66
9108 · Travel	
9108.1 · Airfare	12,810.44



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**Jan - Oct 15**

9108.2 · Hotel	17,971.42
9108.3 · Food	765.09
9108.4 · Transportation	2,476.38
<b>Total 9108 · Travel</b>	<b>34,023.33</b>
9109 · Hospitality	24,326.63
9110 · Transportation	
9110.1 · Taxi	4,938.76
9110.2 · Gas	609.42
9110.3 · Transit	2,069.25
9110.4 · Repairs & Maintenance	24.00
9110.5 · Parking	865.65
9110.6 · Tolls	352.25
<b>Total 9110 · Transportation</b>	<b>8,859.33</b>
<b>Total 9101 · Key Teams</b>	<b>80,204.39</b>
9201 · Creative	
9203 · Consumable Items	125.00
9204 · Communications/Marketing	4,497.29
9205 · Venue/Facilities	26,430.60
9206 · Printing	45,269.23
9207 · Catering/Food	19,208.05
9208 · Supplies	16,549.94
9209 · Transportation	11,624.48
9210 · Venue Design	5,491.58
9211 · Production	77,495.42
9212 · Web & IT	7,447.80
9213 · Media	1,237.05
<b>Total 9201 · Creative</b>	<b>215,376.44</b>
9300 · Pastoral care	
9301 · Weddings	4.71
9302 · Births	750.33
9303 · Deaths	3,484.12
9304 · Sickness	1,057.39
9305 · Other	1,487.86
<b>Total 9300 · Pastoral care</b>	<b>6,784.41</b>
9400 · Office & Amnin	
9401 · Accounting/Auditing	24,000.00
9402 · Legal Fees	24,058.05
9404 · Insurance-Commercial	35,321.52
9405 · Insurance-Workers Comp	5,142.50
9406 · Telephone	46,422.72
9407 · Utilities-Electric	2,236.25
9408 · Office Rent	79,157.40
9409 · Postage	1,545.25
9410 · Office Supplies	4,751.32
9411 · Internet/Web Hosting	777.32

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	<u>Jan - Oct 15</u>
9412 • Bank Charges	9,709.49
9413 • Credit Fees	116,320.54
9414 • Payroll/401K Processing	4,348.29
9416 • Consumables Items	309.86
9417 • Office Expenses-Other	158.88
9418 • Office Cleaning	2,100.00
9419 • Misc. Expenses	14.70
9422 • Fidelity Bond Ins	949.57
<b>Total 9400 • Office &amp; Admin</b>	<b>357,323.66</b>
9500 • Ministry Expenses	
9501 • Church supplies	10,454.68
9502 • Books and Literature	1,270.71
9503 • Global Contributions	267,767.54
9504 • Storage	21,385.69
9506 • Communications/Marketing	6,807.53
<b>Total 9500 • Ministry Expenses</b>	<b>307,686.15</b>
<b>Total GENERAL EXPENSE AND ADMIN</b>	<b>1,330,448.70</b>
<b>PERSONNEL</b>	
6000 • Salary & Wages	
<b>Total 6000 • Salary &amp; Wages</b>	<b>1,407,566.54</b>
6100 • Payroll Taxes	
<b>Total 6100 • Payroll Taxes</b>	<b>113,079.89</b>
6400 • Health Insurance	
<b>Total 6400 • Health Insurance</b>	<b>237,227.58</b>
6500 • 1099 Contractors	
<b>Total 6500 • 1099 Contractors</b>	<b>119,686.70</b>
<b>Total PERSONNEL</b>	<b>1,877,560.71</b>
<b>PROGRAMS</b>	
5800 • Conference-NYC	
5805 • Transportation	0.00
5810 • Creative	0.00
5815 • Guest Relations	0.00
5820 • Venue Supplies	0.00
5830 • Catering	0.00
5831 • Hillsong conference-Other	0.00
<b>Total 5800 • Conference-NYC</b>	<b>0.00</b>
7200 • Sisterhood	
7205 • Venue/Facilities	32,500.00
7207 • Catering/Food	658.44
7208 • Supplies	726.89
7209 • Transportation	424.83
7210 • Venue Decor	1,446.88
7230 • Honor Moments	367.76
<b>Total 7200 • Sisterhood</b>	<b>36,124.80</b>
7300 • Youth Ministry	

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Jan - Oct 15

7305 · Venue/Facilities cost (rental of venue space)	19,372.00
7307 · Catering/Food	2,368.00
7308 · Supplies	2,867.19
7309 · Transportation	5,434.76
<b>Total 7300 · Youth Ministry</b>	<b>30,041.95</b>
7400 · Kids	
7405 · Venue/Facilities	20,783.00
7406 · Printing	4,425.75
7407 · Catering/Food	982.31
7408 · Supplies	9,561.17
7409 · Transportation	1,347.07
<b>Total 7400 · Kids</b>	<b>37,079.30</b>
7600 · Community Care	
7605 · Local/community Initiatives	46,467.25
7606 · Global Initiatives	53,027.30
7609 · Transportation	2,891.55
<b>Total 7600 · Community Care</b>	<b>102,386.10</b>
9999 · Suspense	1,104.53
<b>Total PROGRAMS</b>	<b>206,736.68</b>
<b>SERVICES AND EVENTS</b>	
8000 · Operations Team	
8001 · Venue-NJ Montclair	449,468.42
8002 · Venue-NY Irving	643,200.00
8003 · Venue - NY Manhattan Center	182,400.00
8004 · Venue - NY Best Buy	1,116,000.00
8006 · Venue - City Parks	38,250.00
8012 · Offering Count	97.75
8030 · Crew	
8030.1 · Catering/Food	211.93
8030.11 · Gas	2,228.07
8030.3 · Tolls	384.65
8030.4 · Truck Rentals	110,707.75
8030.5 · Supplies	1,909.73
8030.6 · Transportation	1,761.72
8030.8 · Parking	19,068.15
8030.9 · Repairs & Maintenance	659.99
<b>Total 8030 · Crew</b>	<b>136,931.99</b>
<b>Total 8000 · Operations Team</b>	<b>2,566,348.16</b>
8100 · Sunday Front of the House (Even	
8102 · Honor Moments/Volunteer Appre.	6,134.52
8106 · Printing	331.98
8107 · Catering/Food	7,537.16
8108 · Supplies	19,213.97
8110 · Venue Decor	2,285.30
<b>Total 8100 · Sunday Front of the House (Even</b>	<b>35,502.91</b>

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	<u>Jan - Oct 15</u>
<b>8200 · Connections</b>	
8202 · First Aid	367.01
8203 · Info. Bar	1,060.07
8207 · Catering/Food	1,078.35
<b>Total 8200 · Connections</b>	<u>2,505.43</u>
<b>8300 · EBS</b>	
8303 · Greenroom	28.41
8305 · Venue/Facilities	16,940.00
8307 · Catering/Food	1,377.99
8308 · Supplies	540.90
8309 · Transportation	84.71
<b>Total 8300 · EBS</b>	<u>18,972.01</u>
<b>8400 · Baptism</b>	
8404 · Accessories	179.75
8405 · Venue/Facilities	2,325.00
8408 · Supplies	635.68
8409 · Transportation	39.60
<b>Total 8400 · Baptism</b>	<u>3,180.03</u>
<b>8500 · WTCN</b>	
8505 · Venue/Facilities	3,190.00
8507 · Catering/Food	808.39
8508 · Supplies	131.04
8509 · Transportation	26.20
<b>Total 8500 · WTCN</b>	<u>4,155.63</u>
<b>8600 · Marriage Prep</b>	
8601 · Hospitality	1,308.75
8602 · Supplies	993.93
8604 · Marriage Prep receipts	-1,800.00
<b>Total 8600 · Marriage Prep</b>	<u>502.68</u>
<b>8700 · FNL/The Block</b>	
8705 · Venue/Facilities	9,875.00
8707 · Catering/Food	951.07
8708 · Supplies	1,196.20
8709 · Transportation	20.30
<b>Total 8700 · FNL/The Block</b>	<u>12,042.57</u>
<b>8800 · Connect Group</b>	
8805 · Venue/Facilities	3,857.50
8807 · Catering/Food	795.09
8808 · Supplies	153.81
<b>Total 8800 · Connect Group</b>	<u>4,806.40</u>
<b>8901 · Special Events</b>	
8905 · Venue/facilities	
8905.1 · Venue/Facilities - Kingdom Bull	5,389.90
8905.2 · Venue/Facilities - Staff retrea	9,795.90
8905.3 · Venue/Facilities - Party	-1,015.00



	<u>Jan - Oct 15</u>
8905.5 · Venue/Facilities - Overflow	5,250.00
8905.6 · Venue/Facilities - Heart & Soul	26,619.00
Total 8905 · Venue/facilities	<u>46,039.80</u>
8907 · Catering/Food	7,514.15
8908 · Supplies	2,579.08
8909 · Transportation	3,601.96
Total 8901 · Special Events	<u>59,734.99</u>
Total SERVICES AND EVENTS	<u>2,707,750.81</u>
Total Expense	<u>6,122,496.90</u>
Net Ordinary Income	<u>679,787.05</u>
Net Income	<u>679,787.05</u>

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Accrual Basis

Hillsong NYC, LLC.  
**Profit & Loss**  
January through November 2014

Jan - Nov 14

Ordinary Income/Expense		
Income		
OTHER INCOME/EXPENSES		
4700 · Winter School		
4703 · Supplies	-822.50	
Total 4700 · Winter School		-822.50
4600 · Summer School		
4603 · Supplies	-131.28	
4602 · Venue Cost	-1,500.00	
4601 · Application Tuition	5,130.00	
Total 4600 · Summer School		3,498.72
4500 · Resources		
4511 · Resources-gift	-4,418.00	
4502 · Purchases of resources	-38,163.89	
4525 · Monthly subscription for softwa	-196.00	
4501 · Resources Income	94,588.33	
4520 · Shipping-Resources	-586.15	
4510 · Cost of Resources sold	-1,012.10	
Total 4500 · Resources		50,212.19
Total OTHER INCOME/EXPENSES		52,888.41
INCOMES		
4000 · Income		
4031 · Kingdom Builders Fund	341,643.88	
4026 · Hillsong Conference-NYC	0.00	
4008 · Hurricane Sandy Reimbursement	69,051.38	
4007 · Heart 4 the house	503,214.90	
4035 · Interest Income	1,383.25	
4030 · Donation - Other	3,000.00	
4025 · Other Income	110,705.00	
4005 · Tithes & Offerings	5,023,554.22	
Total 4000 · Income		6,052,552.63
Total INCOMES		6,052,552.63
Total Income		6,105,441.04
Gross Profit		6,105,441.04
Expense		
SERVICES AND EVENTS		
8600 · Marriage Prep		
8602 · Supplies	2.17	
8601 · Hospitality	110.24	
Total 8600 · Marriage Prep		112.41
8901 · Special Events		
8911 · Conference-meals	6,100.00	
8910 · Conference - tickets	2,827.76	
8909 · Transportation	15.10	
8908 · Supplies	1,943.13	



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 Accrual Basis

**Hillsong NYC, LLC.**  
**Profit & Loss**  
 January through November 2014

	Jan - Nov 14
8907 · Catering/Food	2,151.70
8905 · Venue/facilities	14,636.38
<b>Total 8901 · Special Events</b>	<b>27,674.07</b>
8800 · Connect Group	
8808 · Supplies	228.64
8807 · Catering/Food	1,045.98
<b>Total 8800 · Connect Group</b>	<b>1,274.62</b>
8700 · FNL	
8705 · Venue/Facilities	650.00
<b>Total 8700 · FNL</b>	<b>650.00</b>
8500 · WTCN	
8508 · Supplies	293.22
8509 · Transportation	20.20
8507 · Catering/Food	1,426.81
8505 · Venue/Facilities	7,365.29
<b>Total 8500 · WTCN</b>	<b>9,105.52</b>
8400 · Baptism	
8408 · Supplies	834.68
8406 · Printing	58.76
8404 · Accessories	239.50
8409 · Transportation	132.26
8405 · Venue/Facilities	7,050.00
<b>Total 8400 · Baptism</b>	<b>8,315.20</b>
8300 · EBS	
8309 · Transportation	184.00
8308 · Supplies	2,985.53
8303 · Greenroom	164.25
8307 · Catering/Food	2,406.87
8305 · Venue/Facilities	26,620.00
<b>Total 8300 · EBS</b>	<b>32,360.65</b>
8200 · Connections	
8203 · Info. Bar	192.46
8207 · Catering/Food	834.74
<b>Total 8200 · Connections</b>	<b>1,027.20</b>
8100 · Events	
8107 · Catering/Food	10,267.87
8102 · Honor Moments/Volunteer Appre.	1,663.30
8110 · Venue Decor	2,215.06
8108 · Supplies	19,839.76
8106 · Printing	567.42
<b>Total 8100 · Events</b>	<b>34,553.41</b>
8000 · Operations Team	
8030 · Crew	
8030.11 · Gas	150.00
8030.9 · Repairs & Maintenance	1,107.46
8030.8 · Parking	17,441.62

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Accrual Basis

**Hillsong NYC, LLC.**  
**Profit & Loss**  
 January through November 2014

	<b>Jan - Nov 14</b>
8030.6 · Transportation	99.20
8030.4 · Truck Rentals	74,504.15
8030.3 · Tolls	1,546.17
8030.5 · Supplies	1,534.46
8030.1 · Catering/Food	57.44
<b>Total 8030 · Crew</b>	<b>96,440.50</b>
8014 · Venue Host	33.74
8012 · Offering Count	1,152.16
8002 · Venue-NY Live Nation	1,386,927.49
8001 · Venue-NJ Montclair	840,000.00
<b>Total 8000 · Operations Team</b>	<b>2,324,553.89</b>
<b>Total SERVICES AND EVENTS</b>	<b>2,439,626.97</b>
<b>PROGRAMS</b>	
7600 · Community Care	
7640 · Benevolence	9,705.11
7609 · Transportation	5,967.83
7605 · Local/community initiatives	20,018.74
<b>Total 7600 · Community Care</b>	<b>35,691.68</b>
7400 · Kids	
7408 · Supplies	6,683.44
7407 · Catering/Food	1,755.91
7406 · Printing	1,240.32
7409 · Transportation	686.81
7405 · Venue/Facilities	23,500.00
<b>Total 7400 · Kids</b>	<b>33,866.48</b>
5800 · Conference-NYC	
5831 · Hillsong conference-Other	0.00
5830 · Catering	0.00
5820 · Venue Supplies	0.00
5815 · Guest Relations	0.00
5810 · Creative	0.00
5805 · Transportation	0.00
<b>Total 5800 · Conference-NYC</b>	<b>0.00</b>
9999 · Suspense	2,549.57
7300 · Youth Ministry	
7308 · Supplies	1,812.78
7307 · Catering/Food	1,285.81
7309 · Transportation	1,348.28
7305 · Venue/Facilities cost (rental of venue space)	12,400.00
<b>Total 7300 · Youth Ministry</b>	<b>16,846.87</b>
7200 · Sisterhood	
7210 · Venue Decor	1,044.31
7230 · Honor Moments	407.06
7206 · Printing	14.13
7208 · Supplies	1,093.60
7207 · Catering/Food	1,505.22
7209 · Transportation	117.35

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Accrual Basis

Hillsong NYC, LLC.  
**Profit & Loss**  
January through November 2014

	<u>Jan - Nov 14</u>
7205 · Venue/Facilities	21,076.00
Total 7200 · Sisterhood	<u>25,257.67</u>
Total PROGRAMS	114,212.27
<b>PERSONNEL</b>	
6500 · 1099 Contractors	
6506 · Permalight-Dan Leatherman	1,000.00
6505 · Alexandra Hernandez	100.00
6504 · Jessica Smith (Child care)	100.00
6503 · Meredith Resetar (for child care)	700.00
6032 · Joseph Termini	45,827.34
6502 · PJ Davis -Venue Control	14,400.00
6501 · James Hurley	8,000.00
Total 6500 · 1099 Contractors	<u>70,127.34</u>
6400 · Health Insurance	
6415 · Health Insurance - Dental	7,816.43
6410 · Health Insurance - Vision	1,994.46
6405 · Health Insurance-Medical	204,662.28
Total 6400 · Health Insurance	<u>214,473.17</u>
6100 · Payroll Taxes	
6130 · Payroll Taxes-NY Unemployment	8,420.62
6125 · Payroll Taxes-SDI	-468.86
6115 · Payroll Taxes-Futa	1,097.39
6110 · Payroll Taxes-Med	14,204.87
6105 · Payroll Taxes-SS	63,697.67
Total 6100 · Payroll Taxes	<u>86,951.69</u>
6000 · Salary & Wages	
6041 · Brenda Thorn	3,750.00
6040 · Rachel Grullar	5,916.68
6039 · Mikaela Willie	14,791.70
6038 · John Cornelius	60,000.00
6037 · Sarah Cornelius	26,249.94
6036 · Mike Vogel	11,250.00
6035 · Dillon Nicely	36,666.74
6034 · Tolu Badders	71,250.00
6033 · Heather Brown	28,663.40
6031 · Andrew Simila	29,333.26
6030 · Jess Cooke	30,000.00
6029 · Blaze Robinson	68,750.00
6028 · Chris Davenport	41,250.00
6025 · Meredith Anderson	45,833.26
6023 · John Termini	91,666.74
6022 · Laura Lentz	22,916.74
6021 · Kumarie Joseph	64,166.74
6005 · Carl Lentz	197,449.78
6019 · Leona Kimes	29,333.26
6017 · Josh Kimes	69,791.73
6015 · Karla Keating	41,250.00
6013 · Kane Keatinge	77,916.53
6009 · Reed Bogard	63,549.96

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Accrual Basis

Hillsong NYC, LLC.  
**Profit & Loss**  
January through November 2014

	Jan - Nov 14
6007 · Joel Houston	102,941.74
Total 6000 · Salary & Wages	1,234,688.20
<b>Total PERSONNEL</b>	<b>1,606,240.40</b>
<b>GENERAL EXPENSE AND ADMIN</b>	
9500 · Ministry Expenses	
9508 · Visitor Materials	2.71
9506 · Communications/Marketing	8,813.34
9505 · Donations	1,000.00
9504 · Storage	11,938.43
9503 · Global Contributions	255,059.88
9502 · Books and Literature	3,388.94
9501 · Church supplies	11,614.93
Total 9500 · Ministry Expenses	291,818.23
9400 · Office & Amnin	
9422 · Fidelity Bond Ins	1,017.50
9419 · Misc. Expenses	1,034.82
9418 · Office Cleaning	1,765.00
9417 · Office Expenses-Other	661.88
9416 · Consumables Items	945.10
9414 · Payroll/401K Processing	6,973.52
9413 · Credit Fees	49,741.97
9412 · Bank Charges	8,494.47
9411 · Internet/Web Hosting	1,396.44
9410 · Office Supplies	6,389.97
9409 · Postage	1,965.93
9408 · Office Rent	83,073.25
9407 · Utilities-Electric	1,452.22
9406 · Telephone	39,034.89
9405 · Insurance-Workers Comp	6,908.23
9404 · Insurance-Commercial	26,655.78
9403 · Taxes/Fees/License	845.90
9402 · Legal Fees	37,532.80
9401 · Accounting/Auditing	10,132.00
9400 · Office & Amnin - Other	20.90
Total 9400 · Office & Amnin	286,042.57
9300 · Pastoral care	
9305 · Other	488.40
9304 · Sickness	884.71
9303 · Deaths	1,555.92
9302 · Births	567.33
9301 · Weddings	1,324.46
Total 9300 · Pastoral care	4,820.82
9201 · Creative	
9203 · Consumable Items	160.50
9212 · Web & IT	4,535.24
9208 · Supplies	9,304.14
9210 · Venue Design	5,573.85
9213 · Media	1,010.53
9209 · Transportation	23,352.92

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Accrual Basis

Hillsong NYC, LLC.  
**Profit & Loss**  
January through November 2014

	Jan - Nov 14
9211 · Production	62,248.06
9205 · Venue/Facilities	21,163.13
9207 · Catering/Food	14,075.36
9206 · Printing	30,477.29
<b>Total 9201 · Creative</b>	<b>171,901.02</b>
9101 · Key Teams	
9109 · Hospitality	22,344.66
9108 · Travel	
9108.4 · Transportation	756.81
9108.3 · Food	862.69
9108.2 · Hotel	4,437.64
9108.1 · Airfare	19,257.42
<b>Total 9108 · Travel</b>	<b>25,314.56</b>
9106 · Supplies	1,370.87
9105 · Development, Training & Leadersh	1,813.56
9104 · Meetings	1,155.80
<b>Total 9101 · Key Teams</b>	<b>51,999.45</b>
9000 · Lead Pastors	
9010 · Hospitality	30,796.79
9009 · Transportation	
9009.10 · Gas	20,435.84
9009.9 · Auto Lease	6,462.83
9009.7 · Auto-Insurance	20,396.75
9009.8 · Car supplies	3,343.79
9009.6 · Toll	5,490.33
9009.5 · Parking	22,108.11
9009.4 · Fines	2,590.06
9009.3 · Repairs & Maintenance	6,710.34
9009.2 · Transit	7,929.12
9009.1 · Taxi	24,264.12
<b>Total 9009 · Transportation</b>	<b>119,731.29</b>
9003 · Lead Pastor Travel	
9003.7 · Joel Houston-Food	513.02
9003.6 · Joel Houston-Hotel	3,045.52
9003.5 · Joel Houston-Airfare	21,395.29
9003.3 · Carl Lentz-Food	3,649.33
9003.2 · Carl Lentz-Hotel	19,874.99
9003.1 · Carl Lentz-Airfare	63,629.94
<b>Total 9003 · Lead Pastor Travel</b>	<b>112,108.09</b>
9006 · Guest Relations	
9006.5 · Guest Relations-Gift	5,749.15
9006.4 · Guest relations-Hospitality	21,039.91
9006.3 · Guest relations-Transportation	6,550.16
9006.2 · Guest Relations-Hotel	17,155.86
9006.1 · Guest Relations-Airfare	7,604.00
<b>Total 9006 · Guest Relations</b>	<b>58,099.08</b>
9007 · Supplies	7,570.25
9008 · Development, Leadership & Traini	8,083.26



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Accrual Basis

**Hillsong NYC, LLC.**  
**Profit & Loss**  
January through November 2014

	<b>Jan - Nov 14</b>
9005 · Meetings	12,378.24
9004 · Greenroom	34,060.33
9002 · Gifts/Volunteer Appreciation	26,625.27
9001 · Honorariums	74,540.00
<b>Total 9000 · Lead Pastors</b>	<b>483,992.60</b>
5100 · Ministry	
5112 · Outreach-Sandy relief	0.00
<b>Total 5100 · Ministry</b>	<b>0.00</b>
<b>Total GENERAL EXPENSE AND ADMIN</b>	<b>1,290,574.69</b>
<b>Total Expense</b>	<b>5,450,654.33</b>
<b>Net Ordinary Income</b>	<b>654,786.71</b>
<b>Net Income</b>	<b>654,786.71</b>





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Accrual Basis

Hillsong NYC, LLC.  
**Profit & Loss Budget vs. Actual**  
January through December 2013

	Jan - Dec 13	Budget	\$ Over Budget	% of Budget
Ordinary Income/Expense				
Income				
<b>OTHER INCOME/EXPENSES</b>				
8000 · Resources				
8011 · Resources-gift	-2,510.00			
8002 · Purchases of resources	-8,382.31	0.00	-8,382.31	100.0%
8025 · Monthly subscription for softwa	-392.00	0.00	-392.00	100.0%
8001 · Resources Income	33,754.80	18,000.00	15,754.80	187.5%
8020 · Shipping-Resources	0.00	1,200.00	-1,200.00	0.0%
8015 · Resources Sales Tax	0.00	0.00	0.00	0.0%
8010 · Cost of Resources sold	-3,257.63	-12,000.00	8,742.37	27.1%
8005 · Gain/loss from sales of resourc	0.00	0.00	0.00	0.0%
<b>Total 8000 · Resources</b>	<b>19,212.86</b>	<b>7,200.00</b>	<b>12,012.86</b>	<b>266.8%</b>
<b>Total OTHER INCOME/EXPENSES</b>	<b>19,212.86</b>	<b>7,200.00</b>	<b>12,012.86</b>	<b>266.8%</b>
<b>INCOMES</b>				
4000 · Income				
4008 · Hurricane Sandy Reimbursement	44,648.55	47,500.00	-2,851.45	94.0%
4007 · Heart 4 the house	0.00	0.00	0.00	0.0%
4037 · Gain/Loss on assets	0.00	0.00	0.00	0.0%
4035 · Interest Income	1,211.17	60.00	1,151.17	2,018.6%
4030 · Donation - Other	57,324.50	0.00	57,324.50	100.0%
4029 · Housing Allowance- joel Houston	0.00	0.00	0.00	0.0%
4028 · Housing Allowance-Carl & Laura	0.00	0.00	0.00	0.0%
4025 · Other Income	191,800.00	300,000.00	-108,200.00	63.9%
4020 · Hillsong Support	0.00	0.00	0.00	0.0%
4016 · Hillsong Sydney Non NYC Staff S	32,240.80	74,268.00	-42,027.20	43.4%
4015 · Hillsong Sydney Support	0.00	0.00	0.00	0.0%
4010 · Hillsong London Support	0.00	0.00	0.00	0.0%
4005 · Tithes & Offerings	1,631,914.07	3,592,500.00	-1,960,585.93	45.4%
<b>Total 4000 · Income</b>	<b>1,959,139.09</b>	<b>4,014,328.00</b>	<b>-2,055,188.91</b>	<b>48.8%</b>
<b>Total INCOMES</b>	<b>1,959,139.09</b>	<b>4,014,328.00</b>	<b>-2,055,188.91</b>	<b>48.8%</b>
<b>Total Income</b>	<b>1,978,351.95</b>	<b>4,021,528.00</b>	<b>-2,043,176.05</b>	<b>49.2%</b>
<b>Gross Profit</b>	<b>1,978,351.95</b>	<b>4,021,528.00</b>	<b>-2,043,176.05</b>	<b>49.2%</b>

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Accrual Basis

Hillsong NYC, LLC.  
Profit & Loss Budget vs. Actual  
January through December 2013

Expense	Jan - Dec 13	Budget	\$ Over Budget	% of Budget
<b>SERVICES</b>				
9999 - Suspense	4,668.43			
7300 - Youth Ministry	-1,267.78	6,000.00	-4,732.22	21.1%
7200 - Sisterhood	435.08	24,000.00	-23,564.92	1.8%
7100 - Midweek Event				
7106 - Meetings	0.00	0.00	0.00	0.0%
7110 - Midweek event-Other	1,187.81	6,000.00	-4,812.19	19.8%
7130 - Midweek Front of House				
7130.9 - Events	1,624.21	2,400.00	-775.79	67.7%
7130.8 - Volunteer Appreciation	1,202.51	3,600.00	-2,397.49	33.4%
7130.7 - Accomodations	0.00	1,200.00	-1,200.00	0.0%
7130.6 - Creative Team	2,438.09	4,800.00	-2,361.91	50.8%
7130.5 - Kids Program	41.07	0.00	41.07	100.0%
7130.4 - Transportation	463.19	1,200.00	-736.81	38.6%
7130.3 - Greenroom	5,261.92	3,600.00	1,661.92	146.2%
7130.2 - Midweek Event-Catering/Food	6,688.81	9,000.00	-2,311.19	74.3%
7130.1 - Crew	182.90	3,600.00	-3,417.10	5.1%
<b>Total 7130 - Midweek Front of House</b>	<b>17,902.70</b>	<b>29,400.00</b>	<b>-11,497.30</b>	<b>60.9%</b>
7120 - Midweek Production	0.00	8,400.00	-8,400.00	0.0%
7105 - Midweek Venue	176,884.76	520,800.00	-343,915.24	34.0%
7100 - Midweek Event - Other	0.00	0.00	0.00	0.0%
<b>Total 7100 - Midweek Event</b>	<b>195,975.27</b>	<b>564,600.00</b>	<b>-368,624.73</b>	<b>34.7%</b>
7000 - Weekend Event				
7007 - Venue Cost-Roseland	59,081.95			
7006 - Venue Cost-manhattan Center	60,057.50			
7017 - Production-Extras	4,067.16	6,000.00	-1,932.84	67.8%
7016 - Venue Cost-Irving	187,371.97	1,202,440.00	-1,015,068.03	15.6%
7025 - Sunday Front House				
7025.4 - Transportation	11,634.08	24,000.00	-12,365.92	48.5%
7025.9 - Events	12,046.27	6,000.00	6,046.27	200.8%
7025.8 - Volunteer Appreciation	3,822.98	6,000.00	-2,177.02	63.7%
7025.6 - Creative	10,273.31	12,000.00	-1,726.69	85.6%
7025.7 - Accomodations	611.65	0.00	611.65	100.0%
7025.5 - Kids Program	2,469.32	3,600.00	-1,130.68	68.6%
7025.3 - Hospitality/Catering/Food	8,267.47	14,400.00	-6,132.53	57.4%
7025.2 - Greenroom Expense	15,438.19	14,400.00	1,038.19	107.2%

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Accrual Basis

**Hillsong NYC, LLC.**  
**Profit & Loss Budget vs. Actual**  
 January through December 2013

	Jan - Dec 13	Budget	\$ Over Budget	% of Budget
7025.1 - Crew	517.23	4,800.00	-4,282.77	10.8%
7025 - Sunday Front House - Other	260.21			
<b>Total 7025 - Sunday Front House</b>	<b>65,340.71</b>	<b>85,200.00</b>	<b>-19,859.29</b>	<b>76.7%</b>
7020 - Production -Salvation Army	0.00	0.00	0.00	0.0%
7015 - Venue Cost-Salvation Army	0.00	0.00	0.00	0.0%
7010 - Production-Gramercy	809.37	6,000.00	-5,190.63	13.5%
7005 - Venue Cost-Gramercy	52,000.00	0.00	52,000.00	100.0%
7000 - Weekend Event - Other	0.00	0.00	0.00	0.0%
<b>Total 7000 - Weekend Event</b>	<b>428,728.66</b>	<b>1,299,640.00</b>	<b>-870,911.34</b>	<b>33.0%</b>
<b>Total SERVICES</b>	<b>631,075.22</b>	<b>1,894,240.00</b>	<b>-1,263,164.78</b>	<b>33.3%</b>
<b>PERSONNEL</b>				
6400 - Health Insurance				
6415 - Health Insurance - Dental	1,995.88	3,000.00	-1,004.12	66.5%
6410 - Health Insurance - Vision	521.59	1,380.00	-858.41	37.8%
6405 - Health Insurance-Medical	73,560.58	165,600.00	-92,039.42	44.4%
<b>Total 6400 - Health Insurance</b>	<b>76,078.05</b>	<b>169,980.00</b>	<b>-93,901.95</b>	<b>44.8%</b>
6300 - Housing Allowance				
6335 - Housing Allowance-Kane Keating	10,583.30	19,200.00	-8,616.70	55.1%
6325 - Housing Allowance-Joshua Kimes	17,678.30	43,200.00	-25,521.70	40.9%
6320 - Housing Allowance-Gabe Kelly	8,934.36	9,000.00	-65.64	99.3%
6315 - Housing Allowance-Reed	20,033.30	44,400.00	-24,366.70	45.1%
6310 - Housing Allowance-Carl & Laura	29,166.60	66,000.00	-36,833.40	44.2%
6305 - Housing Allowance-Joel Houston	28,500.00	66,000.00	-37,500.00	43.2%
<b>Total 6300 - Housing Allowance</b>	<b>114,895.86</b>	<b>247,800.00</b>	<b>-132,904.14</b>	<b>46.4%</b>
6100 - Payroll Taxes				
6130 - Payroll Taxes-NY Unemployment	4,009.90	2,640.00	1,369.90	151.9%
6125 - Payroll Taxes-SDI	-174.20	-168.00	-6.20	103.7%
6120 - Payroll Taxes-MTA	0.00	0.00	0.00	0.0%
6115 - Payroll Taxes-Futa	1,028.99	360.00	668.99	285.8%
6110 - Payroll Taxes-Med	3,828.22	3,780.00	48.22	101.3%
6105 - Payroll Taxes-SS	16,074.23	15,960.00	114.23	100.7%
<b>Total 6100 - Payroll Taxes</b>	<b>24,767.14</b>	<b>22,572.00</b>	<b>2,195.14</b>	<b>109.7%</b>

Hillsong NYC, LLC.  
Profit & Loss Budget vs. Actual  
January through December 2013

	Jan - Dec 13	Budget	\$ Over Budget	% of Budget
<b>6000 - Salary &amp; Wages</b>				
6029 - Blaze Robinson	11,250.00	37,500.00	-26,250.00	30.0%
6028 - Chris Davenport	6,250.02	20,833.30	-14,583.28	30.0%
6027 - James Hurley	0.00	10,000.00	-10,000.00	0.0%
6026 - Ben Lunsford	0.00	10,000.00	-10,000.00	0.0%
6025 - Meredith Anderson	16,666.64	45,833.37	-29,166.73	36.4%
6024 - Joe Termini (he is being paid out of Hurricane Sandy amount)	25,000.00	30,000.00	-5,000.00	83.3%
6023 - John Termini	41,666.70	100,000.00	-58,333.30	41.7%
6022 - Laura Lentz	10,416.70	25,000.00	-14,583.30	41.7%
6021 - Kumarie Joseph	27,083.30	65,004.00	-37,920.70	41.7%
6020 - Jessica Bogard	14,583.30	35,004.00	-20,420.70	41.7%
6005 - Carl Lentz	42,083.30	105,000.00	-62,916.70	40.1%
6019 - Leona Kimes	13,333.30	32,400.00	-19,066.70	41.2%
6017 - Josh Kimes	7,321.70	17,580.00	-10,258.30	41.6%
6015 - Karla Keating	14,583.30	35,000.04	-20,416.74	41.7%
6013 - Kane Keatinge	14,000.00	40,800.00	-26,800.00	34.3%
6011 - Gabe Kelly	4,399.00	8,000.00	-3,601.00	55.0%
6009 - Reed Bogard	22,083.30	55,752.00	-33,668.70	39.6%
6007 - Joel Houston	18,291.70	47,500.00	-29,208.30	38.5%
<b>Total 6000 - Salary &amp; Wages</b>	<b>289,012.26</b>	<b>721,206.71</b>	<b>-432,194.45</b>	<b>40.1%</b>
<b>Total PERSONNEL</b>	<b>504,753.31</b>	<b>1,161,558.71</b>	<b>-656,805.40</b>	<b>43.5%</b>
<b>GENERAL EXPENSE</b>				
<b>5700 - Transportation</b>				
5745 - Transportation-Other	2,960.75	4,800.00	-1,839.25	61.7%
5740 - Transportation-Transit	1,984.10	6,600.00	-4,615.90	30.1%
5735 - Taxi	12,609.15	16,800.00	-4,190.85	75.1%
5730 - Insurance-Auto	2,381.25	9,600.00	-7,218.75	24.8%
5725 - Repairs & Maintenance-Auto	7,294.27	6,000.00	1,294.27	121.6%
5720 - Auto Expense-Gas	8,494.39	24,000.00	-15,505.61	35.4%
5715 - Auto Expense-Parking	11,064.76	24,000.00	-12,935.24	46.1%
5710 - Fines	2,579.82	0.00	2,579.82	100.0%
5705 - Auto Expense-Toll	955.75	1,800.00	-844.25	53.1%
5700 - Transportation - Other	0.00	0.00	0.00	0.0%
<b>Total 5700 - Transportation</b>	<b>50,324.24</b>	<b>93,600.00</b>	<b>-43,275.76</b>	<b>53.8%</b>

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Accrual Basis

Hillsong NYC, LLC.  
**Profit & Loss Budget vs. Actual**  
January through December 2013

	<u>Jan - Dec 13</u>	<u>Budget</u>	<u>\$ Over Budget</u>	<u>% of Budget</u>
<b>Net Ordinary Income</b>	<u>297,883.38</u>	<u>28,244.29</u>	<u>269,639.09</u>	<u>1,054.7%</u>
<b>Net Income</b>	<u>297,883.38</u>	<u>28,244.29</u>	<u>269,639.09</u>	<u>1,054.7%</u>





Trans Date	Type	Reference	Details	AUD	USD	Updated	Batch
1-Jan-19	JE	Y/END18	Hillsong NYC credit balance USD103,645.78	- 146,848.66	- 103,645.78	0.7058	00C1YB
8-Feb-19	JE	Q4 2018	08/02 HS NYC Contribution USD139258.15@0.75	185,677.53	139,258.15		00C0W4
18-Jun-19	CI	DFS-2019Q1	HILLSONG NYC LLC	26,347.64	18,171.97		00C8S8
			NYC HMA RECONCILIATION USD82745.34@0.7058	- 117,236.25	- 82,745.34		
		00CPR8					
		JBSA9008558NYC	Q1 2019 REC HMA CN From 2016	n	- 1,886.99	- 1,301.46	0.6897
		JBSA9008558NYC	Q1 2019 REC Immigration Filings - Rayna Chang	n	- 5,611.14	- 3,870.00	
		JBSA9008558NYC	Q1 2019 REC SoHo House - JTH	n	- 1,262.87	- 871.00	
		JBSA9008558NYC	Q1 2019 REC AT&T - JTH (\$273/mth)	n	- 1,187.47	- 819.00	
		JBSA9008558NYC	Q1 2019 REC Q1-2019 Global Contribution USD35882.46@0.6897	n	51,939.19	35,822.46	
		JBSA9008558NYC	Q1 2019 REC NYC RECONCILIATION EXCHANGE DIFF	n	10,069.02		
		JGRC3203090	Q1 2019 REC HMA CN From 2016	n	1,886.99		
		JGLO0014316	Q1 2019 REC Immigration Filings - Rayna Chang	n	5,611.14		
		JGLO0454316	Q1 2019 REC SoHo House - JTH	n	1,262.87		
		JGLO0454316	Q1 2019 REC AT&T - JTH (\$273/mth)	n	1,187.47		
		JBSA9008591	Q1 2019 REC Q1-2019 Global Contribution USD35882.46@0.6897	n	- 51,939.19		
		JGLO0094193	Q1 2019 REC NYC RECONCILIATION EXCHANGE DIFF	n	- 10,069.02		
		00CPR6				-68,199.38	
		JGRC3203090	YE ADJ NYC HMA RECONCILIATION USD82745.34@0.7058	n	117,236.25		
		JBSA9008558NYC	YE ADJ NYC HMA RECONCILIATION USD82745.34@0.7058	n	- 117,236.25		
		0008Q2					
		UFBSA9008580	Q1 2019 REC Q1-2019 Global Contribution USD35882.46@0.6897	n	35,822.46		
		UFBSA9008390NYC	Q1 2019 REC Q1-2019 Global Contribution USD35882.46@0.6897	n	- 35,822.46		





Trans Date	Type	Reference	Details	Amount	User Sta
1-Jan-14	BF		Brought Forward	\$ -	
30-Jan-14	JE	JS AX JAN	Jones Fletcher / JTH Visa Legal Costs	\$ 3,492	tiago
31-Mar-14	JE	854259AA	VICKIE 28.2.14	\$ 178	bevb
31-Mar-14	JE	883307		\$ 54	bevb
31-Mar-14	JE	857859	VICKIE: 12.3.14	\$ 870	bevb
31-Mar-14	JE	854259	VICKIE 28.2.14	\$ 475	bevb
31-Mar-14	JE	851579	EMAIL:VICKIE	\$ 1,520	bevb
31-Mar-14	JE	844706	EMAIL: VICKY CASEY	\$ 150	bevb
31-Mar-14	JE	JS AX FEB	Jones Fletcher / JTH Visa Legal Costs	\$ 416	tiago
31-Mar-14	JE	JS AX FEB	Jones Fletcher / JTH Visa Legal Costs	\$ 380	tiago
31-Mar-14	JE	JS AX FEB	Jones Fletcher / JTH Visa Legal Costs	\$ 1,161	tiago
30-Apr-14	JE	891725	INTERNAL SALES HMA	\$ 1,562	bevb
9-May-14	CI	11022FINAL	J.C TRAVEL PROFESSIONALS PTY L	\$ 5,000	donnag
21-May-14	JE	JS AX MAR	Fletcher jones / Legel costs for JTH Gre	\$ 1,543	tiago
30-Jun-14	JE	UNITED	Balance as of 30/06/14 - USD40962.19	-\$ 43,484	jtay
30-Jun-14	JE	JS AX APR	Jones Fletcher / Legal Fees for JTH Gree	\$ 3,309	tiago
30-Jun-14	JE	JS AX APR	Jones Fletcher / Legal Fees for JTH Gree	\$ 4,841	tiago
30-Jun-14	JE	BCH AX MAY	Trump Soho / BCH NYC accommodation	\$ 4,620	tiago
30-Jun-14	JE	RLH AX MAY	Shangri-La / Blaze & Desiree Robertson a	\$ 355	tiago
30-Jun-14	JE	RLH AX MAY	Shangri-La / Blaze & Desiree Robertson a	\$ 775	tiago
30-Jun-14	JE	RLH AX MAY	Shangri-La / Carl Lentz accommodation	\$ 1,339	tiago
1-Jul-14	JE	903922	EMAIL: LAURA K	\$ 3,137	bevb
25-Jul-14	CI	00007374	BUSY STREET PTY LTD	\$ 9,790	donnag
15-Aug-14	JE	RLH AX JUN	Four Seasons / Desiree & Blaze Robertson	\$ 1,141	tiago
30-Sep-14	JE	940343REF	HMA INTERNAL SALES SEPT 2014	\$ 5,240	bevb
31-Oct-14	JE	954064	INTERNAL SALES HMA OCT 2014	-\$ 2,411	bevb
31-Oct-14	JE	959887	INTERNAL SALES HMA OCT 2014	\$ 1,607	bevb
30-Nov-14	JE	HSCONF NYC	Debtor_Hillsong NYC	\$ 20,374	
30-Nov-14	JE	HSCONF NYC	Debtor_Hillsong NYC	\$ 117,478	
30-Nov-14	JE	FX EFFECT	Debtor_Hillsong NYC	-\$ 17,468	
30-Nov-14	JE	HSCONF NYC	Debtor_Hillsong NYC	\$ 116,569	
30-Nov-14	JE	HSCONF NYC	Debtor_Hillsong NYC	-\$ 99,944	
1-Dec-14	JE	957058	INTERNAL SALES HMA OCT 2014	\$ 360	bevb
5-Dec-14	JE	UNITED	Balance as of 31/10/14 - USD8281.73	-\$ 9,416	jtay
30-Dec-14	JE	970111	NETWORK LUNCH STOCK	\$ 1,797	grace
30-Dec-14	JE	970110	2014 NYC NETWORKGIFT	\$ 6,123	grace
30-Dec-14	JE	970020	2014 NYC AGENT SALES	\$ 7,900	grace
30-Dec-14	JE	962154	WORD BIBLE JULY ORDE	\$ 14,080	grace
30-Dec-14	JE	962124	EMAIL - SONG 21/10	\$ 360	grace



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06/10/13

Accrual Basis

**Hillsong NYC, LLC.**  
**Profit & Loss Budget vs. Actual**  
 January through December 2013

	Jan - Dec 13	Budget	\$ Over Budget	% of Budget
<b>5600 - Office</b>				
5607 - Storage	438.96	0.00	438.96	100.0%
5690 - Depreciation Expense	0.00	0.00	0.00	0.0%
5677 - Filing Fees/State taxes	56.00	120.00	-64.00	46.7%
5676 - Internet hosting/services	299.03	0.00	299.03	100.0%
5675 - Printing	762.30	0.00	762.30	100.0%
5670 - Misc. Expenses (Expenses not categorized elsewhere)	0.00	2,400.00	-2,400.00	0.0%
5665 - Consumable Items	2,463.38	6,000.00	-3,536.62	41.1%
5655 - Office-Other	3,125.16	9,000.00	-5,874.84	34.7%
5650 - Office Supplies	4,939.87	12,000.00	-7,060.13	41.2%
5645 - Leadership/Training	2,931.43	6,000.00	-3,068.57	48.9%
5635 - Electricity	1,341.03	1,200.00	141.03	111.8%
5630 - Utilities-Gas	1,282.12	1,200.00	82.12	106.8%
5625 - Cable	1,006.23	3,240.00	-2,233.77	31.1%
5620 - Telephone	23,163.08	18,200.00	3,963.08	120.6%
5610 - Postage	3,033.47	1,800.00	1,233.47	168.5%
5605 - Office Rent	29,500.00	72,000.00	-42,500.00	41.0%
<b>Total 5600 - Office</b>	<b>74,342.06</b>	<b>134,160.00</b>	<b>-59,817.94</b>	<b>55.4%</b>
<b>5500 - Administrative Processing</b>				
5520 - Reserves account	0.00	0.00	0.00	0.0%
5515 - Bank Charges	2,385.84	6,000.00	-3,614.16	39.8%
5510 - Credit Card Fees	13,953.62	31,200.00	-17,246.38	44.7%
5505 - Payroll Processing	3,587.36	1,200.00	2,387.36	298.9%
<b>Total 5500 - Administrative Processing</b>	<b>19,926.82</b>	<b>38,400.00</b>	<b>-18,473.18</b>	<b>51.9%</b>
<b>5400 - Professional Services</b>				
5430 - Professional Fees-Admin	8,550.00	0.00	8,550.00	100.0%
5425 - Legal Fees	6,402.40	6,000.00	402.40	106.7%
5420 - Accounting	500.00	24,000.00	-23,500.00	2.1%
5415 - Prof. Fees- Legal	1,069.00	0.00	1,069.00	100.0%
5410 - Insurance-Commercial	5,964.90	24,000.00	-18,035.10	24.9%
5405 - Insurance_worker Comp	990.50	1,500.00	-509.50	66.0%
<b>Total 5400 - Professional Services</b>	<b>23,476.80</b>	<b>55,500.00</b>	<b>-32,023.20</b>	<b>42.3%</b>
<b>5300 - Hospitality Entertainment</b>	<b>27,716.09</b>	<b>84,000.00</b>	<b>-56,283.91</b>	<b>33.0%</b>

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06/10/13

Accrual Basis

**Hillsong NYC, LLC.**  
**Profit & Loss Budget vs. Actual**  
 January through December 2013

	Jan - Dec 13	Budget	\$ Over Budget	% of Budget
<b>5200 · Guest Relations</b>				
5225 · Guest relations-Other	2,325.90	5,400.00	-3,074.10	43.1%
5220 · Food/Entertainment	13,251.31	18,000.00	-4,748.69	73.6%
5215 · Transportation	6,808.24	9,000.00	-2,191.76	75.6%
5210 · Hotel	12,667.53	24,000.00	-11,332.47	52.8%
5205 · Airfare	1,643.40	14,400.00	-12,756.60	11.4%
5200 · Guest Relations - Other	0.00	0.00	0.00	0.0%
<b>Total 5200 · Guest Relations</b>	<b>36,696.38</b>	<b>70,800.00</b>	<b>-34,103.62</b>	<b>51.8%</b>
<b>5000 · Key Team</b>				
5021 · Key Team Travel-Other	27,893.05	48,000.00	-20,106.95	58.1%
5005 · Key Team Travel - Carl & Laura	63,418.89	30,000.00	33,418.89	211.4%
5020 · Key Team Travel - Joel & Ester	604.76	30,000.00	-29,395.24	2.0%
<b>Total 5000 · Key Team</b>	<b>91,916.70</b>	<b>108,000.00</b>	<b>-16,083.30</b>	<b>85.1%</b>
<b>5100 · Ministry</b>				
5175 · Meetings/Conferences	233.71	0.00	233.71	100.0%
5127 · Storage	1,909.33	0.00	1,909.33	100.0%
5113 · Heart for House Expenses	0.00	0.00	0.00	0.0%
5112 · Outreach-Sandy relief	607.36	0.00	607.36	100.0%
5170 · Ministry Supplies	7,338.67	0.00	7,338.67	100.0%
5165 · Licenses	0.00	0.00	0.00	0.0%
5160 · Rainy day	0.00	0.00	0.00	0.0%
5145 · Team/Staff Day	3,926.68	2,400.00	1,526.68	163.6%
5140 · Donations	500.00	12,000.00	-11,500.00	4.2%
5135 · Pastoral care	8,765.45	12,000.00	-3,234.55	73.0%
5130 · Miscellaneous Expenses	540.44	0.00	540.44	100.0%
5125 · Communications/Marketing	20,799.19	30,000.00	-9,200.81	69.3%
5120 · Global Contributions	80,812.02	176,625.00	-95,812.98	45.8%
5115 · Ministry Honorarium	44,500.00	84,000.00	-39,500.00	53.0%
5110 · Outreach	29,764.26	18,000.00	11,764.26	165.4%
5105 · Gift	20,543.84	18,000.00	2,543.84	114.1%
<b>Total 5100 · Ministry</b>	<b>220,240.95</b>	<b>353,025.00</b>	<b>-132,784.05</b>	<b>62.4%</b>
<b>Total GENERAL EXPENSE</b>	<b>544,640.04</b>	<b>937,485.00</b>	<b>-392,844.96</b>	<b>58.1%</b>
<b>Total Expense</b>	<b>1,680,468.57</b>	<b>3,993,283.71</b>	<b>-2,312,815.14</b>	<b>42.1%</b>









HILLSONG CHURCH LTD.									
Account Name	Code								
Debtor - HILLSONG NYC		A9008365							
			Owed by NYC AUD	Payments NYC AUD	Bal c/f NYC	Owed by Australia USD	Payments Australia USD	Bal c/f Australia	
30-Dec-11	CHR005	NATIONWIDE ADVERTISING GROUP	8,123.27		8,123.27				
7-Feb-12	HMA Inv 619222	MIAMI	1,395.00		9,518.27				
23-Mar-12		ACC Pastoral credentials 2012	1,200.00		10,718.27				
17-Apr-12	00031	E Houston CYW12 NY-Syd-NY J.C. TRAVEL PROFESSIONAL PTY L	1,994.08		12,712.35				
5-Jun-12	00204	J Houston - flight change Colour London J.C TRAVEL PROFESSIONALS PTY L	430.50		13,142.85				
5-Jun-12	00204	E Houston - Colour London flights J.C TRAVEL PROFESSIONALS PTY L	3,510.20		16,653.05				
5-Jun-12	00050	E Houston Return Bus NY-Syd-NY J.C TRAVEL PROFESSIONALS PTY L	5,234.00		21,887.05				
5-Jun-12	00051	J Houston Return Bus NY-Syd-NY J.C TRAVEL PROFESSIONALS PTY L	4,805.88		26,692.93				
19-Jul-12	00076	J & E Houston Return Bus NY-Syd-NY IMPULSE TRAVEL	18,481.52		45,174.45				
14-Aug-12	HMA Inv 619222	MIAMI (Payment)	(985.10)		44,189.35				
14-Aug-12	HMA Inv 660752AA	EMAIL 110612 JR	84.95		44,274.30				
2-Oct-12	00204	J Houston NY-Stockholm Return Flight	6,602.12		50,876.42				
15-Oct-12		1-QTR 12 Outstanding Support US\$22563.67	21,421.88		72,298.30				
Balance as per General Ledger						72,298.30			
<b>Total 2012</b>			<b>72,298.30</b>	<b>0.00</b>	<b>72,298.30</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>72,298.30</b>
10/01/2013	NYC0113	ACC Pastoral Credentials 2013	1,900.00						
29-Jan-13	00105	E Houston flights for Colour IMPULSE TRAVEL	4,038.00						
<b>Total 2013</b>			<b>78,236.30</b>	<b>0.00</b>	<b>78,236.30</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>78,236.30</b>



<b>Hillsong Church New York</b>					
<b>Intercompany reconciliation - Sydney</b>					
<b>Period ended 31 December 2012</b>					
<b>Account Name</b>	<b>Code</b>				
Debtor - HILLSONG NYC	A9008365				
			<b>Owed by</b>	<b>Payments</b>	<b>Bal c/f</b>
			<b>NYC</b>	<b>NYC</b>	<b>NYC</b>
			<b>AUD</b>	<b>AUD</b>	
30-Dec-11	CHR005	NATIONWIDE ADVERTISING GROUP	AUD 8,123.27		AUD 8,123.27
7-Feb-12	HMA Inv 619222	MIAMI	AUD 1,395.00		AUD 9,518.27
23-Mar-12		ACC Pastoral credentials 2012	AUD 1,200.00		AUD 10,718.27
17-Apr-12	00031	E Houston CYW12 NY-Syd-NY	AUD 1,994.08		AUD 12,712.35
		J.C. TRAVEL PROFESSIONAL PTY L			
5-Jun-12	00204	J Houston - flight change Colour London	AUD 430.50		AUD 13,142.85
		J.C TRAVEL PROFESSIONALS PTY L			
5-Jun-12	00204	E Houston - Colour London flights	AUD 3,510.20		AUD 16,653.05
		J.C TRAVEL PROFESSIONALS PTY L			
5-Jun-12	00050	E Houston Return Bus NY-Syd-NY	AUD 5,234.00		AUD 21,887.05
		J.C TRAVEL PROFESSIONALS PTY L			
5-Jun-12	00051	J Houston Return Bus NY-Syd-NY	AUD 4,805.88		AUD 26,692.93
		J.C TRAVEL PROFESSIONALS PTY L			
19-Jul-12	00076	J & E Houston Return Bus NY-Syd-NY	AUD 18,481.52		AUD 45,174.45
		IMPULSE TRAVEL			
14-Aug-12	HMA Inv 619222	MIAMI (Payment)		-AUD 985.10	AUD 44,189.35
14-Aug-12	HMA Inv 660752AA	EMAIL 110612 JR	AUD 84.95		AUD 44,274.30
2-Oct-12	00204	J Houston NY-Stockholm Return Flight	AUD 6,602.12		AUD 50,876.42
<b>Balance as per General Ledger</b>					AUD 50,876.42
		<b>Total 2012</b>	<b>51,861.52</b>	<b>(985.10)</b>	<b>50,876.42</b>
<b>Hillsong Church New York</b>					
<b>Intercompany reconciliation - Sydney</b>					
<b>Period ended 07 June 2013</b>					
<b>Date</b>	<b>Invoice no</b>	<b>Narration</b>	<b>AUD</b>		<b>Balance</b>
01.01.2013	2012 Balance	2013 Opening Balance	AUD 50,876.42		AUD 50,876.42
17-Jan-13	LLD4987	AUSTRALIAN CHRISTIAN CHURCHES	AUD 300.00		
17-Jan-13	JK04343	AUSTRALIAN CHRISTIAN CHURCHES	AUD 300.00		
17-Jan-13	SK04922	AUSTRALIAN CHRISTIAN CHURCHES	AUD 200.00		
17-Jan-13	KK04693	AUSTRALIAN CHRISTIAN CHURCHES	AUD 300.00		
17-Jan-13	JH04441	AUSTRALIAN CHRISTIAN CHURCHES	AUD 200.00		
17-Jan-13	BB04989	AUSTRALIAN CHRISTIAN CHURCHES	AUD 300.00		
17-Jan-13	JB04988	AUSTRALIAN CHRISTIAN CHURCHES	AUD 300.00		
31-Jan-13	0037852	IMPULSE TRAVEL	AUD 4,038.00		
15-Feb-13	VISION SUN	Design & Plate, Freight Cost	AUD 1,215.02		
31-May-13	780229	GS: DAVID MCC	AUD 15.00		
31-May-13	774632	EMAIL: SHERYLL A	AUD 33.24		
31-May-13	772910	MEREDITH ANDERSON	AUD 292.00		
7-Jun-13	C LETZ FLI	C Letz Flight 5 Retreat USD 8498.38	-AUD 8,366.19		
1-Jul-13	784549	HMA - BRIAN'S BOOK	AUD 874.75		



HILSONG CHURCH LTD.								
Account Name	Code							
Debtor - HILSONG NYC			Owed by NYC AUD	Payments NYC AUD	Bal c/f NYC	Owed by Australia USD	Payments Australia USD	Bal c/f Australia
	A9008395							
30-Dec-11	CHR005	NATIONWIDE ADVERTISING GROUP	8,123.27		8,123.27			
7-Feb-12	HMA Inv 819222	MIAMI	1,395.00		9,618.27			
23-Mar-12		ACC Pastoral credentials 2012	1,293.00		10,718.27			
17-Apr-12	00031	E Houston CYW12 NY-Syd NY J.C. TRAVEL PROFESSIONALS PTY L	1,994.08		12,712.35			
5-Jun-12	00204	J Houston - flight change Colour London J.C TRAVEL PROFESSIONALS PTY L	430.50		13,142.85			
5-Jun-12	00204	E Houston - Colour London flight J.C TRAVEL PROFESSIONALS PTY L	3,610.20		16,653.05			
5-Jun-12	00050	E Houston Return Bus NY-Syd NY J.C TRAVEL PROFESSIONALS PTY L	5,234.00		21,687.05			
5-Jun-12	00051	J Houston Return Bus NY-Syd NY J.C TRAVEL PROFESSIONALS PTY L	4,803.88		26,692.93			
15-Jul-12	00078	J & E Houston Return Bus NY-Syd NY IMPULSE TRAVEL	18,481.62		45,174.45			
14-Aug-12	HMA Inv 819222	MIAMI (Payment)	695.10		44,190.35			
14-Aug-12	HMA Inv 660752AA	EMAIL 110612 JR	84.95		44,274.30			
2-Oct-12	00204	J Houston NY-Stockholm Return Flight	9,602.12		50,876.42			
15-Oct-12		1-QTR 12 Outstanding Support US\$2,663.67	21,421.88		72,298.30			
Balance as per General Ledger					72,298.30			
<b>Total 2012</b>			<b>72,298.30</b>	<b>0.00</b>	<b>72,298.30</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>
10/1/2013	NYC0113	ACC Pastoral Credentials 2013	1,900.00					
29-Jan-13	00105	E Houston flights for Colour IMPULSE TRAVEL	4,038.00					
<b>Total 2013</b>			<b>78,236.30</b>	<b>0.00</b>	<b>78,236.30</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>





Hillsong Church New York					
Intercompany reconciliation - Sydney					
Period ended 31 December 2012					
Account Name		Code			
Debtor - HILLSONG NYC		A9008365			
			Owed by NYC AUD	Payments NYC AUD	Bal c/f NYC
30-Dec-11	CHR005	NATIONWIDE ADVERTISING GROUP	AUD 8,123.27		AUD 8,123.27
7-Feb-12	HMA Inv 619222	MIAMI	AUD 1,395.00		AUD 9,518.27
23-Mar-12		ACC Pastoral credentials 2012	AUD 1,200.00		AUD 10,718.27
17-Apr-12	00031	E Houston CYW12 NY-Syd-NY	AUD 1,994.08		AUD 12,712.35
		J.C. TRAVEL PROFESSIONAL PTY L			
5-Jun-12	00204	J Houston - flight change Colour London	AUD 430.50		AUD 13,142.85
		J.C TRAVEL PROFESSIONALS PTY L			
5-Jun-12	00204	E Houston - Colour London flights	AUD 3,510.20		AUD 16,653.05
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		J.C TRAVEL PROFESSIONALS PTY L			
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		IMPULSE TRAVEL			
14-Aug-12	HMA Inv 619222	MIAMI (Payment)		AUD 985.10	AUD 44,189.35
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<b>Balance as per General Ledger</b>					<b>AUD 50,876.42</b>
		<b>Total 2012</b>	<b>51,861.52</b>	<b>(985.10)</b>	<b>50,876.42</b>
Hillsong Church New York					
Intercompany reconciliation - Sydney					
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1-Jul-13	784549	HMA - BRIAN'S BOOK	AUD 874.75		



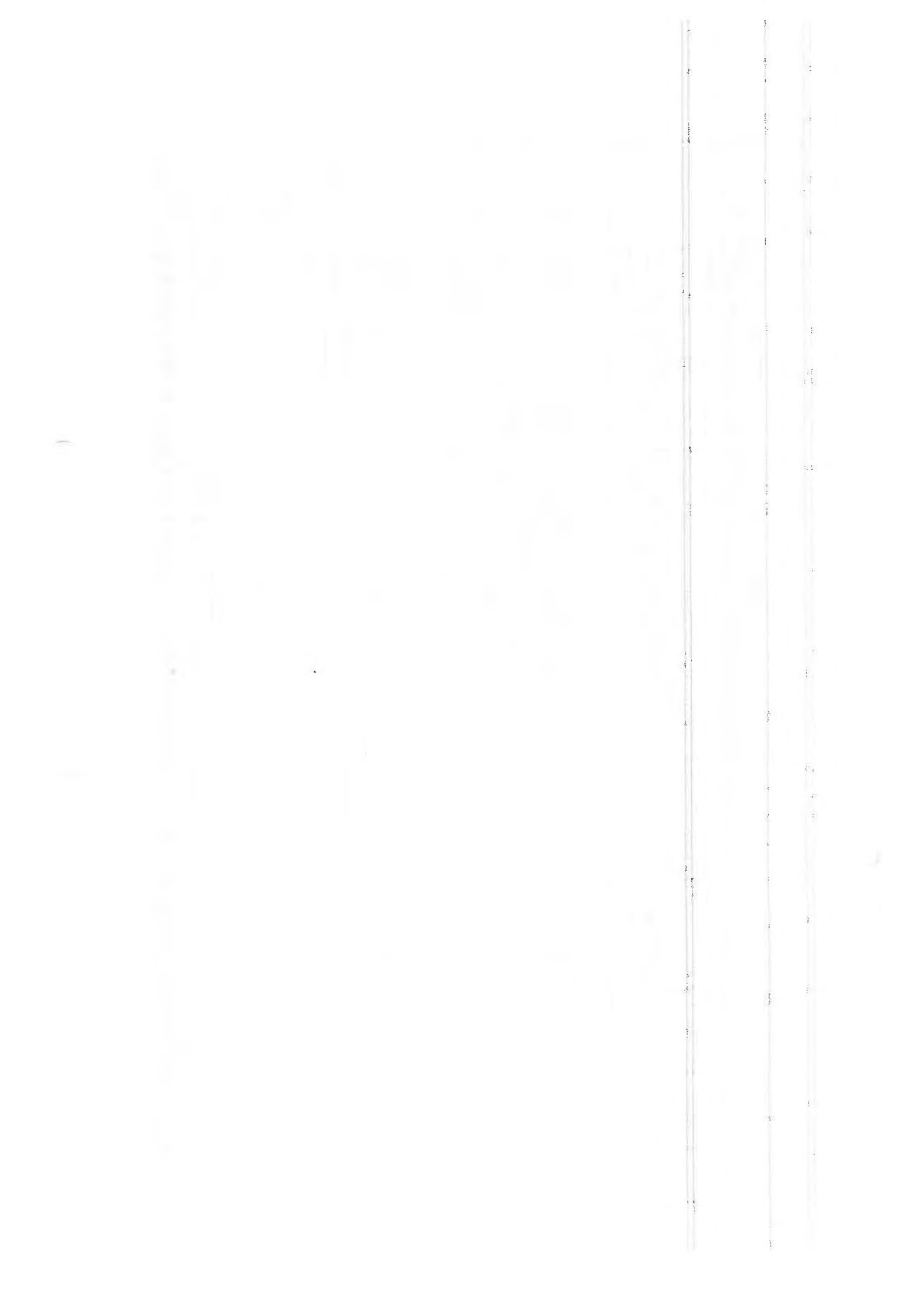
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Trans Date	Type	Reference	Details	Amount	User Str
1-Jan-14	BF		Brought Forward	\$ -	
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30-Jun-14	JE	JS AX APR	Jones Fletcher / Legal Fees for JTH Gree	\$ 4,841	tiago
30-Jun-14	JE	BCH AX MAY	Trump Soho / BCH NYC accommodation	\$ 4,620	tiago
30-Jun-14	JE	RLH AX MAY	Shangri-La / Blaze & Desiree Robertson a	\$ 355	tiago
30-Jun-14	JE	RLH AX MAY	Shangri-La / Blaze & Desiree Robertson a	\$ 775	tiago
30-Jun-14	JE	RLH AX MAY	Shangri-La / Carl Lentz accommodation	\$ 1,339	tiago
1-Jul-14	JE	903922	EMAIL: LAURA K	\$ 3,137	bevb
25-Jul-14	CI	00007374	BUSY STREET PTY LTD	\$ 9,790	donnag
15-Aug-14	JE	RLH AX JUN	Four Seasons / Desiree & Blaze Robertson	\$ 1,141	tiago
30-Sep-14	JE	940343REF	HMA INTERNAL SALES SEPT 2014	\$ 5,240	bevb
31-Oct-14	JE	954064	INTERNAL SALES HMA OCT 2014	-\$ 2,411	bevb
31-Oct-14	JE	959887	INTERNAL SALES HMA OCT 2014	\$ 1,607	bevb
30-Nov-14	JE	HSCONF NYC	Debtor_Hillsong NYC	\$ 20,374	
30-Nov-14	JE	HSCONF NYC	Debtor_Hillsong NYC	\$ 117,478	
30-Nov-14	JE	FX EFFECT	Debtor_Hillsong NYC	-\$ 17,468	
30-Nov-14	JE	HSCONF NYC	Debtor_Hillsong NYC	\$ 116,569	
30-Nov-14	JE	HSCONF NYC	Debtor_Hillsong NYC	-\$ 99,944	
1-Dec-14	JE	957058	INTERNAL SALES HMA OCT 2014	\$ 360	bevb
5-Dec-14	JE	UNITED	Balance as of 31/10/14 - USD8281.73	-\$ 9,416	jtay
30-Dec-14	JE	970111	NETWORK LUNCH STOCK	\$ 1,797	grace
30-Dec-14	JE	970110	2014 NYC NETWORKGIFT	\$ 6,123	grace
30-Dec-14	JE	970020	2014 NYC AGENT SALES	\$ 7,900	grace
30-Dec-14	JE	962154	WORD BIBLE JULY ORDE	\$ 14,080	grace
30-Dec-14	JE	962124	EMAIL - SONG 21/10	\$ 360	grace

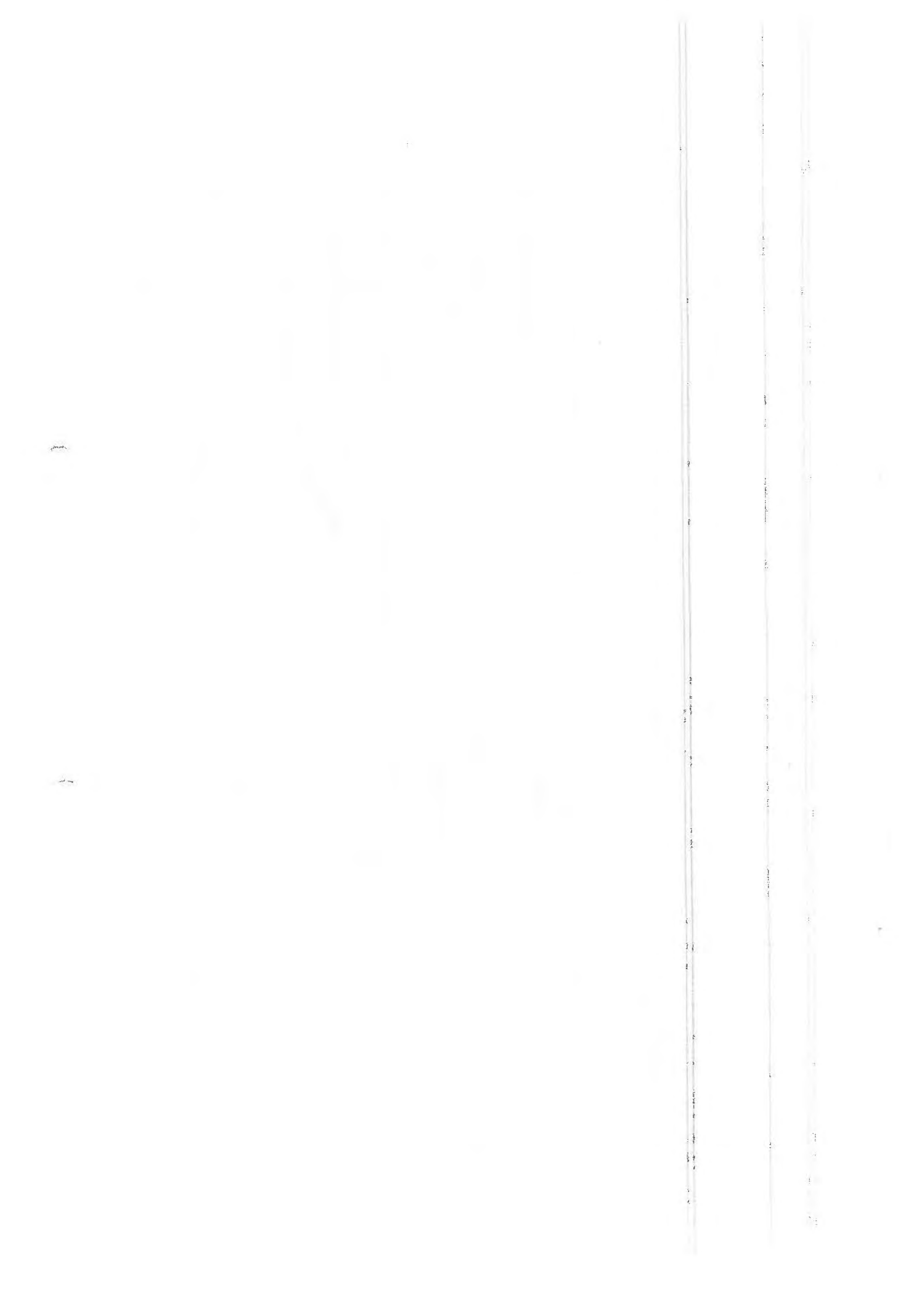


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C D E F G H I J K L M N O P Q R S U

### HILLSONG US PAYROLL

January 30, 2021 - February 12, 2021

January 15, 2021 - 10:00AM

January 19, 2021

EE #	START DATE	LAST NAME	FIRST NAME	TIMESHEET RECEIVED	ANNUAL SALARY	CELL PHONE ALLOWANCE	EE HEALTH INSURANCE DEDUCTION	SALARY (EXEMPT)	ESTIMATED GROSS PAY	NOTES
HOUBEN	November 1, 2020	Houston	Ben		\$200,790.04		348.34	\$7,723.00	\$7,374.66	
HOUIJOE	December 27, 2018	Houston	Joel		\$137,152.00		238.20	\$5,275.07	\$5,036.87	EXEMPT
HOULUC	November 1, 2020	Houston	Lucille		\$64,999.92			\$2,500.00	\$2,500.00	
HOGBRO	January 11, 2018	Ligertwood	Brooke		\$99,703.00		292.39	\$3,834.74	\$3,542.35	EXEMPT
HOOWIL	May 14, 2016	Peddie	William		\$101,360.00	46.15	348.34	\$3,898.47	\$3,596.28	EXEMPT
HOBBLA	January 19, 2019	Robinson	Blake		\$84,394.44	20.77	274.79	\$3,245.94	\$2,991.92	School Principal
HOOWJIL	February 12, 2020	Row	Jill		\$69,207.00	20.77		\$2,661.81	\$2,682.58	EXEMPT
HOOWU	August 3, 2020	Simila	Alicia		\$70,000.00	20.77		\$2,692.31	\$2,713.08	
HOOWDA	July 15, 2020	Spurling	Adam		\$67,144.44	20.77	23.8	\$2,582.48	\$2,579.45	
HOOWYL	December 28, 2018	Thomas	Dylan		\$77,697.00		173.03	\$2,988.37	\$2,815.34	EXEMPT
HOOWNT	September 7, 2015	Thompson	Anthony		\$133,346.00			\$5,128.70	\$5,128.70	EXEMPT

# BUDGET 2014



## HILLSONG CHURCH SOUTH AFRICA

Nett Profit before assets - Excl H4H

885,331.24

Nett Profit after assets - Excl H4H

-1,384,660.76

HEART FOR HOUSE

4,350,000.00

NET EFFECT

2,965,339.24

### NOTES

#### SALES

	2014	2013	2013	
	Budget	Budget	Actual/Average	Difference
	<b>49,993,049.07</b>	<b>38,220,275.00</b>	<b>45,000,315.99</b>	<b>4,992,733.09</b>
Tithes&Offering - CCity Cash	7,150,000.00	6,000,000.00	7,017,011.84	132,988.16
Tithes&Offerings - CCity EFT	19,806,000.00	14,400,000.00	19,302,054.80	303,945.20
Tithes&Offerings - Swest Cash	1,173,000.00	1,200,000.00	1,167,420.18	5,579.82
Tithes&Offerings - SWest EFT	2,818,500.00	2,340,000.00	2,728,133.82	90,366.18
Tithes&Offerings - Mplain Cash	613,000.00	300,000.00	516,158.76	96,841.24
Tithes&Offerings - Mplain EFT	428,000.00	300,000.00	288,184.28	139,815.72
Tithes&Offerings - PTA Cash	1,540,000.00	600,000.00	1,251,993.89	288,006.11
Tithes&Offerings - PTA EFT	3,334,000.00	3,000,000.00	1,994,453.60	1,339,546.40
H4TH - CCity	3,200,000.00	2,500,000.00	2,830,694.71	369,305.29
H4TH - SWest	500,000.00	1,000,000.00	375,758.85	124,241.15
H4TH - MPlain	100,000.00	50,000.00	68,283.90	31,716.10
H4TH - PTA	550,000.00	300,000.00	363,339.00	186,661.00
Sisterhood Offering - CCity	180,000.00	132,000.00	162,529.20	17,470.80
Sisterhood Offering - Swest	-	-	-	-
Sisterhood Offering - MPlain	-	-	-	-
Sisterhood Offering - PTA	75,000.00	-	78,786.30	-3,786.30
Youth Offering - CCity	67,257.64	51,600.00	62,473.68	4,783.96
Youth Offering - SWest	10,233.27	-	6,156.18	4,077.09
Youth Offering - Mplain	5,728.28	-	2,987.10	2,741.18
Youth Offering - PTA	40,526.34	-	26,548.62	13,977.72
Powerhouse Offering - CCity	12,000.00	35,100.00	13,381.50	-1,381.50
Powerhouse Offering - SWest	6,000.00	2,476.00	1,808.64	4,191.36
Powerhouse Offering - Mplain	-	-	-	-
Powerhouse Offering - PTA	6,000.00	15,000.00	-	6,000.00



	2014	2013	2013	
	Budget	Budget	Actual/Average	Difference
Love Offering - CCity	341,974.92	319,992.00	332,834.28	9,140.64
Love Offering - SWest	62,696.52	160,000.00	62,226.00	470.52
Love Offering - MPlain	12,219.99	1,200.00	9,570.89	2,649.10
Love Offering - PTA	42,257.36	20,000.00	40,049.24	2,208.12
Christmas Spec - CCity	-	-	-	-
Christmas Spec - SWest	-	-	-	-
Christmas Spec - Mplain	-	-	-	-
Christmas Spec - PTA	-	-	-	-
Read Baby Read	-	-	58,783.00	-58,783.00
A21 Local	-	-	47,949.50	-47,949.50
WAR	-	-	19,391.70	-19,391.70
SHINE	-	-	10,346.00	-10,346.00
Be the Change Books	-	-	12,150.00	-12,150.00
Mens Conference Causes	-	-	-	-
Sisterhood Causes	-	-	11,706.55	-11,706.55
Colour Conference Income - Cape Town	2,516,172.00	1,800,000.00	2,087,333.84	428,838.16
Mens Conference Income - Cape Town	200,000.00	105,000.00	97,156.90	102,843.10
Mens Conf Income - PTA	80,000.00	-	2,559.00	77,441.00
Fuel&Wildlife Camp Income - Cape Town	220,000.00	217,625.00	173,519.02	46,480.98
Fuel&Wildlife Camp Income - PTA	100,000.00	-	-	100,000.00
Powerhouse Camp Income - Cape Town	180,000.00	139,000.00	163,533.97	16,466.03
Powerhouse Camp Income - PTA	100,000.00	-	-	100,000.00
Encounter Income - Cape Town	250,000.00	148,800.00	296,164.97	-46,164.97
Encounter - PTA	150,000.00	-	95,063.55	54,936.45
Kidsfest Income - Cape Town	45,000.00	45,000.00	36,681.36	8,318.64
Kidsfest Income - PTA	15,000.00	-	12,406.57	2,593.43
Frontline Event Income - Cape Town	170,700.00	109,500.00	159,853.09	10,846.91
Divorce Recovery Income - Ccity	3,000.00	3,000.00	1,409.00	1,591.00
Marraige Prep Income - CCity	26,000.00	38,400.00	42,379.00	-16,379.00
Marriage Course Income - CCity	26,000.00	32,000.00	11,109.00	14,891.00
Shine Income - CCity	3,000.00	6,000.00	2,810.00	190.00
Divorce Recovery Income - Swest	2,400.00	2,400.00	-	2,400.00
Marriage Prep Income - SWest	10,000.00	-	-	10,000.00
Marriage Course Income - Swest	10,000.00	16,000.00	-	10,000.00
Shine Income - Swest	-	2,000.00	-	-

## NOTES

See attached budget

## NOTES

	2014	2013	2013	
	Budget	Budget	Actual/Average	Difference
Divorce Recovery Income - MPlain	-	-	-	-
Marraige Prep Income - MPlain	-	-	-	-
Marriage Course Income - MPlain	-	-	-	-
Shine Income - MPlain	-	-	-	-
Divorce Recovery Income - PTA	3,000.00	-	-	3,000.00
Marriage Prep Income - PTA	10,000.00	-	-	10,000.00
Marriage Course Income - PTA	10,000.00	-	-	10,000.00
Shine Income - PTA	-	-	-	-
Food Parcel Income - CCity	50,000.00	60,000.00	49,037.30	962.70
Food Parcel Income - SWest	3,000.00	12,000.00	3,990.00	-990.00
Food Parcel Income - Mplain	1,500.00	-	-	1,500.00
Food Parcel Income - PTA	3,000.00	-	-	3,000.00
Volunteer Lanyards/Shirts Income - CCity	16,000.00	3,480.00	15,906.90	93.10
Volunteer Lanyards/Shirts Income - SWest	3,000.00	696.00	2,775.00	225.00
Volunteer Lanyards/Shirts Income -MPlain	1,000.00	696.00	860.10	139.90
Volunteer Lanyards/Shirts Income - PTA	5,000.00	3,190.00	8,371.50	-3,371.50
Bible College Income - CCity	180,000.00	344,100.00	175,007.11	4,992.89
Bible College Income - SWest	48,000.00	-	-	48,000.00
Bible College Income - MPlain	12,800.00	-	-	12,800.00
Bible College Income - PTA	48,000.00	-	-	48,000.00
Internship Income - Cape Town	198,000.00	224,000.00	182,530.00	15,470.00
Internship Income - pta	75,000.00	-	-	75,000.00
KINGDOM BUILDERS CCITY	800,000.00	-	1,050,230.00	-250,230.00
KINGDOM BUILDERS SWEST	250,000.00	-	-	250,000.00
KINGDOM BUILDERS MPLAIN	20,000.00	-	-	20,000.00
KINGDOM BUILDERS PTA	150,000.00	-	-	150,000.00
Mission Trips - Income	180,000.00	-	46,600.00	133,400.00
Unplanned Events - Ccity	210,000.00	-	59,617.50	150,382.50
Unplanned Events - Swest	20,000.00	-	-	20,000.00
Unplanned Events - Mplain	4,800.00	-	-	4,800.00
Unplanned Events - PTA	20,000.00	-	-	20,000.00
Resource - Ccity	1,245,965.61	1,440,000.00	1,036,876.86	209,088.75
Resource SWest	133,759.90	715,000.00	85,960.14	47,799.76
Resource - MPlain	57,944.00	-	40,006.80	17,937.20
Resource - Pretoria	194,314.45	-	164,577.75	29,736.70

Youth TuckShop Income - CCity  
 Youth TuckShop Income - SWest  
 Youth TuckShop Income - MPlain  
 Youth TuckShop Income - PTA

2014	2013	2013	
Budget	Budget	Actual/Average	Difference
31,005.90	25,020.00	20,308.14	10,697.76
3,386.10	-	432.00	2,954.10
1,717.18	-	411.36	1,305.82
21,189.65	-	11,672.23	9,517.41
	-		

**NOTES**



## NOTES

	2014	2013	2013	
	Budget	Budget	Actual/Average	Difference
<b>COST OF SALES</b>	<b>6,496,000.21</b>	<b>3,499,890.00</b>	<b>4,916,120.81</b>	<b>1,579,879.40</b>
Resource COS - CCity	786,968.59	630,000.00	712,449.49	74,519.10
Resource - SWest	-	-	353.40	-353.40
Resource COS - MPlain	-	-	136.80	-136.80
Resource - PTA	185,755.94	-	127,722.73	58,033.21
Sisterhood Causes COS	-	-	3,308.73	-3,308.73
Youth TuckShop COS - CCity	13,200.00	21,264.00	4,146.60	9,053.40
Youth Tuckshop COS - SWest	1,200.00	-	941.76	258.24
Youth Tuckshop COS - MPlain	600.00	-	118.80	481.20
Youth Tuckshop COS - PTA	9,600.00	-	10,745.33	-1,145.33
Read Baby Read	-	-	9,984.24	-9,984.24
A21 - Local	-	-	-	-
WAR	-	-	179.12	-179.12
SHINE	-	-	-	-
Colour Conference COS - Cape Town	2,516,642.98	1,800,000.00	2,015,215.93	501,427.05
Mens Conference COS - Cape Town	160,000.00	71,500.00	14,683.45	145,316.55
Mens Conference COS - PTA	70,000.00	-	22,985.82	47,014.18
Fuel&Wildlife Camp COS - Cape Town	210,000.00	198,561.00	232,078.10	-22,078.10
Fuel&Wildlife Camp COS - PTA	80,000.00	-	-	80,000.00
Powerhouse Camp COS - Cape Town	180,000.00	139,000.00	209,136.53	-29,136.53
Powerhouse Camp COS - PTA	80,000.00	-	-	80,000.00
Encounter COS - Cape Town	195,000.00	126,100.00	194,395.86	604.14
Encounter COS - Pretoria	135,000.00	-	132,452.04	2,547.96
Kidsfest COS - Cape Town	45,000.00	45,000.00	68,552.80	-23,552.80
Kidsfest COS - PTA	12,000.00	-	9,540.63	2,459.37
Frontline Events COS - Cape Town	167,500.00	109,500.00	186,847.81	-19,347.81
Frontline Events COS - PTA	-	-	-	-
Divorce Recovery COS - CCity	3,000.00	3,000.00	441.00	2,559.00
Marriage Prep COS - CCity	26,000.00	20,400.00	4,808.76	21,191.24
Marriage Course COS - CCity	26,000.00	18,000.00	142.38	25,857.62
Shine COS - CCity	14,400.00	18,000.00	1,700.49	12,699.52
Divorce Recovery COS - SWest	2,400.00	1,800.00	-	2,400.00
Marriage Prep COS - SWest	10,000.00	-	-	10,000.00
Marriage Cours COS - SWest	10,000.00	8,400.00	-	10,000.00
Shine COS - SWest	3,600.00	4,800.00	126.14	3,473.86

See attached budget

**NOTES**

	2014	2013	2013	
	<b>Budget</b>	<b>Budget</b>	<i>Actual/Average</i>	<i>Difference</i>
Divorce Recovery COS - MPlain	-	-	-	-
Marriage Prep COS - MPlain	-	-	-	-
Marriage Course COS - MPlain	-	-	-	-
Shine COS - MPlain	3,600.00	4,800.00	1,182.27	2,417.73
Divorce Recovery COS - PTA	-	-	-	-
Marriage Prep COS - PTA	-	-	-	-
Marriage Course COS - PTA	-	-	-	-
Shine COS - PTA	3,600.00	4,400.00	-	3,600.00
Food Parcel COS - CCity	66,000.00	60,000.00	74,378.05	-8,378.05
Food Parcel COS - SWest	30,000.00	12,000.00	15,058.02	14,941.98
Food Parcel COS - Mplain	30,000.00	12,000.00	14,937.68	15,062.32
Food Parcel COS - PTA	30,000.00	11,000.00	-	30,000.00
Volunteer Lanyards/Shirts COS - CCity	53,451.18	8,232.00	48,431.98	5,019.20
Volunteer Lanyards/Shirts COS - SWest	-	2,091.00	-	-
Volunteer Lanyards/Shirts COS - MPlain	-	1,742.00	-	-
Volunteer Lanyards/Shirts COS - PTA	-	7,986.00	16,367.88	-16,367.88
Bible College COS - CCity	80,270.00	121,968.00	69,501.11	10,768.89
Bible College COS - SWest	14,000.00	-	-	14,000.00
Bible College COS - MPlain	4,000.00	-	-	4,000.00
Bible College COS - PTA	14,000.00	-	-	14,000.00
Internship COS - Cape Town	37,033.99	38,346.00	34,121.81	2,912.18
Internship COS - PTA	30,000.00	-	-	30,000.00
Kingdom Builders COS CCITY	219,840.72	-	199,855.20	19,985.52
Kingdom Builders COS SWEST	50,000.00	-	-	50,000.00
Kingdom Builders COS MPLAIN	5,000.00	-	-	5,000.00
Kingdom Builders COS PTA	20,000.00	-	-	20,000.00
Missions Trips COS	180,000.00	-	66,004.07	113,995.93
Unplanned Events COS Ccity	654,336.81	-	413,088.00	241,248.81
Unplanned Events COS Swest	12,000.00	-	-	12,000.00
Unplanned Events COS Mplain	3,000.00	-	-	3,000.00
Unplanned Events COS PTA	12,000.00	-	-	12,000.00
Purchase Variance	-	-	-	-
Recovery Account	-	-	-	-
<b>GROSS PROFIT</b>	<b>41,655,105.80</b>	<b>34,720,385.00</b>	<b>7,307,340.24</b>	



## NOTES

	2014	2013	2013	
	Budget	Budget	Actual/Average	Difference
<b>EXPENSES</b>	<b>38,477,717.62</b>	<b>27,831,617.00</b>	<b>33,384,188.61</b>	<b>5,093,529.01</b>
Auditing Fees - CCity	35,539.15	-	32,308.32	3,230.83
Auditing Fees - SWest	4,277.39	-	3,888.54	388.85
Auditing Fees - MPlain	4,277.39	-	3,888.54	388.85
Auditing Fees - PTA	8,000.00	-	-	8,000.00
Admin Fees - CCity	26,785.00	4,752.00	8,116.67	18,668.33
Admin Fees - SWest	6,600.00	2,400.00	6,000.00	600.00
Admin Fees - MPlain	4,400.00	-	4,000.00	400.00
Admin Fees - PTA	-	2,772.00	-	-
Accounting Software&Payroll - CCity	35,468.10	23,760.00	32,852.00	2,616.10
Bank Charges - CCity	241,928.02	158,400.00	231,458.93	10,469.09
Bank Charges - SWest	24,092.39	63,360.00	22,246.25	1,846.15
Bank Charges - MPlain	10,200.00	7,920.00	10,107.50	92.50
Bank Charges - PTA	29,047.99	87,120.00	29,149.08	-101.09
Bank Charges - Events	84,547.98	-	78,052.34	6,495.64
Brochures/Advertising - CCity	192,000.00	221,680.00	190,617.83	1,382.17
Brochures/Advertising - SWest	78,000.00	57,200.00	41,888.12	36,111.88
Brochures/Advertising - Mplain	78,000.00	35,400.00	77,212.16	787.84
Brochures/Advertising - PTA	102,000.00	28,000.00	108,891.24	-6,891.24
Cleaning Expenses - Ccity	276,000.00	236,400.00	267,009.05	8,990.95
Cleaning Expenses - SWest	60,000.00	-	1,201.62	58,798.38
Cleaning Expenses - MPlain	2,400.00	-	2,520.00	-120.00
Cleaning Expenses - PTA	84,000.00	90,750.00	83,289.73	710.27
Christmas Spec - CCity	150,000.00	-	145,313.96	4,686.04
Christmas Spec - SWest	70,000.00	-	205.31	69,794.69
Christmas Spec - Mplain events	-	-	392.73	-392.73
Christmas Spec - PTA	100,000.00	-	-	100,000.00
Christmas CCity	25,000.00	8,712.00	-	25,000.00
Christmas SWest	15,000.00	-	-	15,000.00
Christmas MPlain	5,000.00	2,000.00	-	5,000.00
Christmas PTA	15,000.00	-	-	15,000.00
Computer Expenses - Ccity ops	221,500.00	181,800.00	307,552.50	-86,052.50
Computer Expenses - SWest	172,500.00	132,000.00	7,511.09	164,988.91
Computer Expenses - MPlain	73,000.00	18,000.00	-	73,000.00

Asset Register done in 2013

New Budget includes Link  
 New Budget includes Link  
 New Budget includes Link

	2014	2013	2013	
	Budget	Budget	Actual/Average	Difference
Computer Expenses - PTA	172,500.00	95,832.00	79,613.92	92,886.08
Courier & Postage - CCity	5,918.41	1,584.00	4,252.92	1,665.49
Courier & Postage - SWest	-	-	-	-
Courier & Postage - MPlain	-	-	-	-
Courier & Postage - PTA	18,000.00	1,452.00	32,802.64	-14,802.64
Connect Groups - CCity	9,600.00	10,452.00	3,028.38	6,571.62
Connect Groups - SWest	2,400.00	-	-	2,400.00
Connect Groups - MPlain	2,400.00	-	-	2,400.00
Connect Groups - PTA	2,400.00	-	1,126.67	1,273.33
Depreciation - CCity	-	-	-	-
Depreciation - SWest	-	-	-	-
Depreciation - MPlain	-	-	-	-
Depreciation - PTA	-	-	-	-
Discount Allowed for Cash	-	-	-	-
Donations Given - CCity	410,576.97	63,360.00	371,538.52	39,038.46
Donations Given - SWest	12,000.00	12,000.00	-	12,000.00
Donations Given - MPlain	1,200.00	-	-	1,200.00
Donations Given - PTA	678,000.00	11,000.00	676,064.23	1,935.77
Donations Given - Doug & Lyn	42,000.00	39,600.00	3,000.00	39,000.00
Electricity & Water - CCity	1,440,000.00	221,760.00	398,227.00	1,041,773.00
Electricity & Water - SWest	180,000.00	170,280.00	-	180,000.00
Electricity & Water - MPlain	-	-	-	-
Electricity & Water - PTA	300,000.00	203,280.00	279,279.24	20,720.76
Entertainment - CCity	81,600.00	63,360.00	82,584.08	-984.08
Entertainment - SWest	24,000.00	6,000.00	22,782.58	1,217.42
Entertainment/Pastoral Expense - MPlain	6,000.00	-	624.00	5,376.00
Entertainment/Pastoral Expense - PTA	24,000.00	22,000.00	56,994.31	-32,994.31
First Aid - CCity	2,400.00	11,880.00	2,050.38	349.62
First Aid - SWest	1,800.00	3,600.00	71.69	1,728.31
First Aid - MPlain	1,800.00	1,200.00	526.36	1,273.64
First Aid - PTA	2,400.00	3,300.00	-	2,400.00
Funerals - CCity	2,000.00	1,584.00	-	2,000.00
Funerals - SWest	1,500.00	1,440.00	-	1,500.00
Funerals - MPlain	-	1,440.00	-	-
Funerals - PTA	1,500.00	1,452.00	226.80	1,273.20

## NOTES

New Budget includes Link

Includes Ron's Salary

CHARIS PASTOR

Include payment on arrears



	2014	2013	2013	
	Budget	Budget	Actual/Average	Difference
Sunday Expenses CCity - Kids	102,000.00	149,132.00	156,526.80	-54,526.80
Sunday Expenses CCity - Green Room	84,000.00	75,000.00	85,756.44	-1,756.44
Sunday Expenses CCity - Anointing Servi	580.00	580.00	-	580.00
Sunday Expenses CCity - Heart&Soul	500.00	-	4,774.80	-4,274.80
Sunday Expenses CCity - Welcome Team	12,000.00	20,904.00	7,920.10	4,079.90
Sunday Expense CCity - Mothers Day	7,000.00	5,808.00	8,209.68	-1,209.68
Sunday Expense CCity - Fathers Day	7,000.00	-	9,393.95	-2,393.95
Sunday Expense CCity - Info Desk	2,160.00	3,480.00	718.78	1,441.22
Sunday Expenses CCity - Host Team	2,160.00	2,320.00	1,957.33	202.67
Sunday Expenses CCity - Creative	102,000.00	109,692.00	103,724.29	-1,724.29
Sunday Expenses CCity - Worship & Dance	96,000.00	100,980.00	81,593.87	14,406.13
Sunday Expense CCity - Events	36,000.00	24,376.00	77,251.79	-41,251.79
Sunday Expenses CCity - Media & Film	24,000.00	100,869.00	18,088.08	5,911.92
Sunday Expenses CCity - Car Park	36,000.00	143,036.00	8,960.92	27,039.08
Sunday Expense CCity - Kids Animation	6,200.00	1,452.00	7,717.66	-1,517.66
Sunday Expenses CCity - Discovery	22,200.00	27,876.00	21,991.72	208.28
Sunday Expense CCity - Volunteers	23,000.00	52,264.00	4,660.57	18,339.43
Sunday Expenses CCity - Venue Control	3,600.00	5,568.00	-	3,600.00
Sunday Expenses CCity - New Christians	120,000.00	69,696.00	120,456.34	-456.34
Sunday Expenses CCity - Baby Dedications	14,400.00	36,240.00	14,378.74	21.26
Sunday Expenses CCity - Communion	21,600.00	25,553.00	20,624.24	975.76
Sunday Expenses CCity - Baptisms	31,200.00	13,936.00	31,331.56	-131.56
Sunday Expenses Ccity - Production	318,000.00	239,500.00	322,408.72	-4,408.72
Sunday Expenses CCity - Refreshments Oth	-	-	-	-
Sunday Expenses CCity - Vision Sunday	12,200.00	2,323.00	14,597.11	-2,397.11
Sunday Expenses CCity - Church Birthday	10,000.00	8,712.00	-	10,000.00
Sunday Expenses CCity - EASTER	6,500.00	11,616.00	-	6,500.00
Sunday Expenses SWest - Kids	30,000.00	25,850.00	21,874.19	8,125.81
Sunday Expenses SWest - Green Room	36,000.00	23,800.00	40,609.42	-4,609.42
Sunday Expenses SWest - Anointing Serv	500.00	500.00	-	500.00
Sunday Expenses Swest - Heart&Soul	2,500.00	5,000.00	-	2,500.00
Sunday Expenses SWest - Welcome Team	6,000.00	6,000.00	270.24	5,729.76
Sunday Expenses SWest - Mothersday	2,500.00	-	1,231.20	1,268.80
Sunday Expenses SWest - Fathersday	2,500.00	2,500.00	-	2,500.00
Sunday Expense SWest - Info Desk	-	600.00	-	-

## NOTES

Maybe need to increase this?

## NOTES

	2014	2013	2013	
	Budget	Budget	Actual/Average	Difference
Frontline - Cape Town	18,000.00	33,000.00	1,499.22	16,500.79
Frontline - PTA	2,400.00	-	-	2,400.00
Global Fund - CCity	1,337,800.00	1,020,000.00	1,315,909.28	21,890.72
Global Fund - SWest	199,575.00	-	194,777.17	4,797.83
Global Fund - MPlain	52,050.00	-	40,216.07	11,833.93
Global Fund - PTA	243,700.00	-	180,357.00	63,343.00
General Expenses Office - CCity	64,800.00	14,256.00	64,777.62	22.38
General Expenses Office - SWest	4,800.00	6,000.00	3,507.78	1,292.22
General Expenses Office - MPlain	-	-	-	-
General Expenses Office - PTA	18,000.00	11,000.00	22,196.04	-4,196.04
H4H Expense - CCity	35,000.00	15,000.00	37,501.76	-2,501.76
H4H Expense - SWest	12,000.00	-	12,181.90	-181.90
H4TH Expense - MPlain	4,500.00	-	4,381.89	118.11
H4TH Expense - PTA	13,500.00	10,000.00	13,422.22	77.78
Honorarium - CCity	780,000.00	-	863,345.77	-83,345.77
Guest Relations - CCity	960,000.00	816,000.00	978,515.44	-18,515.44
Honorarium - SWest	24,000.00	-	-	24,000.00
Guest Relations - SWest	72,000.00	-	70,844.04	1,155.96
Honorarium - MPlain	2,400.00	-	-	2,400.00
Guest Relations - MPlain	12,000.00	-	800.11	11,199.89
Honorarium - PTA	60,000.00	20,000.00	15,600.00	44,400.00
Guest Relations - PTA	174,000.00	-	174,076.42	-76.42
Gifts - CCity	20,000.00	19,800.00	16,521.25	3,478.75
Gifts - SWest	6,000.00	6,000.00	-	6,000.00
Gifts - MPlain	-	-	-	-
Gifts - PTA	5,500.00	5,500.00	2,478.52	3,021.48
Insurance - CCity	348,000.00	205,920.00	285,638.27	62,361.73
Insurance - SWest	120,000.00	95,040.00	-	120,000.00
Insurance - MPlain	-	-	-	-
Insurance - PTA	192,000.00	95,040.00	172,902.67	19,097.33
INSURANCE CLAIMS	-	-	207,685.04	-207,685.04
Interest Paid - CCity	13,200.00	8,712.00	13,079.89	120.11
Interest Paid - SWest	-	-	-	-
Interest Paid - MPLAIN	-	-	-	-
Interest Paid - PTA	108,000.00	-	108,111.77	-111.77

This will vary according to income  
This will vary according to income  
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This will vary according to income



## NOTES

	2014	2013	2013	
	Budget	Budget	Actual/Average	Difference
Sunday Expense MPlain - Volunteers	-	-	412.68	-412.68
Sunday Expenses MPlain - Venue Control	1,800.00	1,800.00	-	1,800.00
Sunday Expenses MPlain - New Christians	14,400.00	18,000.00	12,295.56	2,104.44
Sunday Expenses MPlain - Baby Dedication	6,000.00	6,000.00	-	6,000.00
Sunday Expenses MPlain - Communion	6,000.00	6,000.00	6,101.71	-101.71
Sunday Expenses MPlain - Baptisms	3,000.00	3,000.00	-	3,000.00
Sunday Expenses MPlain - Production	150,000.00	107,400.00	267,206.88	-117,206.88
Sunday Expenses MPlain - Refreshments Ot	9,600.00	-	9,922.31	-322.31
Sunday Expenses Mplain - Vision Sunday	1,000.00	500.00	-	1,000.00
Sunday Expenses MPlain - Church Birthday	2,000.00	2,000.00	-	2,000.00
Sunday Expense MPlain - Easter	500.00	-	480.29	19.71
Sunday Expenses PTA - Kids	36,000.00	35,105.00	56,063.32	-20,063.32
Sunday Expenses PTA - Green Room	21,600.00	22,000.00	20,122.61	1,477.39
Sunday Expenses PTA - Anointing Service	500.00	580.00	-	500.00
Sunday Expenses PTA - Heart&Soul	2,000.00	8,710.00	6,731.79	-4,731.79
Sunday Expenses PTA - Welcome Team	8,400.00	6,380.00	9,082.04	-682.04
Sunday Expenses PTA - Mothers Day	5,000.00	1,742.00	6,169.44	-1,169.44
Sunday Expenses PTA - Fathers Day	4,000.00	1,452.00	-	4,000.00
Sunday Expenses PTA - Info Desk	600.00	638.00	65.87	534.13
Sunday Expenses PTA - Host Team	-	-	-	-
Sunday Expense PTA - Creative	30,000.00	28,644.00	33,290.51	-3,290.51
Sunday Expense PTA - Worship&Dance	12,000.00	11,990.00	7,188.13	4,811.87
Sunday Expenses PTA - Events Team	18,000.00	6,380.00	41,087.91	-23,087.91
Sunday Expenses PTA - Media&Film	6,000.00	-	4,373.92	1,626.08
Sunday Expenses PTA - Car Park Team	6,000.00	7,842.00	5,845.88	154.12
Sunday Expenses PTA - Kids Animation	2,500.00	-	3,561.59	-1,061.59
Sunday Expense PTA - Discovery	7,200.00	5,423.00	5,591.19	1,608.81
Sunday Expense PTA - Volunteers	14,400.00	33,198.00	8,040.29	6,359.71
Sunday Expenses PTA - Venue Control	1,800.00	-	-	1,800.00
Sunday Services PTA - New Christians	90,000.00	22,352.00	72,617.09	17,382.91
Sunday Services PTA - Baby Dedications	9,600.00	9,581.00	6,009.52	3,590.48
Sunday Expenses PTA - Communion	9,600.00	12,771.00	1,111.45	8,488.55
Sunday Expenses PTA - Baptisms	12,000.00	6,966.00	18,009.48	-6,009.48
Sunday Expenses PTA - Production	240,000.00	156,500.00	289,507.23	-49,507.23
Sunday Expenses PTA - Refreshments	-	-	23,189.60	-23,189.60

## NOTES

	2014	2013	2013	
	Budget	Budget	Actual/Average	Difference
Sunday Expense SWest - Host Team	600.00	-	1,078.98	-478.98
Sunday Expense SWest - Creative	24,000.00	42,300.00	8,607.65	15,392.35
Sunday Expense SWest - Worship&Dance	14,400.00	13,650.00	13,470.35	929.65
Sunday Expense SWest - Events	6,000.00	6,000.00	16,574.35	-10,574.35
Sunday Expense SWest - Media&Film	-	-	-	-
Sunday Expense SWest - Car Park Team	4,800.00	4,800.00	383.88	4,416.12
Sunday Expense SWest - Kids Animation	-	-	-	-
Sunday Expense SWest - Discovery	9,600.00	9,600.00	3,801.78	5,798.22
Sunday Expense SWest - Volunteers	6,000.00	-	47,213.51	-41,213.51
Sunday Expense SWest - Venue Control	1,800.00	1,800.00	-	1,800.00
Sunday Expense SWest - New Christians	14,400.00	18,000.00	14,396.70	3.30
Sunday Expense SWest - Baby Dedications	6,000.00	9,600.00	-	6,000.00
Sunday Expenses SWest - Communion	6,600.00	4,800.00	6,649.85	-49.85
Sunday Expense SWest - Baptisms	5,000.00	6,000.00	132.00	4,868.00
Sunday Expense SWest - Production	162,000.00	155,900.00	158,420.04	3,579.96
Sunday Expenses SWest - Refreshments	-	-	42,126.72	-42,126.72
Sunday Expenses SWest - Vision Sunday	1,000.00	1,000.00	-	1,000.00
Sunday Expenses SWest - Church Birthday	3,000.00	3,000.00	-	3,000.00
Sunday Expenses SWest - Easter	2,500.00	-	-	2,500.00
Sunday Expenses MPlain - Kids	30,000.00	31,000.00	38,441.88	-8,441.88
Sunday Expenses MPlain - Green Room	18,000.00	11,800.00	16,835.70	1,164.30
Sunday Expenses Mplain - Anointing Serv	500.00	500.00	-	500.00
Sunday Expenses MPlain - Heart&Soul	-	-	174.19	-174.19
Sunday Expenses MPlain - Welcome Team	3,600.00	6,000.00	-	3,600.00
Sunday Expenses MPlain - Mothersday	1,200.00	1,000.00	1,233.76	-33.76
Sunday Expenses MPlain - Fathers Day	1,000.00	1,000.00	836.45	163.55
Sunday Expenses MPlain - Info Desk	600.00	600.00	-	600.00
Sunday Expenses MPlain - Host Team	-	-	-	-
Sunday Expenses MPlain - Creative	12,000.00	24,766.00	8,895.46	3,104.54
Sunday Expenses Mplain - Worship&Dance	9,600.00	12,590.00	5,140.08	4,459.92
Sunday Expenses MPlain - Events Team	9,600.00	-	42,958.33	-33,358.33
Sunday Expenses MPlain - Media & Film	-	-	-	-
Sunday Expenses MPlain - Car Park	3,600.00	4,300.00	-	3,600.00
Sunday Expenses MPlain - Kids Animation	-	-	-	-
Sunday Expenses MPlain - Discovery	9,600.00	9,600.00	3,191.10	6,408.90



## NOTES

	2014	2013	2013	
	Budget	Budget	Actual/Average	Difference
Sunday Expenses PTA - Vision Sunday	2,000.00	1,161.00	-	2,000.00
Sunday Expenses - Church Birthday	2,000.00	2,904.00	-	2,000.00
Sunday Expenses Pretoria - EASTER	4,500.00	-	4,332.37	167.63
Licensing Fees - CCity	5,100.00	-	5,026.00	74.00
Licensing Fees - SWest	2,100.00	-	1,806.00	294.00
Licensing Fees - MPlain	2,100.00	-	2,041.00	59.00
Licensing Fees - PTA	2,100.00	-	1,496.00	604.00
Legal Fees - CCity	30,000.00	39,600.00	32,205.00	-2,205.00
Legal Fees - SWest	5,000.00	3,600.00	-	5,000.00
Legal Fees - MPlain	1,000.00	-	-	1,000.00
Legal Fees - PTA	5,000.00	5,500.00	-	5,000.00
Security - CCity	420,000.00	205,920.00	420,000.00	-
Security - SWest	192,000.00	205,920.00	1,930.56	190,069.44
Security - MPlain	72,000.00	-	56,000.00	16,000.00
Security - PTA	120,000.00	188,760.00	-	120,000.00
Motor Vehicle Fuel - CCity	120,000.00	127,000.00	101,273.84	18,726.16
Motor Vehicle R&M - CCity	43,200.00	36,000.00	43,390.88	-190.88
Motor Vehicle Insurance - CCity	1,200.00	24,000.00	973.00	227.00
Motor Vehicle License Fees - CCity	3,000.00	12,000.00	139.20	2,860.80
Motor Vehicle Parking/Toll - CCity	1,440.00	1,200.00	1,333.80	106.20
Motor Vehicle Speedfines - CCity	4,000.00	-	4,920.00	-920.00
Motor Vehicle Fuel - SWest	12,000.00	-	45,183.72	-33,183.72
Motor Vehicle R&M - SWest	18,000.00	-	31,410.71	-13,410.71
Motor Vehicle Insurance - SWest	-	-	-	-
Motor Vehicle License - SWest	455.00	-	546.00	-91.00
Motor Vehicle Parking/Toll - SWest	-	-	150.00	-150.00
Motor Vehicle Speedfines - SWest	220.00	-	264.00	-44.00
Motor Vehicle Fuel & Oil - MPlain	26,400.00	-	25,772.04	627.96
Motor Vehicle Repairs&Maint - MPlain	3,000.00	-	520.80	2,479.20
Motor Vehicle Insurance - MPlain	-	-	-	-
Motor Vehicle License - MPlain	-	-	-	-
Motor Vehicle Parking - MPlain	-	-	-	-
Motor Vehicle Speedfines - MPlain	1,350.00	-	1,620.00	-270.00
Motor Vehicle Fuel&Oil - PTA	30,000.00	-	28,036.78	1,963.22
Motor Vehicle Repairs&Maint - PTA	-	-	-	-

This is for 2 guards



	2014	2013	2013	
	Budget	Budget	Actual/Average	Difference
Motor Vehicle Insurance - PTA	-	-	-	-
Motor Vehicle License - PTA	-	-	-	-
Motor Vehicle Parking&Toll - PTA	3,600.00	-	3,006.12	593.88
Motor Vehicle Speedfines - PTA	-	-	-	-
My Hillsong - CCity	3,000.00	22,650.00	-	3,000.00
My Hillsong - SWest	1,000.00	1,800.00	-	1,000.00
My Hillsong - MPlain	1,000.00	1,800.00	-	1,000.00
My Hillsong - PTA	1,000.00	1,914.00	-	1,000.00
Pastoral Food Vouchers - CCity	14,400.00	12,000.00	15,619.12	-1,219.12
Pastoral Lunches - CCity	18,000.00	14,400.00	22,376.95	-4,376.95
Pastoral Gifts - CCity	30,000.00	12,000.00	27,543.14	2,456.86
Pastoral Care Training - CCity	2,400.00	3,000.00	551.36	1,848.64
Pastoral Christmas Hampers -CCity	14,000.00	14,000.00	-	14,000.00
Pastoral Counselling - CCity	6,000.00	5,808.00	6,900.00	-900.00
Pastoral Admin & Other - CCity	6,000.00	18,000.00	7,466.82	-1,466.82
Pastoral Food Vouchers - SWest	2,400.00	2,400.00	480.00	1,920.00
Pastoral Lunches - SWest	2,640.00	3,000.00	1,232.40	1,407.60
Pastoral Gifts - SWest	12,000.00	6,000.00	5,109.84	6,890.16
Pastoral Care Training - SWest	1,200.00	1,800.00	-	1,200.00
Pastoral Christmas Hampers - SWest	5,000.00	5,000.00	-	5,000.00
Pastoral Counselling - SWest	-	-	-	-
Pastoral Admin & Other - SWest	3,000.00	6,600.00	588.00	2,412.00
Pastoral Food Vouchers - MPlain	3,000.00	3,000.00	720.00	2,280.00
Pastoral Lunches - MPlain	3,000.00	3,000.00	2,043.60	956.40
Pastoral Gifts - MPlain	6,000.00	6,000.00	1,490.57	4,509.43
Pastoral Care Training - MPlain	1,200.00	1,200.00	-	1,200.00
Pastoral Christmas Hampers - MPlain	2,000.00	-	-	2,000.00
Pastoral Counselling - MPlain	-	-	-	-
Pastoral Admin&Other - MPlain	1,800.00	3,600.00	501.60	1,298.40
Pastoral Food Vouchers - PTA	2,750.00	2,750.00	-	2,750.00
Pastoral Lunches - PTA	6,000.00	2,750.00	-	6,000.00
Pastoral Gifts - PTA	6,000.00	5,500.00	1,275.53	4,724.47
Pastoral Care Training - PTA	2,000.00	1,100.00	2,591.18	-591.18
Pastoral Christmas Hampers - PTA	5,000.00	-	-	5,000.00
Pastoral Counselling - PTA	-	-	-	-

## NOTES

To be spend in DEC

## NOTES

	2014	2013	2013	
	Budget	Budget	Actual/Average	Difference
Pastoral Admin & Other - PTA	1,800.00	3,300.00	-	1,800.00
Parking Bays - CCity	720,000.00	491,040.00	756,650.16	-36,650.16
Parking Bays - SWest	-	-	-	-
Printing & Stationary - CCity	84,000.00	57,024.00	74,288.11	9,711.89
Printing & Stationary - SWest	1,800.00	-	432.00	1,368.00
Printing & Stationery - MPlain	-	-	-	-
Printing & Stationery - PTA	18,000.00	22,000.00	7,818.17	10,181.83
Powerhouse - Century City	24,000.00	24,050.00	40,714.98	-16,714.98
Powerhouse - Somerset West	6,000.00	6,000.00	8,058.48	-2,058.48
Powerhouse - Mitchells Plain	-	-	-	-
Powerhouse - PTA	12,000.00	22,774.00	7,833.16	4,166.84
Rego Expenses - CCity	2,400.00	26,779.00	1,915.96	484.04
Rego Expenses - SWest	600.00	1,850.00	-	600.00
Rego Expenses - MPlain	600.00	1,550.00	-	600.00
Rego Expenses - PTA	1,200.00	2,190.00	-	1,200.00
Public Injuries - CCity	5,000.00	-	-	5,000.00
Public Injuries - SWest	-	-	-	-
Public Injuries - MPlain	-	-	-	-
Public Injuries - PTA	-	-	-	-
Rates & Levies - CCity	864,000.00	796,750.00	871,660.44	-7,660.44
Rates & Levies - SWest	84,000.00	316,800.00	-	84,000.00
Rates & Levies - MPlain	-	-	-	-
Rates & Levies - PTA	-	-	-	-
Radio Broadcast - Cape Town	-	-	-	-
Radio Broadcast - PTA	-	-	-	-
Rent Paid - Century City	2,662,915.29	2,094,123.00	2,413,904.89	249,010.40
Rent Paid - SWest	385,200.00	900,000.00	488,172.59	-102,972.59
Rent Paid - MPlain	78,000.00	31,200.00	59,880.00	18,120.00
Rent Paid - PTA	420,000.00	-	407,000.00	13,000.00
Rental Copier & Fax - CCity	150,000.00	47,520.00	187,668.74	-37,668.74
Rental Copier & Fax - SWest	24,000.00	-	-	24,000.00
Rental Copier & Fax - MPlain	-	-	-	-
Rental Copier & Fax - PTA	66,000.00	36,300.00	71,981.24	-5,981.24
Repairs&Maintenance CCity - Building	864,000.00	502,400.00	631,062.26	232,937.74
Repairs&Maintenance CCity - Equipment	-	-	1,241.87	-1,241.87



	2014	2013	2013	
	Budget	Budget	Actual/Average	Difference
Repairs & Maintenance SWest - Building	-	1,335,912.00	63,149.87	-63,149.87
Repairs & Maintenance SWest - Equipment	-	-	2,098.20	-2,098.20
Repairs & Maintenance MPlain - Building	-	24,000.00	-	-
Repairs & Maintenance MPlain - Equipment	-	-	-	-
Repairs & Maintenance PTA - Building	120,000.00	277,332.00	2,102,535.68	-1,982,535.68
Repairs&Maintenance PTA - Equipment	-	-	-	-
SW New building costs	1,335,912.00	-	702.16	1,335,209.84
Rubble & Waste - CCity	48,000.00	66,000.00	43,618.80	4,381.20
Rubble & Waste - SWest	-	-	120.00	-120.00
Rubble & Waste Removal - MPlain	-	-	-	-
Rubble & Waste Removal - PTA	-	47,190.00	47,181.77	-47,181.77
Salaries - CCity	7,531,408.00	7,622,496.00	5,833,467.96	1,697,940.04
Salaries - SWest	537,680.00	276,000.00	203,760.00	333,920.00
Salaries - MPlain	330,000.00	60,000.00	-	330,000.00
Salaries - PTA	1,390,200.00	1,452,000.00	949,013.33	441,186.67
UIF Company Contr - CCity	78,023.15	-	44,330.21	33,692.94
UIF Company Contr - SWest	5,690.08	-	1,606.18	4,083.90
UIF Company Contr - MPlain	3,660.00	-	-	3,660.00
UIF Comany Contr - PTA	14,865.70	-	9,091.57	5,774.13
Medical Aid - CCity	690,000.00	602,100.00	372,406.80	317,593.20
Medical Aid - SWest	51,000.00	28,600.00	14,040.00	36,960.00
Medical Aid - MPlain	33,000.00	15,600.00	-	33,000.00
Medical Aid - PTA	162,000.00	-	62,400.00	99,600.00
Salary Savings - CCity	216,000.00	-	185,486.40	30,513.60
Salary Savings - SWest	17,000.00	-	5,400.00	11,600.00
Salary Savings - MPlain	11,000.00	-	-	11,000.00
Salary Savings - PTA	57,500.00	-	24,000.00	33,500.00
Casual Wages - CCity	60,000.00	-	52,861.18	7,138.82
Casual Wages - SWest	-	-	-	-
Casual Wages - MPlain	-	-	-	-
Casual Wages - PTA	30,000.00	-	47,626.67	-17,626.67
Sisterhood - CCity	90,000.00	234,000.00	128,462.54	-38,462.54
Sisterhood - SWest	-	-	-	-
Sisterhood - MPlain	-	-	-	-
Sisterhood - PTA	75,000.00	-	85,317.08	-10,317.08

## NOTES

NEW BUILDING COST

## NOTES

	2014	2013	2013	
	Budget	Budget	Actual/Average	Difference
School Ministry - Cape Town	8,000.00	10,452.00		8,000.00
School Ministry - PTA	4,000.00	6,391.00		4,000.00
Software - CCity	9,000.00	-		9,000.00
Software - PTA	3,000.00	-		3,000.00
Staff Medical - CCity	-	-		-
Staff Medical - SWest	-	-		-
Staff Medical - MPlain	-	-		-
Staff Medical - PTA	-	-		-
Rental of Equipment - Ccity	60,000.00	-	111,626.18	-51,626.18
Rental of Equipment - SWest	66,900.00	-	14,609.59	52,290.41
Rental of Equipment - MPlain	120,000.00	-	116,165.60	3,834.40
Rental of Equipment - PTA	14,400.00	-	20,517.33	-6,117.33
Staff & Volunteer Meals - CCity	-	-	5,016.06	-5,016.06
Staff & Volunteer Meals - SWest	-	-	-	-
Staff & Volunteer Meals - MPlain	-	-	-	-
Staff & Volunteer Meals - PTA	-	-	1,564.73	-1,564.73
Staff Welfare - Cape Town	-	-	150.00	-150.00
Staff Welfare - Pretoria	-	-	13.54	-13.54
Staff Training - CCity	18,000.00	15,840.00	16,880.01	1,119.99
Staff Training - SWest	6,000.00	3,600.00	-	6,000.00
Staff Training - MPlain	6,000.00	-	1,200.00	4,800.00
Staff Training - PTA	6,000.00	11,880.00	4,373.12	1,626.88
Staff Breakfast - CCity	-	11,088.00	2,854.80	-2,854.80
Staff Breakfast - SWest	-	3,600.00	-	-
Staff Breakfast - MPlain	-	-	-	-
Staff Breakfast - PTA	6,000.00	4,400.00	3,957.81	2,042.19
Staff Retreat - Cape Town	160,000.00	94,200.00	134,694.63	25,305.37
Staff Retreat - PTA	40,000.00	19,800.00	20,242.00	19,758.00
Staff Relocation - CCity	-	-	-	-
Staff Relocation - SWest	-	-	-	-
Staff Relocation - MPlain	-	-	-	-
Staff Relocation - Pretoria	-	-	39,771.25	-39,771.25
Service Fees - Century City	-	-	-	-
Subscriptions - CCity	18,260.64	7,920.00	16,888.32	1,372.32
Subscriptions - SWest	-	-	-	-



**NOTES**

	2014	2013	2013	
	<b>Budget</b>	<b>Budget</b>	<b>Actual/Average</b>	<b>Difference</b>
Subscriptions - MPlain	-	-	-	-
Subscriptions - PTA	-	-	-	-
Telephone - Ccity it	336,000.00	216,060.00	391,336.92	-55,336.92
Telephone - SWest	14,400.00	-	201.00	14,199.00
Telephone/Mobile - MPlain	-	-	70.80	-70.80
Telephone/Mobile - PTA	66,000.00	70,279.00	60,542.26	5,457.74
Transport Sunday Busses - CCity	426,000.00	450,000.00	567,826.56	-141,826.56
Transport Uni Busses - CCity	318,000.00	-	315,825.60	2,174.40
Transport Youth Busses - CCity	630,000.00	236,964.00	632,127.60	-2,127.60
Transport Sisterhood - CCity	96,000.00	-	80,656.80	15,343.20
Transport Sunday Buses - SWest	223,200.00	-	223,200.00	-
Transport Uni Buses - SWest	-	-	-	-
Transport Youth Buses - SWest	36,000.00	-	35,940.00	60.00
Transport Sisterhood - Swest	-	-	-	-
Transport Sunday Busses - Mplain	108,000.00	-	68,076.00	39,924.00
Tranport Uni Busses - MPlain	-	-	-	-
Transport Youth Busses - MPlain	-	-	16,560.00	-16,560.00
Transport Sisterhood - MPlain	-	-	-	-
Transport Sunday Buses - PTA	180,000.00	-	202,600.00	-22,600.00
Transport Uni Buses - PTA	81,250.00	-	100,533.33	-19,283.33
Transport Youth Buses - PTA	-	-	59,600.00	-59,600.00
Transport Sisterhood Buses - PTA	5,550.00	-	2,466.67	3,083.33
Travel Expense Local - Cape Town	60,000.00	115,200.00	89,184.06	-29,184.06
Travel Expense Local - PTA	535,071.14	363,000.00	466,267.38	68,803.76
Travel Expense International	1,124,092.81	729,600.00	1,171,737.61	-47,644.80
Youth - CCity	84,000.00	48,784.00	83,554.08	445.92
Youth - SWest	18,000.00	22,000.00	15,877.43	2,122.57
Youth - MPlain	6,000.00	25,484.00	3,424.68	2,575.32
Youth - PTA	24,000.00	27,573.00	24,717.48	-717.48
Volunteer Parties - Cape Town	50,000.00	8,712.00	46.09	49,953.91
Volunteer Parties - PTA	10,000.00	-	-	10,000.00
Capital Expenditure	-	-	-	-
<b>HILLSONG PROPERTIES</b>	-	<b>247,750.00</b>		

**NOTES**

	2014	2013	2013	
	Budget	Budget	Actual/Average	Difference
<i>Other Income</i>	216,000.00	78,000.00	174,000.00	42,000.00
<b>NETT PROFIT Excluding Assets</b>	5,235,331.24	6,966,768.00	6,874,006.56	
Asset Expenditure Ccity	780,000.00	1,106,439.98	460,268.28	319,731.72
Asset Expenditure SWst	499,992.00	1,990,970.00	418,949.88	81,042.12
Asset Expenditure Mplain	390,000.00	344,003.36	1,258,915.28	-868,915.28
Asset Expenditure PTA	600,000.00	1,010,042.56	2,017,641.23	-1,417,641.23
<b>Total Profit/Loss Including Assets</b>	<u>2,965,339.24</u>	1,238,062.10		

LAPTOPS/ Link  
NEW Building

CAMPUS 1 - Excluding Assets  
CAMPUS 2 - Excluding Assets





# Corporate Structure South Africa

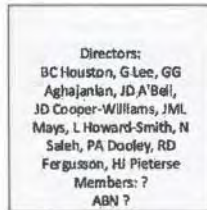
USA

Hillsong International  
USA Activities



Foreign Subsidiary

Australia



Operational ASMA  
Incorporated in WA to  
remove financial and  
liability protection and  
then close down

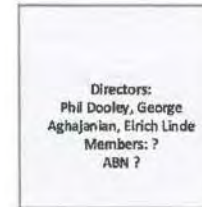
South Africa



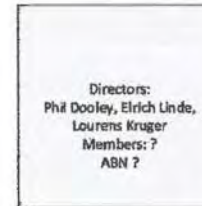
Operational Entity



Asset Holding Entity



Owner of Century City  
Building  
WAT Registered Entity



Owner of the  
Masculine Theatre  
Building  
WAT Registered Entity  
currently used for  
venue hire's, jewel



Asset Holding ASMA  
Recently changed from  
Closed Corporation to  
PTY LTD and SA IN NSW  
New state directors



Non-liable Private



## HILLSONG SOUTH AFRICA ORGANOGRAM – AUGUST 2019





Entity	Responsible Person	Appointment Date	Cessation Date	Role
Hillsong Barcelona	Adam Spies			Trustee
Stichting Hillsong Church NL	Adam Spies			Trustee
Australian Christian Early Education Ltd	Amanda Elizabeth Tay	26/09/2019		Non-Executive Director
Church 180 Pty Ltd	Amanda Elizabeth Tay	26/09/2019	24/02/2022	Non-Executive Director
Community Venues Ltd	Amanda Elizabeth Tay	19/11/2020		Non-Executive Director
HC Australia Property Ltd	Amanda Elizabeth Tay	26/09/2019		Non-Executive Director
Hills Christian Life Centre Pty Ltd	Amanda Elizabeth Tay	26/09/2019		Non-Executive Director
Hillsong Church Australia Ltd	Amanda Elizabeth Tay	29/05/2019		Non-Executive Director
Hillsong Church Ltd	Amanda Elizabeth Tay	29/05/2019		Non-Executive Director
Hillsong CityCare Ltd	Amanda Elizabeth Tay	26/09/2019		Non-Executive Director
Hillsong Macarthur Pty Ltd	Amanda Elizabeth Tay	26/09/2019		Non-Executive Director
Hillsong Media & Performing Arts Ltd	Amanda Elizabeth Tay	26/09/2019		Non-Executive Director
Hillsong Stewardship Fund, Inc.	Amanda Elizabeth Tay	14/10/2021		Non-Executive Director
Sydney Christian Life Centre Pty Ltd	Amanda Elizabeth Tay	26/09/2019		Non-Executive Director
The Trustee for Community Venues	Amanda Elizabeth Tay	19/11/2020		Non-Executive Director
The Trustee for Garden City Property	Amanda Elizabeth Tay	29/05/2019		Director
The Trustee for HC Australia Property	Amanda Elizabeth Tay	26/09/2019		Non-Executive Director
The Trustee for Hillsong Foundation	Amanda Elizabeth Tay	29/05/2019		Director
Stichting Hillsong Church NL	Arjan Neimeijer			Trustee
Appletree Collective Pty Ltd	Ben Poppett	10/12/2012	25/02/2020	Secretary
Appletree Collective Pty Ltd	Ben Poppett	10/12/2012	25/02/2020	Executive Director
Australian Christian Early Education Ltd	Benjamin David Houston	16/02/2016	12/08/2017	Executive Director
Hillsong Central West, Inc.	Benjamin David Houston	29/09/2018	23/03/2022	Executive Director
Hillsong Church Australia Ltd	Benjamin David Houston	26/10/2016	28/08/2017	Executive Director
Hillsong Church Israel	Benjamin David Houston	8/12/2021	23/03/2022	Amutah Member (Board member)
Hillsong Church Ltd	Benjamin David Houston	13/12/2012	28/08/2017	Executive Director
Hillsong Church USA, Inc.	Benjamin David Houston	25/09/2014	23/03/2022	Executive Director
Hillsong Church, Inc.	Benjamin David Houston	29/09/2017	23/03/2022	Executive Director
Hillsong CityCare Ltd	Benjamin David Houston	13/12/2012	28/08/2017	Executive Director
Hillsong College Ltd	Benjamin David Houston	8/12/2016	28/08/2017	Executive Director
Hillsong College Ltd	Benjamin David Houston	22/02/2018	23/03/2022	Executive Director
Hillsong International Ltd	Benjamin David Houston	29/09/2017	23/03/2022	Executive Director



Hillsong LA, LLC	Benjamin David Houston	17/12/2013	25/03/2021	Manager
Hillsong Ltd	Benjamin David Houston	13/12/2012	23/03/2022	Executive Director
Hillsong Macarthur Pty Ltd	Benjamin David Houston	13/12/2012	28/08/2017	Executive Director
Hillsong Media & Performing Arts Ltd	Benjamin David Houston	13/12/2012	28/08/2017	Executive Director
HMTR Ltd	Benjamin David Houston	24/12/2017	23/03/2022	Executive Director
RGB Group, Inc.	Benjamin David Houston	13/02/2018	4/05/2018	Executive Director
Sydney Christian Life Centre Pty Ltd	Benjamin David Houston	13/12/2012	28/08/2017	Executive Director
The Trustee for Hillsong Church Australia	Benjamin David Houston	26/10/2016	28/08/2017	Executive Director
The Trustee for Hillsong Foundation	Benjamin David Houston	26/10/2016	28/08/2017	Executive Director
The Trustee for Hillsong International	Benjamin David Houston	26/10/2017	23/03/2022	Executive Director
The Trustee for Hillsong International Found	Benjamin David Houston	30/11/2016	23/03/2022	Executive Director
Hillsong Central West, Inc.	Bob Regan	21/06/2018	29/05/2019	Non-Executive Director
Australian Christian Early Education Ltd	Brian Charles Houston	16/02/2017	17/08/2021	Executive Director
Church 180 Pty Ltd	Brian Charles Houston	20/06/2013	17/08/2021	Executive Director
Community Venues Ltd	Brian Charles Houston	19/11/2020	17/08/2021	Executive Director
Community Venues Ltd	Brian Charles Houston	19/11/2020	17/08/2021	Chairperson
HC Australia Property Ltd	Brian Charles Houston	2/11/2016	17/08/2021	Executive Director
Hills Christian Life Centre Pty Ltd	Brian Charles Houston	5/11/2010	17/08/2021	Executive Director
Hillsong Canada	Brian Charles Houston	31/08/2020		Voting Member
Hillsong Central West, Inc.	Brian Charles Houston	29/09/2018	17/08/2021	Executive Director
Hillsong Church Australia Ltd	Brian Charles Houston	26/10/2016	17/08/2021	Executive Director
Hillsong Church Germany e.V.	Brian Charles Houston	26/10/2016		Member
Hillsong Church Incorporated In Australia	Brian Charles Houston	28/03/2008		Director
Hillsong Church Ltd	Brian Charles Houston	30/05/1999	17/08/2021	Executive Director
Hillsong Church USA, Inc.	Brian Charles Houston	16/03/2017	17/08/2021	Executive Director
Hillsong Church, Inc.	Brian Charles Houston	3/08/2016	17/08/2021	Executive Director
Hillsong CityCare Ltd	Brian Charles Houston	12/12/1990	17/08/2021	Executive Director
Hillsong College Ltd	Brian Charles Houston	31/01/2017	17/08/2021	Executive Director
Hillsong International Ltd	Brian Charles Houston	24/10/2016	17/08/2021	Executive Director
Hillsong Ltd	Brian Charles Houston	7/12/2006	17/08/2021	Executive Director
Hillsong Macarthur Pty Ltd	Brian Charles Houston	1/02/2007	17/08/2021	Executive Director
Hillsong Media & Performing Arts Ltd	Brian Charles Houston	4/09/2002	17/08/2021	Executive Director
HMTR Ltd	Brian Charles Houston	24/12/2017	17/08/2021	Executive Director
RGB Group, Inc.	Brian Charles Houston	13/02/2018	4/05/2018	Executive Director



Sydney Christian Life Centre Pty Ltd	Brian Charles Houston	30/05/1999	17/08/2021	Executive Director
The Trustee for Community Venues	Brian Charles Houston	19/11/2020	17/08/2021	Executive Director
The Trustee for Community Venues	Brian Charles Houston	19/11/2020	17/08/2021	Chairperson
The Trustee for Garden City Property	Brian Charles Houston	26/10/2016	17/08/2021	Executive Director
The Trustee for HC Australia Property	Brian Charles Houston	26/10/2016	17/08/2021	Executive Director
The Trustee for Hillsong Church Australia	Brian Charles Houston	26/10/2016	17/08/2021	Executive Director
The Trustee for Hillsong Foundation	Brian Charles Houston	26/10/2016	17/08/2021	Executive Director
The Trustee for Hillsong International	Brian Charles Houston	24/10/2016	17/08/2021	Executive Director
The Trustee for Hillsong International Found	Brian Charles Houston	30/11/2016	17/08/2021	Executive Director
Hillsong Boston, LLC	Carl Lentz	22/02/2018	2/11/2020	Manager
Hillsong Connecticut, LLC	Carl Lentz	22/02/2018	2/11/2020	Manager
Hillsong NJ, LLC	Carl Lentz	22/02/2018	2/11/2020	Manager
Hillsong NYC, LLC	Carl Lentz	16/07/2010	2/11/2020	Manager
Hillsong Church Israel	Catrina Henderson	5/06/2018	13/11/2020	Amutah Member (Board member)
Hillsong Church London	Chiamaka Okeke	24/09/2020		Trustee
Hillsong Boston, LLC	Chrishan Jeyaratnam	29/07/2021		Manager
Hillsong Connecticut, LLC	Chrishan Jeyaratnam	29/07/2021		Manager
Hillsong NJ, LLC	Chrishan Jeyaratnam	29/07/2021		Manager
Hillsong NYC, LLC	Chrishan Jeyaratnam	29/07/2021		Manager
8581 Technology, LLC	Dane Alexander James Gambrill	15/02/2018		Manager
Appletree Collective Pty Ltd	Dane Alexander James Gambrill	8/11/2016	7/07/2021	Non-Executive Director
Australian Christian Early Education Ltd	Dane Alexander James Gambrill	16/02/2017		Non-Executive Director
Church 180 Pty Ltd	Dane Alexander James Gambrill	20/06/2013	24/02/2022	Non-Executive Director
Community Venues Ltd	Dane Alexander James Gambrill	19/11/2020		Non-Executive Director
HC Australia Property Ltd	Dane Alexander James Gambrill	2/11/2016		Non-Executive Director
Hills Christian Life Centre Pty Ltd	Dane Alexander James Gambrill	5/11/2010		Non-Executive Director
Hillsong Church Australia Ltd	Dane Alexander James Gambrill	26/10/2016		Non-Executive Director
Hillsong Church Ltd	Dane Alexander James Gambrill	27/05/2009		Non-Executive Director
Hillsong CityCare Ltd	Dane Alexander James Gambrill	27/05/2009		Non-Executive Director
Hillsong College Ltd	Dane Alexander James Gambrill	31/01/2017	22/02/2018	Non-Executive Director
Hillsong Ltd	Dane Alexander James Gambrill	27/05/2009		Non-Executive Director
Hillsong Macarthur Pty Ltd	Dane Alexander James Gambrill	17/09/2009		Non-Executive Director
Hillsong Media & Performing Arts Ltd	Dane Alexander James Gambrill	17/09/2009		Non-Executive Director
Sydney Christian Life Centre Pty Ltd	Dane Alexander James Gambrill	27/05/2009		Non-Executive Director



The Trustee for Community Venues	Dane Alexander James Gambrill	19/11/2020		Non-Executive Director
The Trustee for Garden City Property	Dane Alexander James Gambrill	26/10/2016		Non-Executive Director
The Trustee for HC Australia Property	Dane Alexander James Gambrill	26/10/2016		Non-Executive Director
The Trustee for Hillsong Church Australia	Dane Alexander James Gambrill	26/10/2016		Non-Executive Director
The Trustee for Hillsong Foundation	Dane Alexander James Gambrill	26/10/2016		Non-Executive Director
Hillsong Central West, Inc.	Daniel Stringer	21/06/2018	29/05/2019	Non-Executive Director
Association Cultuelle Hillsong	Darren Shaun Kitto	20/11/2019		Member
Hillsong Africa Foundation Trust	Darren Shaun Kitto			Executive Director
Hillsong Aid and Development Australia Ltd	Darren Shaun Kitto	29/04/2011	31/12/2018	Executive Director
Hillsong Aid and Development Australia Ltd	Darren Shaun Kitto	29/04/2011	31/12/2018	Chairperson
Hillsong Canada	Darren Shaun Kitto	31/08/2020		Voting Member
Hillsong Central West, Inc.	Darren Shaun Kitto	20/11/2019		Executive Director
Hillsong Channel, LLC	Darren Shaun Kitto	10/07/2020		Manager
Hillsong Church Germany e.V.	Darren Shaun Kitto	20/11/2019		Member
Hillsong Church Incorporated In Australia	Darren Shaun Kitto	20/11/2019	20/11/2019	Non-Executive Director
Hillsong Church Israel	Darren Shaun Kitto	8/12/2021		Amutah Member (Board member)
Hillsong Church USA, Inc.	Darren Shaun Kitto	20/11/2019		Executive Director
Hillsong Church, Inc.	Darren Shaun Kitto	20/11/2019		Executive Director
Hillsong College Ltd	Darren Shaun Kitto	20/11/2019		Executive Director
Hillsong Global, LLC	Darren Shaun Kitto	10/07/2020		Manager
Hillsong International Ltd	Darren Shaun Kitto	20/11/2019		Executive Director
Hillsong Stewardship Fund, Inc.	Darren Shaun Kitto	15/12/2017	24/09/2020	Executive Director
HMTR Ltd	Darren Shaun Kitto	20/11/2019		Executive Director
Shiloh Ministries, LLC	Darren Shaun Kitto	16/03/2017		Executive Director
The Trustee for Hillsong Aid and Development	Darren Shaun Kitto	29/04/2011	31/12/2018	Executive Director
The Trustee for Hillsong Aid and Development	Darren Shaun Kitto	29/04/2011	31/12/2018	Chairperson
Anotherland LLC	David Bagheri	13/12/2021		Manager
Hillsong Church London	David Bagheri	24/09/2020		Trustee
Hillsong Music and Resources, LLC	David Bagheri	29/07/2021		Manager
Invorto LLC	David Bagheri	24/09/2020		Manager
IO Management, LLC	David Bagheri	2/09/2021		Manager
RGB Group, Inc.	David Bagheri	24/09/2020		President
Hillsong Church London	David Whitewood	27/09/2018		Trustee
Hillsong Church London	Ed Simmons	27/09/2018		Trustee



Appletree Collective Pty Ltd	Ern Phang	8/11/2016	25/02/2020	Non-Executive Director
Community Venues Ltd	Fiore Gatti	1/05/2020	19/11/2020	Director
The Trustee for Community Venues	Fiore Gatti	1/05/2020	19/11/2020	Director
Hillsong Church Germany e.V.	Freimut Haverkamp	22/02/2018		Chairperson
Hillsong Africa Foundation Trust	Gary James Clarke			Executive Director
Hillsong Canada	Gary James Clarke	31/08/2020		Voting Member
Hillsong Central West, Inc.	Gary James Clarke	29/09/2018		Executive Director
Hillsong Church Germany e.V.	Gary James Clarke	26/10/2016		Member
Hillsong Church Israel	Gary James Clarke	5/06/2018		Amutah Member (Board member)
Hillsong Church USA, Inc.	Gary James Clarke	16/03/2017		Executive Director
Hillsong Church, Inc.	Gary James Clarke	3/08/2016		Executive Director
Hillsong College Ltd	Gary James Clarke	22/01/2018		Executive Director
Hillsong International Ltd	Gary James Clarke	24/10/2016		Executive Director
HMTR Ltd	Gary James Clarke	24/12/2017		Executive Director
RGB Group, Inc.	Gary James Clarke	13/02/2018	4/05/2018	Executive Director
The Trustee for Hillsong International	Gary James Clarke	24/10/2016		Executive Director
The Trustee for Hillsong International Founda	Gary James Clarke	30/11/2016		Executive Director
8581 Technology, LLC	George Gregory Aghajanian	15/02/2018		Manager
Association Cultuelle Hillsong	George Gregory Aghajanian			Manager
Australian Christian Early Education Ltd	George Gregory Aghajanian	16/02/2017		Executive Director
Church 180 Pty Ltd	George Gregory Aghajanian	20/06/2013	24/02/2022	Executive Director
Community Venues Ltd	George Gregory Aghajanian	19/11/2020		Executive Director
Community Venues Ltd	George Gregory Aghajanian	19/11/2020		Secretary
CT Property Holdings, LLC	George Gregory Aghajanian	27/07/2018		Manager
Festival Hall Pty Ltd	George Gregory Aghajanian	16/12/2020		Executive Director
HC Australia Property Ltd	George Gregory Aghajanian	2/11/2016		Executive Director
HC Property Holdings, LLC	George Gregory Aghajanian	6/04/2015	9/12/2021	Manager
Hills Christian Life Centre Pty Ltd	George Gregory Aghajanian	5/11/2010		Executive Director
Hillsong Africa Foundation Trust	George Gregory Aghajanian			Treasurer
Hillsong Barcelona	George Gregory Aghajanian			Manager
Hillsong Brazil	George Gregory Aghajanian			Manager
Hillsong Central West, Inc.	George Gregory Aghajanian	29/09/2017		Treasurer
Hillsong Central West, Inc.	George Gregory Aghajanian	29/09/2018	16/09/2018	Treasurer
Hillsong Channel, LLC	George Gregory Aghajanian	30/05/2012	10/07/2020	Manager



Hillsong Church Australia Ltd	George Gregory Aghajanian	14/10/2016		Executive Director
Hillsong Church Germany e.V.	George Gregory Aghajanian	26/10/2016		Director
Hillsong Church Incorporated In Australia	George Gregory Aghajanian	28/03/2008		Director
Hillsong Church Israel	George Gregory Aghajanian	9/11/2017		Amutah Member (Board member)
Hillsong Church London	George Gregory Aghajanian	27/09/2018	26/09/2019	Trustee
Hillsong Church Ltd	George Gregory Aghajanian	14/02/2002		Executive Director
Hillsong Church USA, Inc.	George Gregory Aghajanian	23/03/2010		Executive Director
Hillsong Church, Inc.	George Gregory Aghajanian	3/08/2016		Executive Director
Hillsong CityCare Ltd	George Gregory Aghajanian	21/03/1996		Executive Director
Hillsong College Ltd	George Gregory Aghajanian	31/01/2017		Executive Director
Hillsong Events, LLC	George Gregory Aghajanian	18/04/2011	10/07/2020	Manager
Hillsong Foundation, LLC	George Gregory Aghajanian	8/02/2010	10/07/2020	Manager
Hillsong Global, LLC	George Gregory Aghajanian	15/05/2015	10/07/2020	Manager
Hillsong International Ltd	George Gregory Aghajanian	24/10/2016		Treasurer
Hillsong Kiev	George Gregory Aghajanian			Manager
Hillsong Ltd	George Gregory Aghajanian	7/12/2006		Executive Director
Hillsong Macarthur Pty Ltd	George Gregory Aghajanian	1/02/2007		Executive Director
Hillsong Media & Performing Arts Ltd	George Gregory Aghajanian	4/09/2002		Executive Director
Hillsong Moscow	George Gregory Aghajanian			Manager
Hillsong Norway	George Gregory Aghajanian			Manager
Hillsong Portugal	George Gregory Aghajanian			Manager
Hillsong Stewardship Fund, Inc.	George Gregory Aghajanian	12/04/2018		President
Hillsong Stewardship Fund, Inc.	George Gregory Aghajanian	15/12/2017		Executive Director
HMTR Ltd	George Gregory Aghajanian	7/09/2010		Executive Director
Invorto LLC	George Gregory Aghajanian	15/05/2018	24/09/2020	Manager
Invorto Pty Ltd	George Gregory Aghajanian	22/12/2021		Executive Director
Invorto Pty Ltd	George Gregory Aghajanian	22/12/2021		Secretary
OC Global Property Holdings, LLC	George Gregory Aghajanian	24/08/2018	9/12/2021	Manager
RGB Group, Inc.	George Gregory Aghajanian	13/02/2018		Executive Director
Shiloh Ministries, LLC	George Gregory Aghajanian	16/03/2017		Manager
Stichting Hillsong Church NL	George Gregory Aghajanian			Manager
Sydney Christian Life Centre Pty Ltd	George Gregory Aghajanian	24/05/2012		Executive Director
The Trustee for Community Venues	George Gregory Aghajanian	19/11/2020		Executive Director
The Trustee for Community Venues	George Gregory Aghajanian	19/11/2020		Secretary



The Trustee for Festival Hall	George Gregory Aghajanian	16/12/2020		Executive Director
The Trustee for Garden City Property	George Gregory Aghajanian	14/10/2016		Executive Director
The Trustee for HC Australia Property	George Gregory Aghajanian	19/10/2016		Executive Director
The Trustee for Hillsong Aid and Development	George Gregory Aghajanian	9/10/2009	12/08/2016	Treasurer
The Trustee for Hillsong Church Australia	George Gregory Aghajanian	19/10/2016		Executive Director
The Trustee for Hillsong Foundation	George Gregory Aghajanian	14/10/2016		Executive Director
The Trustee for Hillsong International	George Gregory Aghajanian	14/10/2016		Treasurer
The Trustee for Hillsong International Found	George Gregory Aghajanian	30/11/2016		Executive Director
Yethu BLK Projects Pty Ltd	George Gregory Aghajanian			Treasurer
Hillsong Central West, Inc.	Gerda Crist	21/06/2018	29/05/2019	Executive Director
Hillsong Church Incorporated in Australia	Gordon Lee	28/03/2008	21/06/2017	Director
HMTR Ltd	Graham Williams	7/09/2011	19/12/2017	Non-Executive Director
Australian Christian Early Education Ltd	Grant John Stuart Thomson	16/02/2017	29/03/2021	Executive Director
Church 180 Pty Ltd	Grant John Stuart Thomson	20/06/2013	29/03/2021	Executive Director
Community Venues Ltd	Grant John Stuart Thomson	19/11/2020	29/03/2021	Non-Executive Director
HC Australia Property Ltd	Grant John Stuart Thomson	2/11/2016	29/03/2021	Executive Director
Hills Christian Life Centre Pty Ltd	Grant John Stuart Thomson	5/11/2010	29/03/2021	Executive Director
Hillsong Church Australia Ltd	Grant John Stuart Thomson	26/10/2016	29/03/2021	Executive Director
Hillsong Church Ltd	Grant John Stuart Thomson	1/12/2008	29/03/2021	Executive Director
Hillsong CityCare Ltd	Grant John Stuart Thomson	1/12/2008	29/03/2021	Executive Director
Hillsong College Ltd	Grant John Stuart Thomson	31/01/2017	22/02/2018	Executive Director
Hillsong Ltd	Grant John Stuart Thomson	1/12/2008	20/11/2019	Executive Director
Hillsong Macarthur Pty Ltd	Grant John Stuart Thomson	1/12/2008	29/03/2021	Executive Director
Hillsong Media & Performing Arts Ltd	Grant John Stuart Thomson	1/12/2008	29/03/2021	Executive Director
Hillsong Stewardship Fund, Inc.	Grant John Stuart Thomson	15/12/2017	29/03/2021	Executive Director
Hillsong Stewardship Fund, Inc.	Grant John Stuart Thomson	12/04/2018	29/03/2021	Treasurer
Sydney Christian Life Centre Pty Ltd	Grant John Stuart Thomson	1/12/2008	29/03/2021	Executive Director
The Trustee for Community Venues	Grant John Stuart Thomson	19/11/2020	29/03/2021	Non-Executive Director
The Trustee for Garden City Property	Grant John Stuart Thomson	26/10/2016	29/03/2021	Executive Director
The Trustee for HC Australia Property	Grant John Stuart Thomson	26/10/2016	29/03/2021	Executive Director
The Trustee for Hillsong Church Australia	Grant John Stuart Thomson	26/10/2016	29/03/2021	Executive Director
The Trustee for Hillsong Foundation	Grant John Stuart Thomson	26/10/2016	29/03/2021	Executive Director
Hillsong Church Incorporated in Australia	Henning Jonathan Pieterse	28/03/2008		Director
Hillsong Central West, Inc.	Ian Danney	21/06/2018	29/05/2019	Non-Executive Director



Manila Connect	Jack Ryan Molano Garcia			Trustee
Hillsong Church Germany e.V.	Jan Kohler	22/02/2019		Director
Hillsong Central West, Inc.	Jason Lliteras	16/09/2018	26/09/2019	Treasurer
PHX Property Holdings, LLC	Jason Lliteras	24/08/2018		Manager
PHX Property Ventures, LLC	Jason Lliteras	6/12/2017		Manager
Hillsong Church London	Jeffrey Lestz	27/09/2018		Trustee
Australian Christian Early Education Ltd	Joel Damon A'Bell	16/02/2017	30/11/2018	Executive Director
Church 180 Pty Ltd	Joel Damon A'Bell	20/06/2013	30/11/2018	Executive Director
HC Australia Property Ltd	Joel Damon A'Bell	2/11/2016	30/11/2018	Executive Director
Hills Christian Life Centre Pty Ltd	Joel Damon A'Bell	5/11/2010	30/11/2018	Executive Director
Hillsong Aid and Development Australia Ltd	Joel Damon A'Bell	9/10/2009	30/11/2018	Executive Director
Hillsong Church Australia Ltd	Joel Damon A'Bell	14/10/2016	30/11/2018	Executive Director
Hillsong Church Incorporated In Australia	Joel Damon A'Bell	28/03/2008	30/11/2018	Director
Hillsong Church Ltd	Joel Damon A'Bell	28/02/2007	30/11/2018	Executive Director
Hillsong CityCare Ltd	Joel Damon A'Bell	28/02/2007	30/11/2018	Executive Director
Hillsong College Ltd	Joel Damon A'Bell	31/01/2017	22/02/2018	Executive Director
Hillsong Ltd	Joel Damon A'Bell	28/02/2007	30/11/2018	Executive Director
Hillsong Macarthur Pty Ltd	Joel Damon A'Bell	28/02/2007	30/11/2018	Executive Director
Hillsong Media & Performing Arts Ltd	Joel Damon A'Bell	28/02/2007	30/11/2018	Executive Director
Sydney Christian Life Centre Pty Ltd	Joel Damon A'Bell	28/02/2007	30/11/2018	Executive Director
The Trustee for Garden City Property	Joel Damon A'Bell	14/10/2016	30/11/2018	Executive Director
The Trustee for HC Australia Property	Joel Damon A'Bell	14/10/2016	30/11/2018	Executive Director
The Trustee for Hillsong Aid and Development	Joel Damon A'Bell	9/10/2009	30/11/2018	Executive Director
The Trustee for Hillsong Church Australia	Joel Damon A'Bell	19/10/2016	30/11/2018	Executive Director
The Trustee for Hillsong Foundation	Joel Damon A'Bell	14/10/2016	30/11/2018	Executive Director
Hillsong Boston, LLC	Joel Timothy Houston	22/02/2018	31/12/2018	Executive Director
Hillsong Connecticut, LLC	Joel Timothy Houston	22/02/2018	31/12/2018	Manager
Hillsong NJ, LLC	Joel Timothy Houston	22/02/2018	31/12/2018	Manager
Hillsong NYC, LLC	Joel Timothy Houston	16/07/2010	31/12/2018	Manager
HMTR Ltd	Joel Timothy Houston	7/09/2010	24/12/2017	Executive Director
Invorto LLC	Joel Timothy Houston	24/09/2020		Manager
RGB Group, Inc.	Joel Timothy Houston	24/09/2020		President
Lafayette Property Holdings, LLC	John Cornelius	8/06/2017		Manager
Australian Christian Early Education Ltd	John Donovan Cooper-Williams	16/02/2017	31/03/2022	Non-Executive Director



Church 180 Pty Ltd	John Donovan Cooper-Williams	20/06/2013	24/02/2022	Non-Executive Director
Community Venues Ltd	John Donovan Cooper-Williams	19/11/2020	31/03/2022	Non-Executive Director
HC Australia Property Ltd	John Donovan Cooper-Williams	2/11/2016	31/03/2022	Non-Executive Director
Hills Christian Life Centre Pty Ltd	John Donovan Cooper-Williams	5/11/2010	31/03/2022	Non-Executive Director
Hillsong Church Australia Ltd	John Donovan Cooper-Williams	26/10/2016	31/03/2022	Non-Executive Director
Hillsong Church Incorporated In Australia	John Donovan Cooper-Williams	28/03/2008	31/03/2022	Director
Hillsong Church Ltd	John Donovan Cooper-Williams	12/05/1993	31/03/2022	Non-Executive Director
Hillsong CityCare Ltd	John Donovan Cooper-Williams	14/02/2002	31/03/2022	Non-Executive Director
Hillsong College Ltd	John Donovan Cooper-Williams	31/01/2017	22/02/2018	Non-Executive Director
Hillsong Ltd	John Donovan Cooper-Williams	7/12/2006		Non-Executive Director
Hillsong Macarthur Pty Ltd	John Donovan Cooper-Williams	1/02/2007	31/03/2022	Non-Executive Director
Hillsong Media & Performing Arts Ltd	John Donovan Cooper-Williams	4/09/2002	31/03/2022	Non-Executive Director
Sydney Christian Life Centre Pty Ltd	John Donovan Cooper-Williams	12/05/1993	31/03/2022	Non-Executive Director
The Trustee for Community Venues	John Donovan Cooper-Williams	19/11/2020	31/03/2022	Non-Executive Director
The Trustee for Garden City Property	John Donovan Cooper-Williams	26/10/2016	31/03/2022	Non-Executive Director
The Trustee for HC Australia Property	John Donovan Cooper-Williams	26/10/2016	31/03/2022	Non-Executive Director
The Trustee for Hillsong Church Australia	John Donovan Cooper-Williams	26/10/2016	31/03/2022	Non-Executive Director
The Trustee for Hillsong Foundation	John Donovan Cooper-Williams	26/10/2016	31/03/2022	Non-Executive Director
Hillsong Church Incorporated In Australia	John Mays	28/03/2008	21/06/2017	Director
Hillsong Boston, LLC	John Termini	3/12/2020	29/07/2021	Manager
Hillsong Connecticut, LLC	John Termini	3/12/2020	29/07/2021	Manager
Hillsong NJ, LLC	John Termini	3/12/2020	29/07/2021	Manager
Hillsong NYC, LLC	John Termini	3/12/2020	29/07/2021	Manager
Hillsong Events, LLC	Johnny Rays	10/07/2020		Manager
IO Management, LLC	Johnny Rays	2/09/2021		Manager
General Incorporated Association Hillsong To	Junya Nakamura	25/11/2021		Director
Hillsong Church (Fiji)	Kent Medwin	23/11/2021		Trustee
Hillsong Central West, Inc.	Kimberly Crist	16/09/2018	26/09/2019	Secretary
Hillsong Church (Fiji)	Kirk Corrie	30/09/2021		Trustee
Hillsong Kansas City, LLC	Kyle Turner	21/02/2019		Manager
Hillsong Aid and Development Australia Ltd	Kylee Lillian Tranter	20/06/2018	31/12/2018	Secretary
Australian Christian Early Education Ltd	Lalitha Stables	16/02/2016	5/04/2018	Non-Executive Director
Hillsong Central West, Inc.	Lalitha Stables	3/05/2018	10/07/2020	Non-Executive Director
Hillsong Church Australia Ltd	Lalitha Stables	26/10/2016	5/04/2018	Non-Executive Director



Hillsong Church Germany e.V.	Lalitha Stables	21/11/2018	10/07/2020	Member
Hillsong Church Ltd	Lalitha Stables	28/06/2011	5/04/2018	Non-Executive Director
Hillsong Church USA, Inc.	Lalitha Stables	3/05/2018	10/07/2020	Non-Executive Director
Hillsong Church, Inc.	Lalitha Stables	3/05/2018	10/07/2020	Non-Executive Director
Hillsong CityCare Ltd	Lalitha Stables	28/04/2011	5/04/2018	Non-Executive Director
Hillsong College Ltd	Lalitha Stables	31/01/2017	10/07/2020	Non-Executive Director
Hillsong International Ltd	Lalitha Stables	4/05/2018	10/07/2020	Non-Executive Director
Hillsong Ltd	Lalitha Stables	28/04/2011	5/04/2018	Non-Executive Director
Hillsong Macarthur Pty Ltd	Lalitha Stables	28/04/2011	5/04/2018	Non-Executive Director
Hillsong Media & Performing Arts Ltd	Lalitha Stables	28/04/2011	5/04/2018	Non-Executive Director
HMTR Ltd	Lalitha Stables	3/05/2018	10/07/2020	Non-Executive Director
RGB Group, Inc.	Lalitha Stables	4/05/2018	10/07/2020	Non-Executive Director
Sydney Christian Life Centre Pty Ltd	Lalitha Stables	28/04/2011	5/04/2018	Non-Executive Director
The Trustee for Hillsong Church Australia	Lalitha Stables	26/10/2016	28/08/2017	Non-Executive Director
The Trustee for Hillsong Foundation	Lalitha Stables	26/10/2016	5/04/2018	Non-Executive Director
The Trustee for Hillsong International	Lalitha Stables	4/05/2018	10/07/2020	Non-Executive Director
The Trustee for Hillsong International Found	Lalitha Stables		10/07/2020	Non-Executive Director
Hillsong College, LLC	Lee Burns	27/09/2018		Manager
Australian Christian Early Education Ltd	Leigh Howard-Smith	26/10/2017	22/01/2020	Non-Executive Director
Australian Christian Early Education Ltd	Leigh Howard-Smith	16/02/2016	16/08/2017	Non-Executive Director
Church 180 Pty Ltd	Leigh Howard-Smith	20/06/2013	22/01/2020	Non-Executive Director
HC Australia Property Ltd	Leigh Howard-Smith	2/11/2016	22/01/2020	Non-Executive Director
Hills Christian Life Centre Pty Ltd	Leigh Howard-Smith	5/11/2010	22/01/2020	Non-Executive Director
Hillsong Church Australia Ltd	Leigh Howard-Smith	26/10/2016	22/01/2020	Non-Executive Director
Hillsong Church Incorporated In Australia	Leigh Howard-Smith	28/03/2008	22/01/2020	Director
Hillsong Church Ltd	Leigh Howard-Smith	14/02/2002	22/01/2020	Non-Executive Director
Hillsong CityCare Ltd	Leigh Howard-Smith	2/10/1997	22/01/2020	Non-Executive Director
Hillsong College Ltd	Leigh Howard-Smith	31/01/2017	22/02/2018	Non-Executive Director
Hillsong Ltd	Leigh Howard-Smith	7/12/2006	22/01/2020	Non-Executive Director
Hillsong Macarthur Pty Ltd	Leigh Howard-Smith	1/02/2007	22/01/2020	Non-Executive Director
Hillsong Media & Performing Arts Ltd	Leigh Howard-Smith	4/09/2002	22/01/2020	Non-Executive Director
Sydney Christian Life Centre Pty Ltd	Leigh Howard-Smith	14/02/2002	22/01/2020	Non-Executive Director
The Trustee for Garden City Property	Leigh Howard-Smith	26/10/2016	22/01/2020	Non-Executive Director
The Trustee for HC Australia Property	Leigh Howard-Smith	26/10/2016	22/01/2020	Non-Executive Director



The Trustee for Hillsong Church Australia	Leigh Howard-Smith	26/10/2016	22/01/2020	Non-Executive Director
The Trustee for Hillsong Foundation	Leigh Howard-Smith	26/10/2016	22/01/2020	Non-Executive Director
Community Venues Ltd	Lucas Jared Polowick	1/05/2020	19/11/2020	Director
The Trustee for Community Venues	Lucas Jared Polowick	1/05/2020	19/11/2020	Director
Hillsong Church Germany e.V.	Manuel Weiner	22/02/2019		Director
Australian Christian Early Education Ltd	Melinda Ann Dwight	16/02/2017	21/03/2022	Non-Executive Director
Church 180 Pty Ltd	Melinda Ann Dwight	31/03/2016	24/02/2022	Non-Executive Director
Community Venues Ltd	Melinda Ann Dwight	19/11/2020	21/03/2022	Non-Executive Director
HC Australia Property Ltd	Melinda Ann Dwight	2/11/2016	21/03/2022	Non-Executive Director
Hills Christian Life Centre Pty Ltd	Melinda Ann Dwight	31/03/2016	21/03/2022	Non-Executive Director
Hillsong Africa Foundation Trust	Melinda Ann Dwight	26/10/2016		Non-Executive Director
Hillsong Aid and Development Australia Ltd	Melinda Ann Dwight	8/12/2016	31/12/2018	Non-Executive Director
Hillsong Church Australia Ltd	Melinda Ann Dwight	26/10/2016	21/03/2022	Non-Executive Director
Hillsong Church Ltd	Melinda Ann Dwight	31/03/2016	21/03/2022	Non-Executive Director
Hillsong CityCare Ltd	Melinda Ann Dwight	31/03/2016	21/03/2022	Non-Executive Director
Hillsong College Ltd	Melinda Ann Dwight	31/01/2017	22/02/2018	Non-Executive Director
Hillsong Ltd	Melinda Ann Dwight	31/03/2016		Non-Executive Director
Hillsong Macarthur Pty Ltd	Melinda Ann Dwight	31/03/2016	21/03/2022	Non-Executive Director
Hillsong Media & Performing Arts Ltd	Melinda Ann Dwight	31/03/2016	21/03/2022	Non-Executive Director
Hillsong Stewardship Fund, Inc.	Melinda Ann Dwight	15/12/2017	21/03/2022	Non-Executive Director
Sydney Christian Life Centre Pty Ltd	Melinda Ann Dwight	31/03/2016	21/03/2022	Non-Executive Director
The Trustee for Community Venues	Melinda Ann Dwight	19/11/2020	21/03/2022	Non-Executive Director
The Trustee for Garden City Property	Melinda Ann Dwight	26/10/2016	21/03/2022	Non-Executive Director
The Trustee for HC Australia Property	Melinda Ann Dwight	26/10/2016	21/03/2022	Executive Director
The Trustee for Hillsong Aid and Development	Melinda Ann Dwight	8/12/2016	31/12/2018	Non-Executive Director
The Trustee for Hillsong Church Australia	Melinda Ann Dwight	26/10/2016	21/03/2022	Non-Executive Director
The Trustee for Hillsong Foundation	Melinda Ann Dwight	26/10/2016	21/03/2022	Non-Executive Director
Hillsong Aid and Development Australia Ltd	Mikko Allan Makelainen	29/03/2007	31/12/2018	Non-Executive Director
The Trustee for Hillsong Aid and Development	Mikko Allan Makelainen	29/03/2007	31/12/2018	Non-Executive Director
Australian Christian Early Education Ltd	Nabi Saleh	16/02/2017		Non-Executive Director
Church 180 Pty Ltd	Nabi Saleh	20/06/2013	24/02/2022	Non-Executive Director
Community Venues Ltd	Nabi Saleh	19/11/2020		Non-Executive Director
HC Australia Property Ltd	Nabi Saleh	2/11/2016		Non-Executive Director
Hills Christian Life Centre Pty Ltd	Nabi Saleh	24/01/1990		Non-Executive Director



Hillsong Central West, Inc.	Nabi Saleh	29/09/2018		Non-Executive Director
Hillsong Church Australia Ltd	Nabi Saleh	26/10/2016		Non-Executive Director
Hillsong Church Germany e.V.	Nabi Saleh	26/10/2016		Member
Hillsong Church Incorporated In Australia	Nabi Saleh	28/03/2008		Director
Hillsong Church Israel	Nabi Saleh	5/06/2018		Amutah Member (Board member)
Hillsong Church Ltd	Nabi Saleh	14/02/2002		Non-Executive Director
Hillsong Church USA, Inc.	Nabi Saleh	23/03/2010		Non-Executive Director
Hillsong Church, Inc.	Nabi Saleh	3/08/2016		Non-Executive Director
Hillsong CityCare Ltd	Nabi Saleh	2/10/1997		Non-Executive Director
Hillsong College Ltd	Nabi Saleh	31/01/2017		Non-Executive Director
Hillsong International Ltd	Nabi Saleh	24/10/2016		Non-Executive Director
Hillsong Ltd	Nabi Saleh	7/12/2006		Non-Executive Director
Hillsong Macarthur Pty Ltd	Nabi Saleh	1/02/2007		Non-Executive Director
Hillsong Media & Performing Arts Ltd	Nabi Saleh	4/09/2012		Non-Executive Director
HMTR Ltd	Nabi Saleh	24/12/2017		Non-Executive Director
Invorto Pty Ltd	Nabi Saleh	22/12/2021		Non-Executive Director
RGB Group, Inc.	Nabi Saleh	13/02/2018		Non-Executive Director
Shiloh Ministries, LLC	Nabi Saleh	16/03/2017		Non-Executive Director
Sydney Christian Life Centre Pty Ltd	Nabi Saleh	14/02/2002		Non-Executive Director
The Trustee for Community Venues	Nabi Saleh	19/11/2020		Non-Executive Director
The Trustee for Garden City Property	Nabi Saleh	26/10/2016		Non-Executive Director
The Trustee for HC Australia Property	Nabi Saleh	26/10/2016		Non-Executive Director
The Trustee for Hillsong Church Australia	Nabi Saleh	26/10/2016		Non-Executive Director
The Trustee for Hillsong Foundation	Nabi Saleh	26/10/2016		Non-Executive Director
The Trustee for Hillsong International	Nabi Saleh	26/10/2016		Non-Executive Director
The Trustee for Hillsong International Founda	Nabi Saleh	30/11/2016		Non-Executive Director
Community Venues Ltd	Noa James Tranter	1/05/2020	19/11/2020	Director
The Trustee for Community Venues	Noa James Tranter	1/05/2020	19/11/2020	Director
Festival Hall Pty Ltd	Paul Jeffery Stokes	16/12/2020		Executive Director
The Trustee for Festival Hall	Paul Jeffery Stokes	16/12/2020		Executive Director
Australian Christian Early Education Ltd	Peter Kaiser Toganivalu	26/10/2017		Executive Director
Church 180 Pty Ltd	Peter Kaiser Toganivalu	26/10/2017	24/02/2022	Executive Director
Community Venues Ltd	Peter Kaiser Toganivalu	19/11/2020		Executive Director
HC Australia Property Ltd	Peter Kaiser Toganivalu	26/10/2017		Executive Director



Hills Christian Life Centre Pty Ltd	Peter Kaiser Toganivalu	26/10/2017		Executive Director
Hillsong Church Australia Ltd	Peter Kaiser Toganivalu	29/09/2017		Executive Director
Hillsong Church Ltd	Peter Kaiser Toganivalu	29/09/2017		Executive Director
Hillsong CityCare Ltd	Peter Kaiser Toganivalu	26/10/2017		Executive Director
Hillsong College Ltd	Peter Kaiser Toganivalu	26/12/2017	22/02/2018	Executive Director
Hillsong Ltd	Peter Kaiser Toganivalu	26/10/2017		Executive Director
Hillsong Macarthur Pty Ltd	Peter Kaiser Toganivalu	26/10/2017		Executive Director
Hillsong Media & Performing Arts Ltd	Peter Kaiser Toganivalu	26/10/2017		Executive Director
Sydney Christian Life Centre Pty Ltd	Peter Kaiser Toganivalu	26/10/2017		Executive Director
The Trustee for Community Venues	Peter Kaiser Toganivalu	19/11/2020		Executive Director
The Trustee for Garden City Property	Peter Kaiser Toganivalu	29/09/2017		Executive Director
The Trustee for HC Australia Property	Peter Kaiser Toganivalu	26/10/2017		Executive Director
The Trustee for Hillsong Church Australia	Peter Kaiser Toganivalu	29/09/2017		Executive Director
The Trustee for Hillsong Foundation	Peter Kaiser Toganivalu	29/09/2017		Executive Director
Appletree Collective Pty Ltd	Peter Ross Ridley	25/02/2020	7/07/2021	Executive Director
Appletree Collective Pty Ltd	Peter Ross Ridley	25/02/2020	7/07/2021	Secretary
Australian Christian Early Education Ltd	Peter Ross Ridley	16/02/2017		Secretary
Church 180 Pty Ltd	Peter Ross Ridley	19/09/2013	24/02/2022	Secretary
Community Venues Ltd	Peter Ross Ridley	19/11/2020		Secretary
CT Property Holdings, LLC	Peter Ross Ridley	27/07/2018		Manager
Festival Hall Pty Ltd	Peter Ross Ridley	29/07/2021		Secretary
HC Australia Property Ltd	Peter Ross Ridley	2/11/2016		Secretary
HC Property Holdings, LLC	Peter Ross Ridley	9/12/2021		Manager
Hills Christian Life Centre Pty Ltd	Peter Ross Ridley	19/09/2013		Secretary
Hillsong Aid and Development Australia Ltd	Peter Ross Ridley	2/03/2012	20/06/2018	Treasurer
Hillsong Aid and Development Australia Ltd	Peter Ross Ridley	2/03/2012	20/06/2018	Secretary
Hillsong Central West, Inc.	Peter Ross Ridley	29/09/2017		Secretary
Hillsong Church (Fiji)	Peter Ross Ridley	30/09/2021		Trustee
Hillsong Church (Fiji)	Peter Ross Ridley	30/09/2021		Secretary
Hillsong Church Australia Ltd	Peter Ross Ridley	14/10/2016		Secretary
Hillsong Church Israel	Peter Ross Ridley	13/11/2020		Amutah Member (Board member)
Hillsong Church Ltd	Peter Ross Ridley	19/09/2013		Secretary
Hillsong Church USA, Inc.	Peter Ross Ridley			Secretary
Hillsong Church, Inc.	Peter Ross Ridley	3/08/2016		Secretary



Hillsong CityCare Ltd	Peter Ross Ridley	19/09/2013		Secretary
Hillsong College Ltd	Peter Ross Ridley	31/01/2017		Secretary
Hillsong Dallas, LLC	Peter Ross Ridley	3/02/2021		Manager
Hillsong Foundation, LLC	Peter Ross Ridley	10/07/2020		Manager
Hillsong International Ltd	Peter Ross Ridley	24/10/2016		Secretary
Hillsong Ltd	Peter Ross Ridley	19/09/2013		Secretary
Hillsong Macarthur Pty Ltd	Peter Ross Ridley	19/09/2013		Secretary
Hillsong Media & Performing Arts Ltd	Peter Ross Ridley	19/09/2013		Secretary
Hillsong Publishing, LLC	Peter Ross Ridley	29/07/2021		Manager
Hillsong Stewardship Fund, Inc.	Peter Ross Ridley	12/04/2018		Secretary
HMTR Ltd	Peter Ross Ridley	24/12/2017		Secretary
Invorto Pty Ltd	Peter Ross Ridley	22/12/2021		Secretary
Manila Connect	Peter Ross Ridley			Trustee
OC Global Property Holdings, LLC	Peter Ross Ridley	9/12/2021		Manager
RGB Group, Inc.	Peter Ross Ridley	13/02/2018		Secretary
Shiloh Ministries, LLC	Peter Ross Ridley	16/03/2017		Secretary
Sydney Christian Life Centre Pty Ltd	Peter Ross Ridley	19/09/2013		Secretary
The Trustee for Community Venues	Peter Ross Ridley	19/11/2020		Secretary
The Trustee for Garden City Property	Peter Ross Ridley	14/10/2016		Secretary
The Trustee for HC Australia Property	Peter Ross Ridley	19/10/2016		Secretary
The Trustee for Hillsong Aid and Development	Peter Ross Ridley	9/10/2009	31/12/2018	Secretary
The Trustee for Hillsong Aid and Development	Peter Ross Ridley	2/03/2012	31/12/2018	Treasurer
The Trustee for Hillsong Church Australia	Peter Ross Ridley	19/10/2016		Secretary
The Trustee for Hillsong Foundation	Peter Ross Ridley	14/10/2016		Secretary
The Trustee for Hillsong International	Peter Ross Ridley	14/10/2016		Secretary
The Trustee for Hillsong International Founda	Peter Ross Ridley	30/11/2016		Secretary
Hillsong Africa Foundation Trust	Phillip Anthony Dooley			Executive Director
Hillsong Central West, Inc.	Phillip Anthony Dooley	29/09/2017		Executive Director
Hillsong Church Germany e.V.	Phillip Anthony Dooley	26/10/2016		Member
Hillsong Church Incorporated In Australia	Phillip Anthony Dooley	28/03/2008		Director
Hillsong Church Israel	Phillip Anthony Dooley	8/12/2021		Amutah Member (Board member)
Hillsong Church USA, Inc.	Phillip Anthony Dooley	16/03/2017		Executive Director
Hillsong Church, Inc.	Phillip Anthony Dooley	3/08/2016		Executive Director
Hillsong College Ltd	Phillip Anthony Dooley	22/02/2018		Executive Director



Hillsong International Ltd	Phillip Anthony Dooley	24/10/2016		Executive Director
Hillsong Properties (Pty) Ltd	Phillip Anthony Dooley			Executive Director
Hillsong South Africa NPC	Phillip Anthony Dooley			Executive Director
HMTR Ltd	Phillip Anthony Dooley	24/12/2017		Executive Director
RGB Group, Inc.	Phillip Anthony Dooley	13/02/2018	4/05/2018	Executive Director
South Sound Ministries NPC	Phillip Anthony Dooley			Executive Director
The Alexander Theatre Pty Ltd	Phillip Anthony Dooley			Executive Director
The Trustee for Hillsong International	Phillip Anthony Dooley	24/10/2016		Executive Director
The Trustee for Hillsong International Found.	Phillip Anthony Dooley	30/11/2016		Executive Director
Yethu BLK Projects Pty Ltd	Phillip Anthony Dooley			Executive Director
8581 Technology, LLC	Phillip Bradley Denton	15/02/2018		Non-Executive Director
Australian Christian Early Education Ltd	Phillip Bradley Denton	16/02/2017		Non-Executive Director
Church 180 Pty Ltd	Phillip Bradley Denton	20/06/2013	24/02/2022	Non-Executive Director
Community Venues Ltd	Phillip Bradley Denton	19/11/2020		Non-Executive Director
HC Australia Property Ltd	Phillip Bradley Denton	2/11/2016		Non-Executive Director
Hills Christian Life Centre Pty Ltd	Phillip Bradley Denton	5/11/2010		Non-Executive Director
Hillsong Central West, Inc.	Phillip Bradley Denton	29/09/2018		Non-Executive Director
Hillsong Church Australia Ltd	Phillip Bradley Denton	14/10/2016		Non-Executive Director
Hillsong Church Germany e.V.	Phillip Bradley Denton	26/10/2016		Member
Hillsong Church Israel	Phillip Bradley Denton	9/11/2017		Amutah Member (Board member)
Hillsong Church Ltd	Phillip Bradley Denton	24/06/2010		Non-Executive Director
Hillsong Church USA, Inc.	Phillip Bradley Denton	23/03/2010		Non-Executive Director
Hillsong Church, Inc.	Phillip Bradley Denton	3/08/2016		Non-Executive Director
Hillsong CityCare Ltd	Phillip Bradley Denton	24/06/2010		Non-Executive Director
Hillsong College Ltd	Phillip Bradley Denton	31/01/2017		Non-Executive Director
Hillsong International Ltd	Phillip Bradley Denton	24/10/2016		Non-Executive Director
Hillsong Ltd	Phillip Bradley Denton	24/06/2010		Non-Executive Director
Hillsong Macarthur Pty Ltd	Phillip Bradley Denton	24/06/2010		Non-Executive Director
Hillsong Media & Performing Arts Ltd	Phillip Bradley Denton	24/06/2010		Non-Executive Director
HMTR Ltd	Phillip Bradley Denton	24/12/2017		Non-Executive Director
Invorto Pty Ltd	Phillip Bradley Denton	22/12/2021		Non-Executive Director
RGB Group, Inc.	Phillip Bradley Denton	13/02/2018		Non-Executive Director
Sydney Christian Life Centre Pty Ltd	Phillip Bradley Denton	24/06/2010		Non-Executive Director
The Trustee for Community Venues	Phillip Bradley Denton	19/11/2020		Non-Executive Director



The Trustee for Garden City Property	Phillip Bradley Denton	14/10/2016		Non-Executive Director
The Trustee for HC Australia Property	Phillip Bradley Denton	19/10/2016		Non-Executive Director
The Trustee for Hillsong Church Australia	Phillip Bradley Denton	19/10/2016		Non-Executive Director
The Trustee for Hillsong Foundation	Phillip Bradley Denton	14/10/2016		Non-Executive Director
The Trustee for Hillsong International	Phillip Bradley Denton	14/10/2016		Non-Executive Director
The Trustee for Hillsong International Founda	Phillip Bradley Denton	30/11/2016		Non-Executive Director
Hillsong Aid and Development Australia Ltd	Rachel Marie Christie	19/07/2017	31/12/2018	Non-Executive Director
The Trustee for Hillsong Aid and Developmer	Rachel Marie Christie	19/07/2017	31/12/2018	Non-Executive Director
Hillsong Church London	Ray Newton	27/09/2018		Trustee
HMTR Ltd	Raymond Austin Newton	7/09/2011	14/12/2017	Non-Executive Director
Hillsong Church London	Rebecca van Dijk	27/09/2018	24/09/2020	Trustee
Hillsong Dallas, LLC	Reed Bogard	21/02/2019	24/12/2020	Manager
Hillsong Church Incorporated In Australia	Robert Fergusson	28/03/2008	21/06/2017	Director
Hillsong Church (Fiji)	Ron Simpson	30/09/2021		Trustee
Hillsong Central West, Inc.	Russell Barclay Dacre	29/09/2017		Non-Executive Director
Hillsong Church Germany e.V.	Russell Barclay Dacre	26/10/2016		Member
Hillsong Church Israel	Russell Barclay Dacre	5/06/2018		Amutah Member (Board member)
Hillsong Church London	Russell Barclay Dacre	27/09/2018		Trustee
Hillsong Church USA, Inc.	Russell Barclay Dacre	16/03/2017		Non-Executive Director
Hillsong Church, Inc.	Russell Barclay Dacre	3/08/2016		Non-Executive Director
Hillsong College Ltd	Russell Barclay Dacre	22/02/2018		Non-Executive Director
Hillsong International Ltd	Russell Barclay Dacre	24/10/2016		Non-Executive Director
HMTR Ltd	Russell Barclay Dacre	24/12/2017		Non-Executive Director
RGB Group, Inc.	Russell Barclay Dacre	13/02/2018		Non-Executive Director
The Trustee for Hillsong International	Russell Barclay Dacre	24/10/2016		Non-Executive Director
The Trustee for Hillsong International Founda	Russell Barclay Dacre	30/11/2016		Non-Executive Director
General Incorporated Association Hillsong To	Ryo Eguchi	25/11/2021		Director
Hillsong Atlanta, LLC	Samu'l Collier	4/08/2020		Manager
Hillsong LA, LLC	Samuel Lopez	25/03/2021		Manager
Hillsong Barcelona	Scott Wilson			Trustee
Hillsong Church London	Scott Wilson	27/09/2018		Trustee
Manila Connect	Sharon Prado Capule			Trustee
Hillsong Church London	Shaun Sinniah	27/09/2018	24/09/2020	Trustee
Hillsong Aid and Development Australia Ltd	Shiranica Jennifer Tambyrajah	8/12/2016	31/12/2018	Non-Executive Director



The Trustee for Hillsong Aid and Development	Shiranica Jennifer Tambyrajah	8/12/2016	31/12/2018	Non-Executive Director
Hillsong Denmark	Simon Kusk			Member
8581 Technology, LLC	Stanton Coker	15/02/2018		Manager
Hillsong Aid and Development Australia Ltd	Stephen James Dixon	29/03/2007	31/12/2018	Executive Director
The Trustee for Hillsong Aid and Development	Stephen James Dixon	29/03/2007	31/12/2018	Executive Director
Australian Christian Early Education Ltd	Stephen Max Crouch	3/09/2021		Non-Executive Director
Church 180 Pty Ltd	Stephen Max Crouch	3/09/2021	24/02/2022	Non-Executive Director
Community Venues Ltd	Stephen Max Crouch	3/09/2021		Non-Executive Director
Festival Hall Pty Ltd	Stephen Max Crouch	16/12/2020		Non-Executive Director
HC Australia Property Ltd	Stephen Max Crouch	3/09/2021		Non-Executive Director
Hills Christian Life Centre Pty Ltd	Stephen Max Crouch	3/09/2021		Non-Executive Director
Hillsong Central West, Inc.	Stephen Max Crouch	29/09/2017		Non-Executive Director
Hillsong Church Australia Ltd	Stephen Max Crouch	31/08/2021		Non-Executive Director
Hillsong Church Germany e.V.	Stephen Max Crouch	26/10/2016		Member
Hillsong Church Israel	Stephen Max Crouch	5/06/2018		Amutah Member (Board member)
Hillsong Church Ltd	Stephen Max Crouch	31/08/2021		Non-Executive Director
Hillsong Church USA, Inc.	Stephen Max Crouch	16/03/2017		Non-Executive Director
Hillsong Church, Inc.	Stephen Max Crouch	3/08/2016		Non-Executive Director
Hillsong CityCare Ltd	Stephen Max Crouch	3/09/2021		Non-Executive Director
Hillsong College Ltd	Stephen Max Crouch	22/02/2018		Non-Executive Director
Hillsong International Ltd	Stephen Max Crouch	24/10/2016		Non-Executive Director
Hillsong Macarthur Pty Ltd	Stephen Max Crouch	3/09/2021		Non-Executive Director
Hillsong Media & Performing Arts Ltd	Stephen Max Crouch	3/09/2021		Non-Executive Director
HMTR Ltd	Stephen Max Crouch	24/12/2017		Non-Executive Director
Invorto Pty Ltd	Stephen Max Crouch	22/12/2021		Non-Executive Director
RGB Group, Inc.	Stephen Max Crouch	13/02/2018		Non-Executive Director
Sydney Christian Life Centre Pty Ltd	Stephen Max Crouch	3/09/2021		Non-Executive Director
The Trustee for Festival Hall	Stephen Max Crouch	16/12/2020		Non-Executive Director
The Trustee for Garden City Property	Stephen Max Crouch	3/09/2021		Non-Executive Director
The Trustee for HC Australia Property	Stephen Max Crouch	3/09/2021		Non-Executive Director
The Trustee for Hillsong Church Australia	Stephen Max Crouch	3/09/2021		Non-Executive Director
The Trustee for Hillsong Foundation	Stephen Max Crouch	3/09/2021		Non-Executive Director
The Trustee for Hillsong International	Stephen Max Crouch	24/10/2016		Non-Executive Director
The Trustee for Hillsong International Found	Stephen Max Crouch	30/11/2016		Non-Executive Director



Hillsong Publishing, LLC	Stephen William McPherson	15/05/2017	29/07/2021	Manager
HMTR Ltd	Stephen William McPherson	3/11/2010	21/12/2017	Executive Director
Hillsong Central West, Inc.	Terry Michael Crist Jr.	6/12/2017		Executive Director
Hillsong Las Vegas, LLC	Terry Michael Crist Jr.	14/09/2018		Manager
Hillsong Phoenix, LLC	Terry Michael Crist Jr.	6/12/2017		Manager
Hillsong Denmark	Thomas Hansen			Member
Hillsong Church (Fiji)	Timothy Douglass	30/09/2021	22/11/2021	Trustee
Appletree Collective Pty Ltd	Timothy Paul Whincop	25/02/2020	7/07/2021	Executive Director
Australian Christian Early Education Ltd	Timothy Paul Whincop	21/02/2019		Secretary
Church 180 Pty Ltd	Timothy Paul Whincop	21/02/2019	24/02/2022	Secretary
Community Venues Ltd	Timothy Paul Whincop	19/11/2020		Secretary
Festival Hall Pty Ltd	Timothy Paul Whincop	29/07/2021		Secretary
HC Australia Property Ltd	Timothy Paul Whincop	21/02/2019		Secretary
Hills Christian Life Centre Pty Ltd	Timothy Paul Whincop	21/02/2019		Secretary
Hillsong Church (Fiji)	Timothy Paul Whincop	30/09/2021		Trustee
Hillsong Church Australia Ltd	Timothy Paul Whincop	21/02/2019		Secretary
Hillsong CityCare Ltd	Timothy Paul Whincop	21/02/2019		Secretary
Hillsong College Ltd	Timothy Paul Whincop	21/05/2019		Secretary
Hillsong International Ltd	Timothy Paul Whincop	21/05/2019		Secretary
Hillsong Macarthur Pty Ltd	Timothy Paul Whincop	21/02/2019		Secretary
Hillsong Media & Performing Arts Ltd	Timothy Paul Whincop	21/02/2019		Secretary
Hillsong Music and Resources, LLC	Timothy Paul Whincop	15/05/2017	29/07/2021	Manager
Hillsong Stewardship Fund, Inc.	Timothy Paul Whincop	24/09/2020		Executive Director
Invorto Pty Ltd	Timothy Paul Whincop	22/12/2021		Secretary
Sydney Christian Life Centre Pty Ltd	Timothy Paul Whincop	21/02/2019		Secretary
The Trustee for Community Venues	Timothy Paul Whincop	19/11/2020		Secretary
The Trustee for Garden City Property	Timothy Paul Whincop	21/02/2019		Secretary
The Trustee for HC Australia Property	Timothy Paul Whincop	21/02/2019		Secretary
The Trustee for Hillsong Church Australia	Timothy Paul Whincop	21/02/2019		Secretary
The Trustee for Hillsong Foundation	Timothy Paul Whincop	21/02/2019		Secretary
The Trustee for Hillsong International	Timothy Paul Whincop	21/05/2019		Secretary
The Trustee for Hillsong International Found	Timothy Paul Whincop	21/05/2019		Secretary
Hillsong Church Germany e.V.	Tobias Hundhausen	22/02/2019		Chairperson
Hillsong Central West, Inc.	Todd Haley	21/06/2018	29/05/2019	Non-Executive Director



Entity	Responsible Person	Appointment Date	Cessation Date	Role
8581 Technology, LLC	Phillip Bradley Denton	15/02/2018		Non-Executive Director
8581 Technology, LLC	Dane Alexander James Gambrill	15/02/2018		Manager
8581 Technology, LLC	George Gregory Aghajanian	15/02/2018		Manager
8581 Technology, LLC	Stanton Coker	15/02/2018		Manager
Anotherland LLC	David Bagheri	13/12/2021		Manager
Appletree Collective Pty Ltd	Timothy Paul Whincop	25/02/2020	7/07/2021	Executive Director
Appletree Collective Pty Ltd	Dane Alexander James Gambrill	8/11/2016	7/07/2021	Non-Executive Director
Appletree Collective Pty Ltd	Peter Ross Ridley	25/02/2020	7/07/2021	Executive Director
Appletree Collective Pty Ltd	Peter Ross Ridley	25/02/2020	7/07/2021	Secretary
Appletree Collective Pty Ltd	Ben Poppett	10/12/2012	25/02/2020	Secretary
Appletree Collective Pty Ltd	Ern Phang	8/11/2016	25/02/2020	Non-Executive Director
Appletree Collective Pty Ltd	Ben Poppett	10/12/2012	25/02/2020	Executive Director
Association Cultuelle Hillsong	George Gregory Aghajanian			Manager
Association Cultuelle Hillsong	Darren Shaun Kitto	20/11/2019		Member
Australian Christian Early Education Ltd	John Donovan Cooper-Williams	16/02/2017	31/03/2022	Non-Executive Director
Australian Christian Early Education Ltd	Melinda Ann Dwight	16/02/2017	21/03/2022	Non-Executive Director
Australian Christian Early Education Ltd	Brian Charles Houston	16/02/2017	17/08/2021	Executive Director
Australian Christian Early Education Ltd	Grant John Stuart Thomson	16/02/2017	29/03/2021	Executive Director
Australian Christian Early Education Ltd	Leigh Howard-Smith	26/10/2017	22/01/2020	Non-Executive Director
Australian Christian Early Education Ltd	Peter Ross Ridley	16/02/2017		Secretary
Australian Christian Early Education Ltd	Phillip Bradley Denton	16/02/2017		Non-Executive Director
Australian Christian Early Education Ltd	Nabi Saleh	16/02/2017		Non-Executive Director
Australian Christian Early Education Ltd	Dane Alexander James Gambrill	16/02/2017		Non-Executive Director
Australian Christian Early Education Ltd	Peter Kaiser Toganivalu	26/10/2017		Executive Director
Australian Christian Early Education Ltd	George Gregory Aghajanian	16/02/2017		Executive Director
Australian Christian Early Education Ltd	Amanda Elizabeth Tay	26/09/2019		Non-Executive Director
Australian Christian Early Education Ltd	Timothy Paul Whincop	21/02/2019		Secretary
Australian Christian Early Education Ltd	Stephen Max Crouch	3/09/2021		Non-Executive Director
Australian Christian Early Education Ltd	Joel Damon A'Bell	16/02/2017	30/11/2018	Executive Director
Australian Christian Early Education Ltd	Lalitha Stables	16/02/2016	5/04/2018	Non-Executive Director
Australian Christian Early Education Ltd	Leigh Howard-Smith	16/02/2016	16/08/2017	Non-Executive Director
Australian Christian Early Education Ltd	Benjamin David Houston	16/02/2016	12/08/2017	Executive Director



Church 180 Pty Ltd	George Gregory Aghajanian	20/06/2013	24/02/2022	Executive Director
Church 180 Pty Ltd	Peter Ross Ridley	19/09/2013	24/02/2022	Secretary
Church 180 Pty Ltd	Phillip Bradley Denton	20/06/2013	24/02/2022	Non-Executive Director
Church 180 Pty Ltd	Nabi Saleh	20/06/2013	24/02/2022	Non-Executive Director
Church 180 Pty Ltd	John Donovan Cooper-Williams	20/06/2013	24/02/2022	Non-Executive Director
Church 180 Pty Ltd	Melinda Ann Dwight	31/03/2016	24/02/2022	Non-Executive Director
Church 180 Pty Ltd	Dane Alexander James Gambrill	20/06/2013	24/02/2022	Non-Executive Director
Church 180 Pty Ltd	Peter Kaiser Toganivalu	26/10/2017	24/02/2022	Executive Director
Church 180 Pty Ltd	Amanda Elizabeth Tay	26/09/2019	24/02/2022	Non-Executive Director
Church 180 Pty Ltd	Timothy Paul Whincop	21/02/2019	24/02/2022	Secretary
Church 180 Pty Ltd	Stephen Max Crouch	3/09/2021	24/02/2022	Non-Executive Director
Church 180 Pty Ltd	Brian Charles Houston	20/06/2013	17/08/2021	Executive Director
Church 180 Pty Ltd	Grant John Stuart Thomson	20/06/2013	29/03/2021	Executive Director
Church 180 Pty Ltd	Leigh Howard-Smith	20/06/2013	22/01/2020	Non-Executive Director
Church 180 Pty Ltd	Joel Damon A'Bell	20/06/2013	30/11/2018	Executive Director
Community Venues Ltd	John Donovan Cooper-Williams	19/11/2020	31/03/2022	Non-Executive Director
Community Venues Ltd	Melinda Ann Dwight	19/11/2020	21/03/2022	Non-Executive Director
Community Venues Ltd	Brian Charles Houston	19/11/2020	17/08/2021	Executive Director
Community Venues Ltd	Brian Charles Houston	19/11/2020	17/08/2021	Chairperson
Community Venues Ltd	Grant John Stuart Thomson	19/11/2020	29/03/2021	Non-Executive Director
Community Venues Ltd	Lucas Jared Polowick	1/05/2020	19/11/2020	Director
Community Venues Ltd	Noa James Tranter	1/05/2020	19/11/2020	Director
Community Venues Ltd	Fiore Gatti	1/05/2020	19/11/2020	Director
Community Venues Ltd	George Gregory Aghajanian	19/11/2020		Executive Director
Community Venues Ltd	Phillip Bradley Denton	19/11/2020		Non-Executive Director
Community Venues Ltd	Dane Alexander James Gambrill	19/11/2020		Non-Executive Director
Community Venues Ltd	Amanda Elizabeth Tay	19/11/2020		Non-Executive Director
Community Venues Ltd	Peter Kaiser Toganivalu	19/11/2020		Executive Director
Community Venues Ltd	Nabi Saleh	19/11/2020		Non-Executive Director
Community Venues Ltd	George Gregory Aghajanian	19/11/2020		Secretary
Community Venues Ltd	Peter Ross Ridley	19/11/2020		Secretary
Community Venues Ltd	Timothy Paul Whincop	19/11/2020		Secretary
Community Venues Ltd	Stephen Max Crouch	3/09/2021		Non-Executive Director
CT Property Holdings, LLC	George Gregory Aghajanian	27/07/2018		Manager



CT Property Holdings, LLC	Peter Ross Ridley	27/07/2018		Manager
Festival Hall Pty Ltd	George Gregory Aghajanian	16/12/2020		Executive Director
Festival Hall Pty Ltd	Paul Jeffery Stokes	16/12/2020		Executive Director
Festival Hall Pty Ltd	Stephen Max Crouch	16/12/2020		Non-Executive Director
Festival Hall Pty Ltd	Timothy Paul Whincop	29/07/2021		Secretary
Festival Hall Pty Ltd	Peter Ross Ridley	29/07/2021		Secretary
General Incorporated Association Hillsong T	Ryo Eguchi	25/11/2021		Director
General Incorporated Association Hillsong T	Junya Nakamura	25/11/2021		Director
General Incorporated Association Hillsong T	Yuiko Sato	25/11/2021		Director
HC Australia Property Ltd	John Donovan Cooper-Williams	2/11/2016	31/03/2022	Non-Executive Director
HC Australia Property Ltd	Melinda Ann Dwight	2/11/2016	21/03/2022	Non-Executive Director
HC Australia Property Ltd	Brian Charles Houston	2/11/2016	17/08/2021	Executive Director
HC Australia Property Ltd	Grant John Stuart Thomson	2/11/2016	29/03/2021	Executive Director
HC Australia Property Ltd	Leigh Howard-Smith	2/11/2016	22/01/2020	Non-Executive Director
HC Australia Property Ltd	Peter Ross Ridley	2/11/2016		Secretary
HC Australia Property Ltd	Phillip Bradley Denton	2/11/2016		Non-Executive Director
HC Australia Property Ltd	Nabi Saleh	2/11/2016		Non-Executive Director
HC Australia Property Ltd	Dane Alexander James Gambrill	2/11/2016		Non-Executive Director
HC Australia Property Ltd	Peter Kaiser Toganivalu	26/10/2017		Executive Director
HC Australia Property Ltd	George Gregory Aghajanian	2/11/2016		Executive Director
HC Australia Property Ltd	Amanda Elizabeth Tay	26/09/2019		Non-Executive Director
HC Australia Property Ltd	Timothy Paul Whincop	21/02/2019		Secretary
HC Australia Property Ltd	Stephen Max Crouch	3/09/2021		Non-Executive Director
HC Australia Property Ltd	Joel Damon A'Bell	2/11/2016	30/11/2018	Executive Director
HC Property Holdings, LLC	George Gregory Aghajanian	6/04/2015	9/12/2021	Manager
HC Property Holdings, LLC	Peter Ross Ridley	9/12/2021		Manager
Hills Christian Life Centre Pty Ltd	John Donovan Cooper-Williams	5/11/2010	31/03/2022	Non-Executive Director
Hills Christian Life Centre Pty Ltd	Melinda Ann Dwight	31/03/2016	21/03/2022	Non-Executive Director
Hills Christian Life Centre Pty Ltd	Brian Charles Houston	5/11/2010	17/08/2021	Executive Director
Hills Christian Life Centre Pty Ltd	Grant John Stuart Thomson	5/11/2010	29/03/2021	Executive Director
Hills Christian Life Centre Pty Ltd	Leigh Howard-Smith	5/11/2010	22/01/2020	Non-Executive Director
Hills Christian Life Centre Pty Ltd	George Gregory Aghajanian	5/11/2010		Executive Director
Hills Christian Life Centre Pty Ltd	Peter Ross Ridley	19/09/2013		Secretary
Hills Christian Life Centre Pty Ltd	Phillip Bradley Denton	5/11/2010		Non-Executive Director



Hills Christian Life Centre Pty Ltd	Nabi Saleh	24/01/1990		Non-Executive Director
Hills Christian Life Centre Pty Ltd	Dane Alexander James Gambrill	5/11/2010		Non-Executive Director
Hills Christian Life Centre Pty Ltd	Peter Kaiser Toganivalu	26/10/2017		Executive Director
Hills Christian Life Centre Pty Ltd	Amanda Elizabeth Tay	26/09/2019		Non-Executive Director
Hills Christian Life Centre Pty Ltd	Timothy Paul Whincop	21/02/2019		Secretary
Hills Christian Life Centre Pty Ltd	Stephen Max Crouch	3/09/2021		Non-Executive Director
Hills Christian Life Centre Pty Ltd	Joel Damon A'Bell	5/11/2010	30/11/2018	Executive Director
Hillsong Africa Foundation Trust	George Gregory Aghajanian			Treasurer
Hillsong Africa Foundation Trust	Gary James Clarke			Executive Director
Hillsong Africa Foundation Trust	Phillip Anthony Dooley			Executive Director
Hillsong Africa Foundation Trust	Melinda Ann Dwight	26/10/2016		Non-Executive Director
Hillsong Africa Foundation Trust	Darren Shaun Kitto			Executive Director
Hillsong Aid and Development Australia Ltd	Melinda Ann Dwight	8/12/2016	31/12/2018	Non-Executive Director
Hillsong Aid and Development Australia Ltd	Stephen James Dixon	29/03/2007	31/12/2018	Executive Director
Hillsong Aid and Development Australia Ltd	Darren Shaun Kitto	29/04/2011	31/12/2018	Executive Director
Hillsong Aid and Development Australia Ltd	Mikko Allan Makelainen	29/03/2007	31/12/2018	Non-Executive Director
Hillsong Aid and Development Australia Ltd	Shiranica Jennifer Tambyrajah	8/12/2016	31/12/2018	Non-Executive Director
Hillsong Aid and Development Australia Ltd	Rachel Marie Christie	19/07/2017	31/12/2018	Non-Executive Director
Hillsong Aid and Development Australia Ltd	Darren Shaun Kitto	29/04/2011	31/12/2018	Chairperson
Hillsong Aid and Development Australia Ltd	Kylee Lillian Tranter	20/06/2018	31/12/2018	Secretary
Hillsong Aid and Development Australia Ltd	Joel Damon A'Bell	9/10/2009	30/11/2018	Executive Director
Hillsong Aid and Development Australia Ltd	Peter Ross Ridley	2/03/2012	20/06/2018	Treasurer
Hillsong Aid and Development Australia Ltd	Peter Ross Ridley	2/03/2012	20/06/2018	Secretary
Hillsong Atlanta, LLC	Samu'l Collier	4/08/2020		Manager
Hillsong Barcelona	George Gregory Aghajanian			Manager
Hillsong Barcelona	Adam Spies			Trustee
Hillsong Barcelona	Scott Wilson			Trustee
Hillsong Boston, LLC	John Termini	3/12/2020	29/07/2021	Manager
Hillsong Boston, LLC	Tolulope Oluwatosin Olu-Lafe Badders	3/12/2020	29/07/2021	Manager
Hillsong Boston, LLC	Carl Lentz	22/02/2018	2/11/2020	Manager
Hillsong Boston, LLC	Chrishan Jeyaratnam	29/07/2021		Manager
Hillsong Boston, LLC	Joel Timothy Houston	22/02/2018	31/12/2018	Executive Director
Hillsong Brazil	George Gregory Aghajanian			Manager
Hillsong Canada	Gary James Clarke	31/08/2020		Voting Member



Hillsong Canada	Brian Charles Houston	31/08/2020		Voting Member
Hillsong Canada	Darren Shaun Kitto	31/08/2020		Voting Member
Hillsong Central West, Inc.	Kimberly Crist	16/09/2018	26/09/2019	Secretary
Hillsong Central West, Inc.	Jason Lliteras	16/09/2018	26/09/2019	Treasurer
Hillsong Central West, Inc.	Gerda Crist	21/06/2018	29/05/2019	Executive Director
Hillsong Central West, Inc.	Daniel Stringer	21/06/2018	29/05/2019	Non-Executive Director
Hillsong Central West, Inc.	Todd Haley	21/06/2018	29/05/2019	Non-Executive Director
Hillsong Central West, Inc.	Ian Danney	21/06/2018	29/05/2019	Non-Executive Director
Hillsong Central West, Inc.	Bob Regan	21/06/2018	29/05/2019	Non-Executive Director
Hillsong Central West, Inc.	Benjamin David Houston	29/09/2018	23/03/2022	Executive Director
Hillsong Central West, Inc.	Brian Charles Houston	29/09/2018	17/08/2021	Executive Director
Hillsong Central West, Inc.	Lalitha Stables	3/05/2018	10/07/2020	Non-Executive Director
Hillsong Central West, Inc.	George Gregory Aghajanian	29/09/2017		Treasurer
Hillsong Central West, Inc.	Gary James Clarke	29/09/2018		Executive Director
Hillsong Central West, Inc.	Stephen Max Crouch	29/09/2017		Non-Executive Director
Hillsong Central West, Inc.	Russell Barclay Dacre	29/09/2017		Non-Executive Director
Hillsong Central West, Inc.	Phillip Bradley Denton	29/09/2018		Non-Executive Director
Hillsong Central West, Inc.	Phillip Anthony Dooley	29/09/2017		Executive Director
Hillsong Central West, Inc.	Nabi Saleh	29/09/2018		Non-Executive Director
Hillsong Central West, Inc.	Peter Ross Ridley	29/09/2017		Secretary
Hillsong Central West, Inc.	Terry Michael Crist Jr.	6/12/2017		Executive Director
Hillsong Central West, Inc.	Tolulope Oluwatosin Olu-Lafe Badders	7/08/2020		Executive Director
Hillsong Central West, Inc.	Darren Shaun Kitto	20/11/2019		Executive Director
Hillsong Central West, Inc.	George Gregory Aghajanian	29/09/2018	16/09/2018	Treasurer
Hillsong Channel, LLC	George Gregory Aghajanian	30/05/2012	10/07/2020	Manager
Hillsong Channel, LLC	Darren Shaun Kitto	10/07/2020		Manager
Hillsong Church (Fiji)	Timothy Douglass	30/09/2021	22/11/2021	Trustee
Hillsong Church (Fiji)	Timothy Paul Whincop	30/09/2021		Trustee
Hillsong Church (Fiji)	Peter Ross Ridley	30/09/2021		Trustee
Hillsong Church (Fiji)	Kent Medwin	23/11/2021		Trustee
Hillsong Church (Fiji)	Peter Ross Ridley	30/09/2021		Secretary
Hillsong Church (Fiji)	Kirk Corrie	30/09/2021		Trustee
Hillsong Church (Fiji)	Ron Simpson	30/09/2021		Trustee
Hillsong Church Australia Ltd	John Donovan Cooper-Williams	26/10/2016	31/03/2022	Non-Executive Director



Hillsong Church Australia Ltd	Melinda Ann Dwight	26/10/2016	21/03/2022	Non-Executive Director
Hillsong Church Australia Ltd	Brian Charles Houston	26/10/2016	17/08/2021	Executive Director
Hillsong Church Australia Ltd	Grant John Stuart Thomson	26/10/2016	29/03/2021	Executive Director
Hillsong Church Australia Ltd	Leigh Howard-Smith	26/10/2016	22/01/2020	Non-Executive Director
Hillsong Church Australia Ltd	George Gregory Aghajanian	14/10/2016		Executive Director
Hillsong Church Australia Ltd	Peter Ross Ridley	14/10/2016		Secretary
Hillsong Church Australia Ltd	Phillip Bradley Denton	14/10/2016		Non-Executive Director
Hillsong Church Australia Ltd	Nabi Saleh	26/10/2016		Non-Executive Director
Hillsong Church Australia Ltd	Dane Alexander James Gambrill	26/10/2016		Non-Executive Director
Hillsong Church Australia Ltd	Peter Kaiser Toganivalu	29/09/2017		Executive Director
Hillsong Church Australia Ltd	Amanda Elizabeth Tay	29/05/2019		Non-Executive Director
Hillsong Church Australia Ltd	Timothy Paul Whincop	21/02/2019		Secretary
Hillsong Church Australia Ltd	Stephen Max Crouch	31/08/2021		Non-Executive Director
Hillsong Church Australia Ltd	Joel Damon A'Bell	14/10/2016	30/11/2018	Executive Director
Hillsong Church Australia Ltd	Lalitha Stables	26/10/2016	5/04/2018	Non-Executive Director
Hillsong Church Australia Ltd	Benjamin David Houston	26/10/2016	28/08/2017	Executive Director
Hillsong Church Germany e.V.	Lalitha Stables	21/11/2018	10/07/2020	Member
Hillsong Church Germany e.V.	George Gregory Aghajanian	26/10/2016		Director
Hillsong Church Germany e.V.	Brian Charles Houston	26/10/2016		Member
Hillsong Church Germany e.V.	Gary James Clarke	26/10/2016		Member
Hillsong Church Germany e.V.	Nabi Saleh	26/10/2016		Member
Hillsong Church Germany e.V.	Phillip Anthony Dooley	26/10/2016		Member
Hillsong Church Germany e.V.	Phillip Bradley Denton	26/10/2016		Member
Hillsong Church Germany e.V.	Russell Barclay Dacre	26/10/2016		Member
Hillsong Church Germany e.V.	Stephen Max Crouch	26/10/2016		Member
Hillsong Church Germany e.V.	Freimut Haverkamp	22/02/2018		Chairperson
Hillsong Church Germany e.V.	Jan Kohler	22/02/2019		Director
Hillsong Church Germany e.V.	Manuel Weiner	22/02/2019		Director
Hillsong Church Germany e.V.	Tobias Hundhausen	22/02/2019		Chairperson
Hillsong Church Germany e.V.	Darren Shaun Kitto	20/11/2019		Member
Hillsong Church Incorporated In Australia	Darren Shaun Kitto	20/11/2019	20/11/2019	Non-Executive Director
Hillsong Church Incorporated In Australia	Joel Damon A'Bell	28/03/2008	30/11/2018	Director
Hillsong Church Incorporated In Australia	Robert Fergusson	28/03/2008	21/06/2017	Director
Hillsong Church Incorporated In Australia	Gordon Lee	28/03/2008	21/06/2017	Director



Hillsong Church Incorporated In Australia	John Mays	28/03/2008	21/06/2017	Director
Hillsong Church Incorporated In Australia	John Donovan Cooper-Williams	28/03/2008	31/03/2022	Director
Hillsong Church Incorporated In Australia	Leigh Howard-Smith	28/03/2008	22/01/2020	Director
Hillsong Church Incorporated In Australia	George Gregory Aghajanian	28/03/2008		Director
Hillsong Church Incorporated In Australia	Phillip Anthony Dooley	28/03/2008		Director
Hillsong Church Incorporated In Australia	Brian Charles Houston	28/03/2008		Director
Hillsong Church Incorporated In Australia	Nabi Saleh	28/03/2008		Director
Hillsong Church Incorporated In Australia	Henning Jonathan Pieterse	28/03/2008		Director
Hillsong Church Israel	Benjamin David Houston	8/12/2021	23/03/2022	Amutah Member (Board member)
Hillsong Church Israel	Catrina Henderson	5/06/2018	13/11/2020	Amutah Member (Board member)
Hillsong Church Israel	George Gregory Aghajanian	9/11/2017		Amutah Member (Board member)
Hillsong Church Israel	Phillip Bradley Denton	9/11/2017		Amutah Member (Board member)
Hillsong Church Israel	Stephen Max Crouch	5/06/2018		Amutah Member (Board member)
Hillsong Church Israel	Nabi Saleh	5/06/2018		Amutah Member (Board member)
Hillsong Church Israel	Gary James Clarke	5/06/2018		Amutah Member (Board member)
Hillsong Church Israel	Russell Barclay Dacre	5/06/2018		Amutah Member (Board member)
Hillsong Church Israel	Peter Ross Ridley	13/11/2020		Amutah Member (Board member)
Hillsong Church Israel	Phillip Anthony Dooley	8/12/2021		Amutah Member (Board member)
Hillsong Church Israel	Tolulope Oluwatosin Olu-Lafe Badders	8/12/2021		Amutah Member (Board member)
Hillsong Church Israel	Darren Shaun Kitto	8/12/2021		Amutah Member (Board member)
Hillsong Church London	George Gregory Aghajanian	27/09/2018	26/09/2019	Trustee
Hillsong Church London	Shaun Sinniah	27/09/2018	24/09/2020	Trustee
Hillsong Church London	Rebecca van Dijk	27/09/2018	24/09/2020	Trustee
Hillsong Church London	Jeffrey Lestz	27/09/2018		Trustee
Hillsong Church London	David Whitewood	27/09/2018		Trustee
Hillsong Church London	Scott Wilson	27/09/2018		Trustee
Hillsong Church London	Ed Simmons	27/09/2018		Trustee
Hillsong Church London	Russell Barclay Dacre	27/09/2018		Trustee
Hillsong Church London	Ray Newton	27/09/2018		Trustee
Hillsong Church London	David Bagheri	24/09/2020		Trustee
Hillsong Church London	Udonna Obi	24/09/2020		Trustee
Hillsong Church London	Chiamaka Okeke	24/09/2020		Trustee
Hillsong Church Ltd	Joel Damon A'Bell	28/02/2007	30/11/2018	Executive Director
Hillsong Church Ltd	Lalitha Stables	28/06/2011	5/04/2018	Non-Executive Director



Hillsong Church Ltd	Benjamin David Houston	13/12/2012	28/08/2017	Executive Director
Hillsong Church Ltd	John Donovan Cooper-Williams	12/05/1993	31/03/2022	Non-Executive Director
Hillsong Church Ltd	Melinda Ann Dwight	31/03/2016	21/03/2022	Non-Executive Director
Hillsong Church Ltd	Brian Charles Houston	30/05/1999	17/08/2021	Executive Director
Hillsong Church Ltd	Grant John Stuart Thomson	1/12/2008	29/03/2021	Executive Director
Hillsong Church Ltd	Leigh Howard-Smith	14/02/2002	22/01/2020	Non-Executive Director
Hillsong Church Ltd	George Gregory Aghajanian	14/02/2002		Executive Director
Hillsong Church Ltd	Peter Ross Ridley	19/09/2013		Secretary
Hillsong Church Ltd	Phillip Bradley Denton	24/06/2010		Non-Executive Director
Hillsong Church Ltd	Nabi Saleh	14/02/2002		Non-Executive Director
Hillsong Church Ltd	Dane Alexander James Gambrill	27/05/2009		Non-Executive Director
Hillsong Church Ltd	Peter Kaiser Toganivalu	29/09/2017		Executive Director
Hillsong Church Ltd	Amanda Elizabeth Tay	29/05/2019		Non-Executive Director
Hillsong Church Ltd	Stephen Max Crouch	31/08/2021		Non-Executive Director
Hillsong Church USA, Inc.	Benjamin David Houston	25/09/2014	23/03/2022	Executive Director
Hillsong Church USA, Inc.	Brian Charles Houston	16/03/2017	17/08/2021	Executive Director
Hillsong Church USA, Inc.	Lalitha Stables	3/05/2018	10/07/2020	Non-Executive Director
Hillsong Church USA, Inc.	George Gregory Aghajanian	23/03/2010		Executive Director
Hillsong Church USA, Inc.	Peter Ross Ridley			Secretary
Hillsong Church USA, Inc.	Phillip Bradley Denton	23/03/2010		Non-Executive Director
Hillsong Church USA, Inc.	Nabi Saleh	23/03/2010		Non-Executive Director
Hillsong Church USA, Inc.	Gary James Clarke	16/03/2017		Executive Director
Hillsong Church USA, Inc.	Stephen Max Crouch	16/03/2017		Non-Executive Director
Hillsong Church USA, Inc.	Russell Barclay Dacre	16/03/2017		Non-Executive Director
Hillsong Church USA, Inc.	Phillip Anthony Dooley	16/03/2017		Executive Director
Hillsong Church USA, Inc.	Tolulope Oluwatosin Olu-Lafe Badders	7/08/2020		Executive Director
Hillsong Church USA, Inc.	Darren Shaun Kitto	20/11/2019		Executive Director
Hillsong Church, Inc.	Benjamin David Houston	29/09/2017	23/03/2022	Executive Director
Hillsong Church, Inc.	Brian Charles Houston	3/08/2016	17/08/2021	Executive Director
Hillsong Church, Inc.	Lalitha Stables	3/05/2018	10/07/2020	Non-Executive Director
Hillsong Church, Inc.	Peter Ross Ridley	3/08/2016		Secretary
Hillsong Church, Inc.	Phillip Bradley Denton	3/08/2016		Non-Executive Director
Hillsong Church, Inc.	Nabi Saleh	3/08/2016		Non-Executive Director
Hillsong Church, Inc.	Gary James Clarke	3/08/2016		Executive Director



Hillsong Church, Inc.	Stephen Max Crouch	3/08/2016		Non-Executive Director
Hillsong Church, Inc.	Russell Barclay Dacre	3/08/2016		Non-Executive Director
Hillsong Church, Inc.	Phillip Anthony Dooley	3/08/2016		Executive Director
Hillsong Church, Inc.	George Gregory Aghajanian	3/08/2016		Executive Director
Hillsong Church, Inc.	Tolulope Oluwatosin Olu-Lafe Badders	7/08/2020		Executive Director
Hillsong Church, Inc.	Darren Shaun Kitto	20/11/2019		Executive Director
Hillsong CityCare Ltd	Joel Damon A'Bell	28/02/2007	30/11/2018	Executive Director
Hillsong CityCare Ltd	Lalitha Stables	28/04/2011	5/04/2018	Non-Executive Director
Hillsong CityCare Ltd	Benjamin David Houston	13/12/2012	28/08/2017	Executive Director
Hillsong CityCare Ltd	John Donovan Cooper-Williams	14/02/2002	31/03/2022	Non-Executive Director
Hillsong CityCare Ltd	Melinda Ann Dwight	31/03/2016	21/03/2022	Non-Executive Director
Hillsong CityCare Ltd	Brian Charles Houston	12/12/1990	17/08/2021	Executive Director
Hillsong CityCare Ltd	Grant John Stuart Thomson	1/12/2008	29/03/2021	Executive Director
Hillsong CityCare Ltd	Leigh Howard-Smith	2/10/1997	22/01/2020	Non-Executive Director
Hillsong CityCare Ltd	George Gregory Aghajanian	21/03/1996		Executive Director
Hillsong CityCare Ltd	Phillip Bradley Denton	24/06/2010		Non-Executive Director
Hillsong CityCare Ltd	Peter Ross Ridley	19/09/2013		Secretary
Hillsong CityCare Ltd	Nabi Saleh	2/10/1997		Non-Executive Director
Hillsong CityCare Ltd	Dane Alexander James Gambrill	27/05/2009		Non-Executive Director
Hillsong CityCare Ltd	Peter Kaiser Toganivalu	26/10/2017		Executive Director
Hillsong CityCare Ltd	Amanda Elizabeth Tay	26/09/2019		Non-Executive Director
Hillsong CityCare Ltd	Timothy Paul Whincop	21/02/2019		Secretary
Hillsong CityCare Ltd	Stephen Max Crouch	3/09/2021		Non-Executive Director
Hillsong College Ltd	Joel Damon A'Bell	31/01/2017	22/02/2018	Executive Director
Hillsong College Ltd	John Donovan Cooper-Williams	31/01/2017	22/02/2018	Non-Executive Director
Hillsong College Ltd	Melinda Ann Dwight	31/01/2017	22/02/2018	Non-Executive Director
Hillsong College Ltd	Dane Alexander James Gambrill	31/01/2017	22/02/2018	Non-Executive Director
Hillsong College Ltd	Leigh Howard-Smith	31/01/2017	22/02/2018	Non-Executive Director
Hillsong College Ltd	Grant John Stuart Thomson	31/01/2017	22/02/2018	Executive Director
Hillsong College Ltd	Peter Kaiser Toganivalu	26/12/2017	22/02/2018	Executive Director
Hillsong College Ltd	Benjamin David Houston	8/12/2016	28/08/2017	Executive Director
Hillsong College Ltd	Benjamin David Houston	22/02/2018	23/03/2022	Executive Director
Hillsong College Ltd	Brian Charles Houston	31/01/2017	17/08/2021	Executive Director
Hillsong College Ltd	Lalitha Stables	31/01/2017	10/07/2020	Non-Executive Director



Hillsong College Ltd	George Gregory Aghajanian	31/01/2017		Executive Director
Hillsong College Ltd	Peter Ross Ridley	31/01/2017		Secretary
Hillsong College Ltd	Phillip Bradley Denton	31/01/2017		Non-Executive Director
Hillsong College Ltd	Nabi Saleh	31/01/2017		Non-Executive Director
Hillsong College Ltd	Gary James Clarke	22/01/2018		Executive Director
Hillsong College Ltd	Stephen Max Crouch	22/02/2018		Non-Executive Director
Hillsong College Ltd	Russell Barclay Dacre	22/02/2018		Non-Executive Director
Hillsong College Ltd	Phillip Anthony Dooley	22/02/2018		Executive Director
Hillsong College Ltd	Tolulope Oluwatosin Olu-Lafe Badders	7/08/2020		Executive Director
Hillsong College Ltd	Timothy Paul Whincop	21/05/2019		Secretary
Hillsong College Ltd	Darren Shaun Kitto	20/11/2019		Executive Director
Hillsong College, LLC	Lee Burns	27/09/2018		Manager
Hillsong Connecticut, LLC	Joel Timothy Houston	22/02/2018	31/12/2018	Manager
Hillsong Connecticut, LLC	John Termini	3/12/2020	29/07/2021	Manager
Hillsong Connecticut, LLC	Tolulope Oluwatosin Olu-Lafe Badders	3/12/2020	29/07/2021	Manager
Hillsong Connecticut, LLC	Carl Lentz	22/02/2018	2/11/2020	Manager
Hillsong Connecticut, LLC	Chrishan Jeyaratnam	29/07/2021		Manager
Hillsong Dallas, LLC	Reed Bogard	21/02/2019	24/12/2020	Manager
Hillsong Dallas, LLC	Peter Ross Ridley	3/02/2021		Manager
Hillsong Denmark	Thomas Hansen			Member
Hillsong Denmark	Simon Kusk			Member
Hillsong Events, LLC	George Gregory Aghajanian	18/04/2011	10/07/2020	Manager
Hillsong Events, LLC	Johnny Rays	10/07/2020		Manager
Hillsong Foundation, LLC	George Gregory Aghajanian	8/02/2010	10/07/2020	Manager
Hillsong Foundation, LLC	Peter Ross Ridley	10/07/2020		Manager
Hillsong Global, LLC	George Gregory Aghajanian	15/05/2015	10/07/2020	Manager
Hillsong Global, LLC	Darren Shaun Kitto	10/07/2020		Manager
Hillsong International Ltd	Benjamin David Houston	29/09/2017	23/03/2022	Executive Director
Hillsong International Ltd	Brian Charles Houston	24/10/2016	17/08/2021	Executive Director
Hillsong International Ltd	Lalitha Stables	4/05/2018	10/07/2020	Non-Executive Director
Hillsong International Ltd	George Gregory Aghajanian	24/10/2016		Treasurer
Hillsong International Ltd	Phillip Bradley Denton	24/10/2016		Non-Executive Director
Hillsong International Ltd	Peter Ross Ridley	24/10/2016		Secretary
Hillsong International Ltd	Nabi Saleh	24/10/2016		Non-Executive Director



Hillsong International Ltd	Gary James Clarke	24/10/2016		Executive Director
Hillsong International Ltd	Stephen Max Crouch	24/10/2016		Non-Executive Director
Hillsong International Ltd	Russell Barclay Dacre	24/10/2016		Non-Executive Director
Hillsong International Ltd	Phillip Anthony Dooley	24/10/2016		Executive Director
Hillsong International Ltd	Tolulope Oluwatosin Olu-Lafe Badders	7/08/2020		Executive Director
Hillsong International Ltd	Timothy Paul Whincop	21/05/2019		Secretary
Hillsong International Ltd	Darren Shaun Kitto	20/11/2019		Executive Director
Hillsong Kansas City, LLC	Kyle Turner	21/02/2019		Manager
Hillsong Kiev	George Gregory Aghajanian			Manager
Hillsong LA, LLC	Benjamin David Houston	17/12/2013	25/03/2021	Manager
Hillsong LA, LLC	Samuel Lopez	25/03/2021		Manager
Hillsong Las Vegas, LLC	Terry Michael Crist Jr.	14/09/2018		Manager
Hillsong Ltd	Grant John Stuart Thomson	1/12/2008	20/11/2019	Executive Director
Hillsong Ltd	Joel Damon A'Bell	28/02/2007	30/11/2018	Executive Director
Hillsong Ltd	Lalitha Stables	28/04/2011	5/04/2018	Non-Executive Director
Hillsong Ltd	Benjamin David Houston	13/12/2012	23/03/2022	Executive Director
Hillsong Ltd	Brian Charles Houston	7/12/2006	17/08/2021	Executive Director
Hillsong Ltd	Leigh Howard-Smith	7/12/2006	22/01/2020	Non-Executive Director
Hillsong Ltd	George Gregory Aghajanian	7/12/2006		Executive Director
Hillsong Ltd	Phillip Bradley Denton	24/06/2010		Non-Executive Director
Hillsong Ltd	Peter Ross Ridley	19/09/2013		Secretary
Hillsong Ltd	Nabi Saleh	7/12/2006		Non-Executive Director
Hillsong Ltd	John Donovan Cooper-Williams	7/12/2006		Non-Executive Director
Hillsong Ltd	Dane Alexander James Gambrill	27/05/2009		Non-Executive Director
Hillsong Ltd	Peter Kaiser Toganivalu	26/10/2017		Executive Director
Hillsong Ltd	Melinda Ann Dwight	31/03/2016		Non-Executive Director
Hillsong Macarthur Pty Ltd	Joel Damon A'Bell	28/02/2007	30/11/2018	Executive Director
Hillsong Macarthur Pty Ltd	Lalitha Stables	28/04/2011	5/04/2018	Non-Executive Director
Hillsong Macarthur Pty Ltd	Benjamin David Houston	13/12/2012	28/08/2017	Executive Director
Hillsong Macarthur Pty Ltd	John Donovan Cooper-Williams	1/02/2007	31/03/2022	Non-Executive Director
Hillsong Macarthur Pty Ltd	Melinda Ann Dwight	31/03/2016	21/03/2022	Non-Executive Director
Hillsong Macarthur Pty Ltd	Brian Charles Houston	1/02/2007	17/08/2021	Executive Director
Hillsong Macarthur Pty Ltd	Grant John Stuart Thomson	1/12/2008	29/03/2021	Executive Director
Hillsong Macarthur Pty Ltd	Leigh Howard-Smith	1/02/2007	22/01/2020	Non-Executive Director



Hillsong Macarthur Pty Ltd	George Gregory Aghajanian	1/02/2007		Executive Director
Hillsong Macarthur Pty Ltd	Peter Ross Ridley	19/09/2013		Secretary
Hillsong Macarthur Pty Ltd	Phillip Bradley Denton	24/06/2010		Non-Executive Director
Hillsong Macarthur Pty Ltd	Nabi Saleh	1/02/2007		Non-Executive Director
Hillsong Macarthur Pty Ltd	Dane Alexander James Gambrill	17/09/2009		Non-Executive Director
Hillsong Macarthur Pty Ltd	Peter Kaiser Toganivalu	26/10/2017		Executive Director
Hillsong Macarthur Pty Ltd	Amanda Elizabeth Tay	26/09/2019		Non-Executive Director
Hillsong Macarthur Pty Ltd	Timothy Paul Whincop	21/02/2019		Secretary
Hillsong Macarthur Pty Ltd	Stephen Max Crouch	3/09/2021		Non-Executive Director
Hillsong Media & Performing Arts Ltd	Joel Damon A'Bell	28/02/2007	30/11/2018	Executive Director
Hillsong Media & Performing Arts Ltd	Lalitha Stables	28/04/2011	5/04/2018	Non-Executive Director
Hillsong Media & Performing Arts Ltd	Benjamin David Houston	13/12/2012	28/08/2017	Executive Director
Hillsong Media & Performing Arts Ltd	John Donovan Cooper-Williams	4/09/2002	31/03/2022	Non-Executive Director
Hillsong Media & Performing Arts Ltd	Melinda Ann Dwight	31/03/2016	21/03/2022	Non-Executive Director
Hillsong Media & Performing Arts Ltd	Brian Charles Houston	4/09/2002	17/08/2021	Executive Director
Hillsong Media & Performing Arts Ltd	Grant John Stuart Thomson	1/12/2008	29/03/2021	Executive Director
Hillsong Media & Performing Arts Ltd	Leigh Howard-Smith	4/09/2002	22/01/2020	Non-Executive Director
Hillsong Media & Performing Arts Ltd	George Gregory Aghajanian	4/09/2002		Executive Director
Hillsong Media & Performing Arts Ltd	Phillip Bradley Denton	24/06/2010		Non-Executive Director
Hillsong Media & Performing Arts Ltd	Peter Ross Ridley	19/09/2013		Secretary
Hillsong Media & Performing Arts Ltd	Nabi Saleh	4/09/2012		Non-Executive Director
Hillsong Media & Performing Arts Ltd	Dane Alexander James Gambrill	17/09/2009		Non-Executive Director
Hillsong Media & Performing Arts Ltd	Peter Kaiser Toganivalu	26/10/2017		Executive Director
Hillsong Media & Performing Arts Ltd	Amanda Elizabeth Tay	26/09/2019		Non-Executive Director
Hillsong Media & Performing Arts Ltd	Timothy Paul Whincop	21/02/2019		Secretary
Hillsong Media & Performing Arts Ltd	Stephen Max Crouch	3/09/2021		Non-Executive Director
Hillsong Moscow	George Gregory Aghajanian			Manager
Hillsong Music and Resources, LLC	Timothy Paul Whincop	15/05/2017	29/07/2021	Manager
Hillsong Music and Resources, LLC	David Bagheri	29/07/2021		Manager
Hillsong NJ, LLC	Joel Timothy Houston	22/02/2018	31/12/2018	Manager
Hillsong NJ, LLC	John Termini	3/12/2020	29/07/2021	Manager
Hillsong NJ, LLC	Tolulope Oluwatosin Olu-Lafe Badders	3/12/2020	29/07/2021	Manager
Hillsong NJ, LLC	Carl Lentz	22/02/2018	2/11/2020	Manager
Hillsong NJ, LLC	Chrishan Jeyaratnam	29/07/2021		Manager



Hillsong Norway	George Gregory Aghajanian			Manager
Hillsong NYC, LLC	Joel Timothy Houston	16/07/2010	31/12/2018	Manager
Hillsong NYC, LLC	John Termini	3/12/2020	29/07/2021	Manager
Hillsong NYC, LLC	Tolulope Oluwatosin Olu-Lafe Badders	3/12/2020	29/07/2021	Manager
Hillsong NYC, LLC	Carl Lentz	16/07/2010	2/11/2020	Manager
Hillsong NYC, LLC	Chrisan Jeyaratnam	29/07/2021		Manager
Hillsong Phoenix, LLC	Terry Michael Crist Jr.	6/12/2017		Manager
Hillsong Portugal	George Gregory Aghajanian			Manager
Hillsong Properties (Pty) Ltd	Phillip Anthony Dooley			Executive Director
Hillsong Publishing, LLC	Stephen William McPherson	15/05/2017	29/07/2021	Manager
Hillsong Publishing, LLC	Peter Ross Ridley	29/07/2021		Manager
Hillsong South Africa NPC	Phillip Anthony Dooley			Executive Director
Hillsong Stewardship Fund, Inc.	Melinda Ann Dwight	15/12/2017	21/03/2022	Non-Executive Director
Hillsong Stewardship Fund, Inc.	Grant John Stuart Thomson	15/12/2017	29/03/2021	Executive Director
Hillsong Stewardship Fund, Inc.	Grant John Stuart Thomson	12/04/2018	29/03/2021	Treasurer
Hillsong Stewardship Fund, Inc.	Darren Shaun Kitto	15/12/2017	24/09/2020	Executive Director
Hillsong Stewardship Fund, Inc.	George Gregory Aghajanian	12/04/2018		President
Hillsong Stewardship Fund, Inc.	Peter Ross Ridley	12/04/2018		Secretary
Hillsong Stewardship Fund, Inc.	George Gregory Aghajanian	15/12/2017		Executive Director
Hillsong Stewardship Fund, Inc.	Timothy Paul Whincop	24/09/2020		Executive Director
Hillsong Stewardship Fund, Inc.	Amanda Elizabeth Tay	14/10/2021		Non-Executive Director
HMTR Ltd	Joel Timothy Houston	7/09/2010	24/12/2017	Executive Director
HMTR Ltd	Stephen William McPherson	3/11/2010	21/12/2017	Executive Director
HMTR Ltd	Graham Williams	7/09/2011	19/12/2017	Non-Executive Director
HMTR Ltd	Raymond Austin Newton	7/09/2011	14/12/2017	Non-Executive Director
HMTR Ltd	Benjamin David Houston	24/12/2017	23/03/2022	Executive Director
HMTR Ltd	Brian Charles Houston	24/12/2017	17/08/2021	Executive Director
HMTR Ltd	Lalitha Stables	3/05/2018	10/07/2020	Non-Executive Director
HMTR Ltd	George Gregory Aghajanian	7/09/2010		Executive Director
HMTR Ltd	Phillip Bradley Denton	24/12/2017		Non-Executive Director
HMTR Ltd	Peter Ross Ridley	24/12/2017		Secretary
HMTR Ltd	Nabi Saleh	24/12/2017		Non-Executive Director
HMTR Ltd	Gary James Clarke	24/12/2017		Executive Director
HMTR Ltd	Stephen Max Crouch	24/12/2017		Non-Executive Director



HMTR Ltd	Russell Barclay Dacre	24/12/2017		Non-Executive Director
HMTR Ltd	Phillip Anthony Dooley	24/12/2017		Executive Director
HMTR Ltd	Tolulope Oluwatosin Olu-Lafe Badders	7/08/2020		Executive Director
HMTR Ltd	Darren Shaun Kitto	20/11/2019		Executive Director
Invorto LLC	George Gregory Aghajanian	15/05/2018	24/09/2020	Manager
Invorto LLC	Joel Timothy Houston	24/09/2020		Manager
Invorto LLC	David Bagheri	24/09/2020		Manager
Invorto Pty Ltd	Stephen Max Crouch	22/12/2021		Non-Executive Director
Invorto Pty Ltd	Phillip Bradley Denton	22/12/2021		Non-Executive Director
Invorto Pty Ltd	Peter Ross Ridley	22/12/2021		Secretary
Invorto Pty Ltd	Nabi Saleh	22/12/2021		Non-Executive Director
Invorto Pty Ltd	Timothy Paul Whincop	22/12/2021		Secretary
Invorto Pty Ltd	George Gregory Aghajanian	22/12/2021		Executive Director
Invorto Pty Ltd	George Gregory Aghajanian	22/12/2021		Secretary
IO Management, LLC	David Bagheri	2/09/2021		Manager
IO Management, LLC	Johnny Rays	2/09/2021		Manager
Lafayette Property Holdings, LLC	John Cornelius	8/06/2017		Manager
Manila Connect	Jack Ryan Molano Garcia			Trustee
Manila Connect	Sharon Prado Capule			Trustee
Manila Connect	Peter Ross Ridley			Trustee
OC Global Property Holdings, LLC	George Gregory Aghajanian	24/08/2018	9/12/2021	Manager
OC Global Property Holdings, LLC	Peter Ross Ridley	9/12/2021		Manager
PHX Property Holdings, LLC	Jason Lliteras	24/08/2018		Manager
PHX Property Ventures, LLC	Jason Lliteras	6/12/2017		Manager
RGB Group, Inc.	Brian Charles Houston	13/02/2018	4/05/2018	Executive Director
RGB Group, Inc.	Gary James Clarke	13/02/2018	4/05/2018	Executive Director
RGB Group, Inc.	Phillip Anthony Dooley	13/02/2018	4/05/2018	Executive Director
RGB Group, Inc.	Benjamin David Houston	13/02/2018	4/05/2018	Executive Director
RGB Group, Inc.	Lalitha Stables	4/05/2018	10/07/2020	Non-Executive Director
RGB Group, Inc.	George Gregory Aghajanian	13/02/2018		Executive Director
RGB Group, Inc.	Peter Ross Ridley	13/02/2018		Secretary
RGB Group, Inc.	Phillip Bradley Denton	13/02/2018		Non-Executive Director
RGB Group, Inc.	Nabi Saleh	13/02/2018		Non-Executive Director
RGB Group, Inc.	Stephen Max Crouch	13/02/2018		Non-Executive Director



RGB Group, Inc.	Russell Barclay Dacre	13/02/2018		Non-Executive Director
RGB Group, Inc.	Joel Timothy Houston	24/09/2020		President
RGB Group, Inc.	David Bagheri	24/09/2020		President
Shiloh Ministries, LLC	Darren Shaun Kitto	16/03/2017		Executive Director
Shiloh Ministries, LLC	George Gregory Aghajanian	16/03/2017		Manager
Shiloh Ministries, LLC	Peter Ross Ridley	16/03/2017		Secretary
Shiloh Ministries, LLC	Nabi Saleh	16/03/2017		Non-Executive Director
South Sound Ministries NPC	Phillip Anthony Dooley			Executive Director
Stichting Hillsong Church NL	George Gregory Aghajanian			Manager
Stichting Hillsong Church NL	Arjan Neimeijer			Trustee
Stichting Hillsong Church NL	Adam Spies			Trustee
Sydney Christian Life Centre Pty Ltd	Joel Damon A'Bell	28/02/2007	30/11/2018	Executive Director
Sydney Christian Life Centre Pty Ltd	Lalitha Stables	28/04/2011	5/04/2018	Non-Executive Director
Sydney Christian Life Centre Pty Ltd	Benjamin David Houston	13/12/2012	28/08/2017	Executive Director
Sydney Christian Life Centre Pty Ltd	John Donovan Cooper-Williams	12/05/1993	31/03/2022	Non-Executive Director
Sydney Christian Life Centre Pty Ltd	Melinda Ann Dwight	31/03/2016	21/03/2022	Non-Executive Director
Sydney Christian Life Centre Pty Ltd	Brian Charles Houston	30/05/1999	17/08/2021	Executive Director
Sydney Christian Life Centre Pty Ltd	Grant John Stuart Thomson	1/12/2008	29/03/2021	Executive Director
Sydney Christian Life Centre Pty Ltd	Leigh Howard-Smith	14/02/2002	22/01/2020	Non-Executive Director
Sydney Christian Life Centre Pty Ltd	George Gregory Aghajanian	24/05/2012		Executive Director
Sydney Christian Life Centre Pty Ltd	Phillip Bradley Denton	24/06/2010		Non-Executive Director
Sydney Christian Life Centre Pty Ltd	Peter Ross Ridley	19/09/2013		Secretary
Sydney Christian Life Centre Pty Ltd	Nabi Saleh	14/02/2002		Non-Executive Director
Sydney Christian Life Centre Pty Ltd	Dane Alexander James Gambrill	27/05/2009		Non-Executive Director
Sydney Christian Life Centre Pty Ltd	Peter Kaiser Toganivalu	26/10/2017		Executive Director
Sydney Christian Life Centre Pty Ltd	Amanda Elizabeth Tay	26/09/2019		Non-Executive Director
Sydney Christian Life Centre Pty Ltd	Timothy Paul Whincop	21/02/2019		Secretary
Sydney Christian Life Centre Pty Ltd	Stephen Max Crouch	3/09/2021		Non-Executive Director
The Alexander Theatre Pty Ltd	Phillip Anthony Dooley			Executive Director
The Trustee for Community Venues	John Donovan Cooper-Williams	19/11/2020	31/03/2022	Non-Executive Director
The Trustee for Community Venues	Melinda Ann Dwight	19/11/2020	21/03/2022	Non-Executive Director
The Trustee for Community Venues	Brian Charles Houston	19/11/2020	17/08/2021	Executive Director
The Trustee for Community Venues	Brian Charles Houston	19/11/2020	17/08/2021	Chairperson
The Trustee for Community Venues	Grant John Stuart Thomson	19/11/2020	29/03/2021	Non-Executive Director



The Trustee for Community Venues	Lucas Jared Polowick	1/05/2020	19/11/2020	Director
The Trustee for Community Venues	Noa James Tranter	1/05/2020	19/11/2020	Director
The Trustee for Community Venues	Fiore Gatti	1/05/2020	19/11/2020	Director
The Trustee for Community Venues	George Gregory Aghajanian	19/11/2020		Executive Director
The Trustee for Community Venues	Phillip Bradley Denton	19/11/2020		Non-Executive Director
The Trustee for Community Venues	Dane Alexander James Gambrill	19/11/2020		Non-Executive Director
The Trustee for Community Venues	Amanda Elizabeth Tay	19/11/2020		Non-Executive Director
The Trustee for Community Venues	Peter Kaiser Toganivalu	19/11/2020		Executive Director
The Trustee for Community Venues	Nabi Saleh	19/11/2020		Non-Executive Director
The Trustee for Community Venues	George Gregory Aghajanian	19/11/2020		Secretary
The Trustee for Community Venues	Peter Ross Ridley	19/11/2020		Secretary
The Trustee for Community Venues	Timothy Paul Whincop	19/11/2020		Secretary
The Trustee for Festival Hall	George Gregory Aghajanian	16/12/2020		Executive Director
The Trustee for Festival Hall	Paul Jeffery Stokes	16/12/2020		Executive Director
The Trustee for Festival Hall	Stephen Max Crouch	16/12/2020		Non-Executive Director
The Trustee for Garden City Property	Joel Damon A'Bell	14/10/2016	30/11/2018	Executive Director
The Trustee for Garden City Property	John Donovan Cooper-Williams	26/10/2016	31/03/2022	Non-Executive Director
The Trustee for Garden City Property	Melinda Ann Dwight	26/10/2016	21/03/2022	Non-Executive Director
The Trustee for Garden City Property	Brian Charles Houston	26/10/2016	17/08/2021	Executive Director
The Trustee for Garden City Property	Grant John Stuart Thomson	26/10/2016	29/03/2021	Executive Director
The Trustee for Garden City Property	Leigh Howard-Smith	26/10/2016	22/01/2020	Non-Executive Director
The Trustee for Garden City Property	Peter Ross Ridley	14/10/2016		Secretary
The Trustee for Garden City Property	Phillip Bradley Denton	14/10/2016		Non-Executive Director
The Trustee for Garden City Property	Nabi Saleh	26/10/2016		Non-Executive Director
The Trustee for Garden City Property	Dane Alexander James Gambrill	26/10/2016		Non-Executive Director
The Trustee for Garden City Property	Peter Kaiser Toganivalu	29/09/2017		Executive Director
The Trustee for Garden City Property	George Gregory Aghajanian	14/10/2016		Executive Director
The Trustee for Garden City Property	Timothy Paul Whincop	21/02/2019		Secretary
The Trustee for Garden City Property	Amanda Elizabeth Tay	29/05/2019		Director
The Trustee for Garden City Property	Stephen Max Crouch	3/09/2021		Non-Executive Director
The Trustee for HC Australia Property	Joel Damon A'Bell	14/10/2016	30/11/2018	Executive Director
The Trustee for HC Australia Property	John Donovan Cooper-Williams	26/10/2016	31/03/2022	Non-Executive Director
The Trustee for HC Australia Property	Melinda Ann Dwight	26/10/2016	21/03/2022	Executive Director
The Trustee for HC Australia Property	Brian Charles Houston	26/10/2016	17/08/2021	Executive Director



The Trustee for HC Australia Property	Grant John Stuart Thomson	26/10/2016	29/03/2021	Executive Director
The Trustee for HC Australia Property	Leigh Howard-Smith	26/10/2016	22/01/2020	Non-Executive Director
The Trustee for HC Australia Property	Peter Ross Ridley	19/10/2016		Secretary
The Trustee for HC Australia Property	Phillip Bradley Denton	19/10/2016		Non-Executive Director
The Trustee for HC Australia Property	Nabi Saleh	26/10/2016		Non-Executive Director
The Trustee for HC Australia Property	Dane Alexander James Gambrill	26/10/2016		Non-Executive Director
The Trustee for HC Australia Property	Peter Kaiser Toganivalu	26/10/2017		Executive Director
The Trustee for HC Australia Property	George Gregory Aghajanian	19/10/2016		Executive Director
The Trustee for HC Australia Property	Amanda Elizabeth Tay	26/09/2019		Non-Executive Director
The Trustee for HC Australia Property	Timothy Paul Whincop	21/02/2019		Secretary
The Trustee for HC Australia Property	Stephen Max Crouch	3/09/2021		Non-Executive Director
The Trustee for Hillsong Aid and Development	Melinda Ann Dwight	8/12/2016	31/12/2018	Non-Executive Director
The Trustee for Hillsong Aid and Development	Stephen James Dixon	29/03/2007	31/12/2018	Executive Director
The Trustee for Hillsong Aid and Development	Darren Shaun Kitto	29/04/2011	31/12/2018	Executive Director
The Trustee for Hillsong Aid and Development	Mikko Allan Makelainen	29/03/2007	31/12/2018	Non-Executive Director
The Trustee for Hillsong Aid and Development	Shiranica Jennifer Tambyrajah	8/12/2016	31/12/2018	Non-Executive Director
The Trustee for Hillsong Aid and Development	Rachel Marie Christie	19/07/2017	31/12/2018	Non-Executive Director
The Trustee for Hillsong Aid and Development	Darren Shaun Kitto	29/04/2011	31/12/2018	Chairperson
The Trustee for Hillsong Aid and Development	Peter Ross Ridley	9/10/2009	31/12/2018	Secretary
The Trustee for Hillsong Aid and Development	Peter Ross Ridley	2/03/2012	31/12/2018	Treasurer
The Trustee for Hillsong Aid and Development	Joel Damon A'Bell	9/10/2009	30/11/2018	Executive Director
The Trustee for Hillsong Aid and Development	George Gregory Aghajanian	9/10/2009	12/08/2016	Treasurer
The Trustee for Hillsong Church Australia	Joel Damon A'Bell	19/10/2016	30/11/2018	Executive Director
The Trustee for Hillsong Church Australia	Benjamin David Houston	26/10/2016	28/08/2017	Executive Director
The Trustee for Hillsong Church Australia	Lalitha Stables	26/10/2016	28/08/2017	Non-Executive Director
The Trustee for Hillsong Church Australia	John Donovan Cooper-Williams	26/10/2016	31/03/2022	Non-Executive Director
The Trustee for Hillsong Church Australia	Melinda Ann Dwight	26/10/2016	21/03/2022	Non-Executive Director
The Trustee for Hillsong Church Australia	Brian Charles Houston	26/10/2016	17/08/2021	Executive Director
The Trustee for Hillsong Church Australia	Grant John Stuart Thomson	26/10/2016	29/03/2021	Executive Director
The Trustee for Hillsong Church Australia	Leigh Howard-Smith	26/10/2016	22/01/2020	Non-Executive Director
The Trustee for Hillsong Church Australia	George Gregory Aghajanian	19/10/2016		Executive Director
The Trustee for Hillsong Church Australia	Phillip Bradley Denton	19/10/2016		Non-Executive Director
The Trustee for Hillsong Church Australia	Peter Ross Ridley	19/10/2016		Secretary
The Trustee for Hillsong Church Australia	Nabi Saleh	26/10/2016		Non-Executive Director



The Trustee for Hillsong Church Australia	Dane Alexander James Gambrill	26/10/2016		Non-Executive Director
The Trustee for Hillsong Church Australia	Peter Kaiser Toganivalu	29/09/2017		Executive Director
The Trustee for Hillsong Church Australia	Timothy Paul Whincop	21/02/2019		Secretary
The Trustee for Hillsong Church Australia	Stephen Max Crouch	3/09/2021		Non-Executive Director
The Trustee for Hillsong Foundation	Joel Damon A'Bell	14/10/2016	30/11/2018	Executive Director
The Trustee for Hillsong Foundation	Lalitha Stables	26/10/2016	5/04/2018	Non-Executive Director
The Trustee for Hillsong Foundation	Benjamin David Houston	26/10/2016	28/08/2017	Executive Director
The Trustee for Hillsong Foundation	John Donovan Cooper-Williams	26/10/2016	31/03/2022	Non-Executive Director
The Trustee for Hillsong Foundation	Melinda Ann Dwight	26/10/2016	21/03/2022	Non-Executive Director
The Trustee for Hillsong Foundation	Brian Charles Houston	26/10/2016	17/08/2021	Executive Director
The Trustee for Hillsong Foundation	Grant John Stuart Thomson	26/10/2016	29/03/2021	Executive Director
The Trustee for Hillsong Foundation	Leigh Howard-Smith	26/10/2016	22/01/2020	Non-Executive Director
The Trustee for Hillsong Foundation	George Gregory Aghajanian	14/10/2016		Executive Director
The Trustee for Hillsong Foundation	Phillip Bradley Denton	14/10/2016		Non-Executive Director
The Trustee for Hillsong Foundation	Peter Ross Ridley	14/10/2016		Secretary
The Trustee for Hillsong Foundation	Nabi Saleh	26/10/2016		Non-Executive Director
The Trustee for Hillsong Foundation	Dane Alexander James Gambrill	26/10/2016		Non-Executive Director
The Trustee for Hillsong Foundation	Peter Kaiser Toganivalu	29/09/2017		Executive Director
The Trustee for Hillsong Foundation	Timothy Paul Whincop	21/02/2019		Secretary
The Trustee for Hillsong Foundation	Amanda Elizabeth Tay	29/05/2019		Director
The Trustee for Hillsong Foundation	Stephen Max Crouch	3/09/2021		Non-Executive Director
The Trustee for Hillsong International	Benjamin David Houston	26/10/2017	23/03/2022	Executive Director
The Trustee for Hillsong International	Brian Charles Houston	24/10/2016	17/08/2021	Executive Director
The Trustee for Hillsong International	Lalitha Stables	4/05/2018	10/07/2020	Non-Executive Director
The Trustee for Hillsong International	George Gregory Aghajanian	14/10/2016		Treasurer
The Trustee for Hillsong International	Peter Ross Ridley	14/10/2016		Secretary
The Trustee for Hillsong International	Phillip Bradley Denton	14/10/2016		Non-Executive Director
The Trustee for Hillsong International	Nabi Saleh	26/10/2016		Non-Executive Director
The Trustee for Hillsong International	Gary James Clarke	24/10/2016		Executive Director
The Trustee for Hillsong International	Stephen Max Crouch	24/10/2016		Non-Executive Director
The Trustee for Hillsong International	Russell Barclay Dacre	24/10/2016		Non-Executive Director
The Trustee for Hillsong International	Phillip Anthony Dooley	24/10/2016		Executive Director
The Trustee for Hillsong International	Tolulope Oluwatosin Olu-Lafe Badders	7/08/2020		Executive Director
The Trustee for Hillsong International	Timothy Paul Whincop	21/05/2019		Secretary

Appendix A

# iØ Board Presentation

June 2020



Prepared by Joel Houston and David Bagheri





# OVERVIEW

This presentation aims to:

- i. Update the Global Board of developments with IØ
- ii. Present a proposal on how to move forward
- lii. Get feedback and input from the Global Board into the strategy and direction of IØ

**This presentation is focused primarily on our music and music resources**, but will also touch on the broader plans to bring together the various missional activities already underway, in planning, and yet to be planned out.

Major developments since the last Board update are:

- + Our "Brands Team" centralising to service our existing music brands (Worship, United & Y&F) and after 18 months we have seen significant benefits in both the process and results of our major projects across all three brands;
- + At the start of 2020, the engagement of David Bagheri as a key support to Joel to help outwork the vision of IØ;
- + Engagement with key internal stakeholders and Dept Heads in Hillsong to share the vision, gain input and feedback and to get buy in for the future direction of IØ - so far this has been a very valuable process and much more consultation is required and will continue;
- + A focus on bringing all key stakeholders on the journey and allowing them to have a role to play in IØ, rather than creating a duplicated parallel structures;
- + Identification and development of initial music projects, including a Taya Project in 2020 and several others slated for 2021;
- + Commencement on fit-out works on an expanded space in Orange County where HMRs current staff as well as future IØ Staff will be housed;
- + Discussions with Capitol CMG about a unique partnership for IØ is underway, building from the existing agreement we have in place with Hillsong Music.



iQ

[ I N V O R + Ø ]

*Latin*

*Verb: To turn upside down, turn inside-out, turn about, reverse*





THE LAY OF THE LAND:





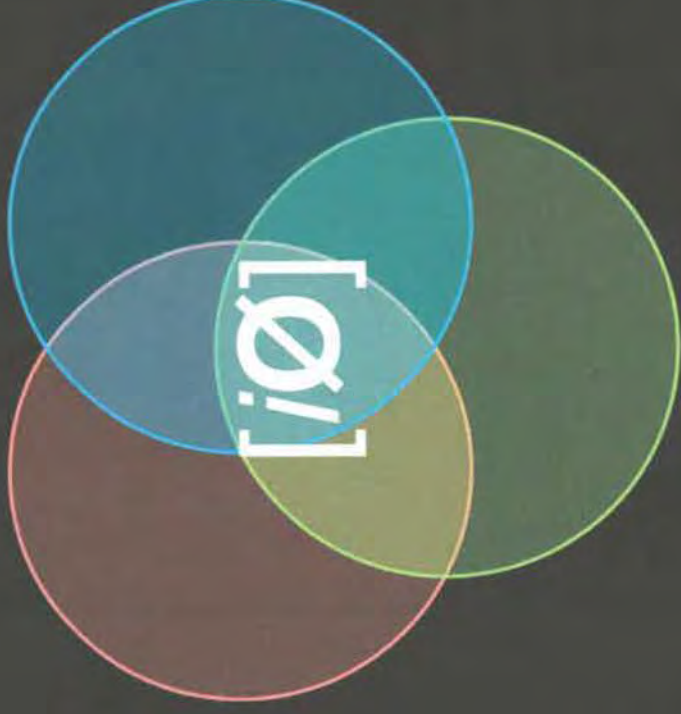
# THE MISSION:





# HILLSONG / IØ PROPOSAL

MUSIC /  
FILM /  
RESOURCES /  
DIGITAL /  
CONTENT /  
SOCIALS /  
STRATEGY /  
TOURS /  
PUBLISHING /  
VENTURES /  
TECHNOLOGY /  
REAL ESTATE /  
PARTNERSHIPS /  
ETC /



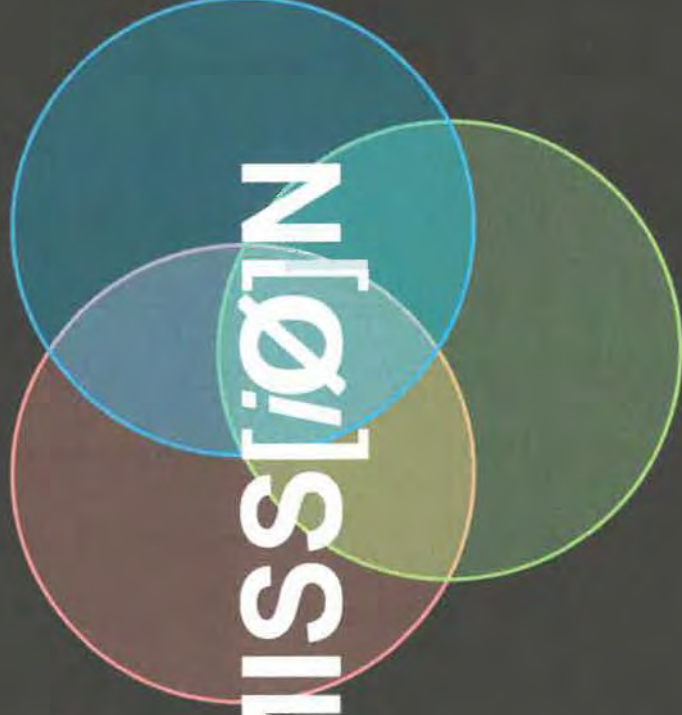




HILLSONG /  
IØ PROPOSAL

MUSIC /  
FILM /  
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SOCIALS /  
STRATEGY /  
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PARTNERSHIPS /  
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ONE MISSION

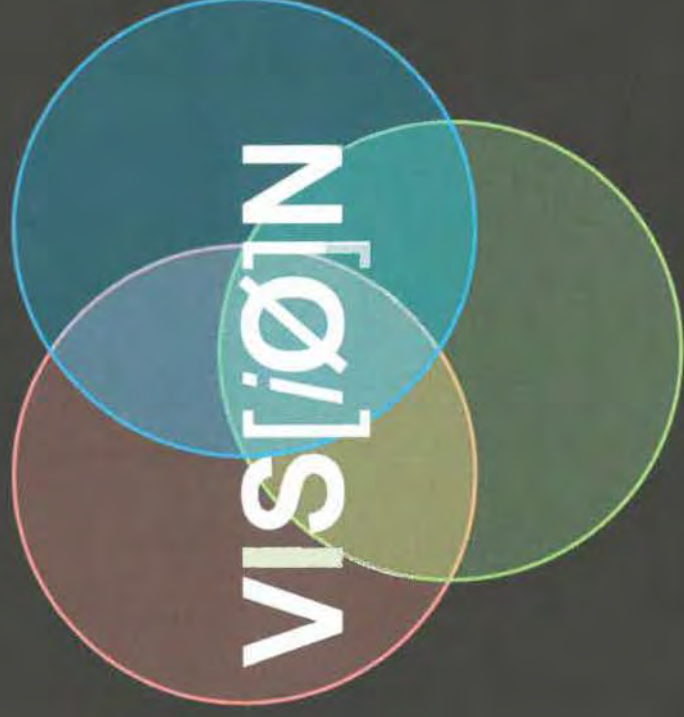




**HILLSONG /  
IØ PROPOSAL**

MUSIC /  
FILM /  
RESOURCES /  
DIGITAL /  
CONTENT /  
SOCIALS /  
STRATEGY /  
TOURS /  
PUBLISHING /  
VENTURES /  
TECHNOLOGY /  
REAL ESTATE /  
PARTNERSHIPS /  
ETC /

**ONE**







# THE DREAM:

TO BUILD UPON THE STRONG, EXISTING FOUNDATIONS OF HILLSONG CHURCH GLOBALLY; BY REIMAGINING, AND INTENTIONALLY RESTRUCTURING OUR INTERNAL (MINISTRY) & EXTERNAL (MISSIONAL) CREATIVE-INDUSTRY; IN SERVICE TO BETTER FULFILLING THE MISSION AND VISION OF THE CHURCH;

DOING SO IN A WAY THAT BETTER PROTECTS AND EMPOWERS THE HEART OF OUR CHURCH AND OUR PEOPLE; BUILDING IN A WAY THAT HELPS OFFER NEW INTERNAL AND EXTERNAL CLARITY TO HOW OUR METHODS REACH, SERVE AND EXPAND; A STRUCTURE ABLE TO EVOLVE (CREATE) TO INCORPORATE NEW OPPORTUNITIES FOR THE PEOPLE IN OUR CHURCH TO KEEP FLOURISHING IN THEIR GIFTS AND TALENTS; ADOPTING A 'DEEPER AND WIDER' APPROACH TO THE WAY WE BUILD TOWARD THE FUTURE; AND EQUIP AND EMPOWER THE NEXT GENERATION.

SEEING BEYOND WHAT IS ALREADY DEFINED INTERNALLY AS *LOCAL* AND *GLOBAL* TO A FURTHER DEFINING OF WHAT IS 'THE HOME' AND WHAT IS 'THE FIELD'; A NEW FRAMEWORK AROUND OUR "*INTERNAL*" AND "*EXTERNAL*" ENDEAVOURS—AS BEING BOTH; ON-MISSION; MINISTRY AND INDUSTRY; (ONE HEART, ONE MISSION; ONE VISION);

THE DREAM IS TO DO SO FROM THE INSIDE-OUT; IN A WAY THAT CHAMPIONS NEW MEANS OF OUTREACH FROM A POSITION OF BEING FIRMLY PLANTED IN-THE-HOUSE; AND A TRIUNE APPROACH TO OUR MISSION; HOW WE REACH, INFLUENCE, EMPOWER AND IMPACT THE WORLD; AS *THE CHURCH*; *THE KINGDOM*; AND *THE CULTURE*; IN "EVERY SPHERE OF LIFE."



# THE END GOAL:

TO KEEP ON BUILDING THE HOUSE; DOING SO IN A WAY THAT IS CONSTANTLY EMBRACING NEW METHODS OF AIDING THE COLLIDE OF *CULTURE* AND *KINGDOM*; AND BRIDGING THE SPACE BETWEEN A *BROKEN-WORLD*, AND THE *BEAUTY, TRUTH AND GOODNESS FOUND ONLY IN THE GOOD NEWS STORY OF GOD*.

FURTHERING THE MISSION AND MOBILISING THE VISION OF HILLSONG CHURCH TO BE FULLY EMBODIED BY THIS AND THE NEXT GENERATION; IN NEW WAYS;

BELIEVING THAT IN 35 YEARS FROM NOW;  
THE STORY OF HILLSONG CHURCH IS STILL A WELCOME HOME THAT SPEAKS LOUDER THEN THAN EVER OF GOD'S EXTRAORDINARY FAITHFULNESS AND GRACE, WORKING IN AND THROUGH EVERYDAY ORDINARY PEOPLE—WHO SIMPLY, AND BOLDLY; WOULD CHOOSE TO LOVE GOD, LOVE LIFE, AND LOVE PEOPLE.



**This proposal seeks at-heart, to do so in a way that;**

**BUILDS AND PROTECTS THE 'HILLSONG' BRAND—AS A CHURCH FIRST AND FOREMOST;** preserving the core; the heart and soul, mission and values of our local expressions of church; people in community who continue to flourish and thrive.

**01.**

**ACTIVELY PURSUES ADVANTAGEOUS, CREATIVE OPPORTUNITIES TO FURTHER THE MISSION AND VISION OF THE CHURCH;** better resourcing the Body of Christ; and empowering new missional opportunities to reach and influence the world with meaningful gospel centred content—in music, film, digital-media, literature; training; product; technology; events and ventures.

**02.**

**EMPOWERS, PROTECTS AND SERVES OUR PEOPLE, AND THE HEART AND INTEGRITY OF OUR INTERNAL-TESTIMONY, FOR THOSE WHO SERVE THE CHURCH AT EVERY LEVEL OF INVOLVEMENT;** seeking to better manage perceptions both inside and outside of our church. Specifically, by better servicing the creatives, artists and supportive-industry facilitators at every tier of involvement. A new process that helps maintain clear lines and expectations between serving, and working—allowing better accountability, investment & resources to be administered accordingly, without convolution between internal and external demands and expectations.

**03.**





**ESTABLISHES A NEW FRAMEWORK THAT MAXIMISES OUR ABILITY TO BOTH FOCUS THE BEST-PEOPLE ON THE MOST EFFECTIVE USE OF THEIR GIFTS;** and makes room for new talent and potential to be involved and empowered, with new clear pathways to be incentivised to be planted, to grow and to flourish without ceiling. Striking the balance between a highly motivated and skilled staff, committed-contractors and planted-freelancers, with opportunities for a well-curated intern program, and championing volunteers to participate in being a part of working on the best, with the best. With emphasis always prioritising "church", and a culture that is inclusive; and serves empower individuals" to thrive within community that compliments the varied idiosyncrasies of their strengths and weaknesses.

**04.**

**OFFERS A MEANS TO CONTINUE PIONEERING AND GROWING OUR IMPACT IN THE CREATIVE-FIELDS WHILE STILL PRESERVING THE FOUNDATIONAL VALUES AND RESPONSIBILITIES OF HOME—AS A HOME.** Intentionally drawing a line between the HOUSE and the WAREHOUSE. The Home and the FIELD. With neither being made exclusive of the other—but complimentary. Each in service to the other, and together, toward the WHOLE.

**05.**

**BETTER DISCOVERS, ACKNOWLEDGES, ENGAGES, EMPOWERS AND RELEASES THE VAST WEALTH OF OUR CREATIVE TALENT, AND THE DIVERSITY OF CALLING AND GIFT ACROSS THE BREADTH OF OUR CHURCHES GLOBALLY—**to help individual find their place according to the diversity of new fields in an ever changing cultural landscape. Intentionally changing our perspective to allow a deeper and wider pool to draw from, in both scope of expressions, projects, ventures and resources; championing people, equipping and empowering gifting and sourcing new means of investment; to go forth "into ALL the world" from a position of being firmly-planted, watered, and allowed to flourish and grow. Commissioned without any unnecessary conflicts of interest. for individuals personally, and collectively as a church.

**06.**



**MAXIMISES OUR EXISTING RESOURCES AND INVESTMENT AS A CHURCH TO BEST CONTINUE BEING A BLESSING;** championing the cause of local churches everywhere; maintaining a local love for Sunday to Sunday as the highest priority internally; changing mindsets and empowering (the ordinary everyday people who are the lifeblood of Hillsong church to continue to generously, serve, and be fed) to lead and impact in every sphere of life; and to continue pioneering and impacting the world in ways that move in rhythm with the culture, the times, and the unique opportunities they present to be forward thinking and proactive in our approach, without compromise or conflicts of interest, perception and issues of governance as a whole.

07.

**ENLARGES OUR TERRITORY, BY UNAPOLOGETICALLY CREATING NEW AND EFFECTIVE MEANS OF INCOME;** with clear expectations that bring clarity and ability to demand what is required of our industry, and infrastructure to help sustain all of the above. Structures and processes of management that tow an entrepreneurial and incentivized approach; and that keeps us moving forward, with one foot firmly planted in conservative stewardship and foundational understanding; the other willing to step out liberally in faith—into the unknown.

08.

**EMBRACES A SYSTEM OF MUTUAL TRUST AND TRANSPARENCY.** Clear communication of KPI's at every level that inspires personal responsibility for ROI's; personal and pastoral management; a culture of mutuality; collaboration, partnership, service and sacrifice; a give-give generosity in all we do; both stewarding the gift and protecting the heart of who we are—all the while shepherding personal and collective wellbeing as our highest responsibility to the greater

09.





## THE INTERNAL

A new INTERNAL department of Hillsong Church incorporating the creative-industry aspects of our existing W&CA, Communications, Film, TV, Production and Tech departments—with particular parameters applied to the focus on our INTERNAL ministry and missional endeavors THAT ARE NOT local (campus services and events).

This would bring together areas of Hillsong's services that are "Global" in nature, along with the creators from the various *iØ* initiatives such as music, film, tech, creative agency, resources and ventures.

The leads from each Hillsong Global Service area and each *iØ* lead would come together under a new collective known as "Welcome Home Collective", where vision and strategy are regularly worked through to planning, implementation and execution.

In essence; it would involve the people within Hillsong Creative; Hillsong Comms; Hillsong Film & TV; Hillsong Tech; Hillsong Media; Hillsong Production who work, or who would work specifically in the areas of INDUSTRY;

specifically on the internal and external content needs (in collaboration with W&CA, and Events) on that which is Global:

- Brian & Bobbie;
- All Conferences;
- Special events;
- Marketing; Promotions; Content for:
- Global Campaigns: (Christmas / Easter)
- Global Initiatives: (Vision Sunday, H4TH)
- Online Church
- Channel; (is already autonomous)
- Resources. (Collected / curriculums)
- Assets for all Hillsong branded projects.
- Digital Media / SM / Marketing.
- Aid & Development.
- College.
- Etc

These areas would essentially operate under/with their current department heads; even under the new framework, and have dual reporting to their current reporting lines as well as to the *iØ* Executive.



## THE EXTERNAL

The second side of (IØ) would be set up as a separate semi-autonomous entity; focussing initially on our music, expanding in time to include external opportunities in Film, Television, Digital Media, Tech, resources, products and ventures—some of which is already happening), in order to facilitate and fulfill the industry demands of servicing our, existing brands, projects, tours, and future brands, projects and in-house artists, and all associated content, marketing, promotions, management, industry-partnerships and agency of supporting roles and services.

Essentially, in its first stage, it would function as the IN-HOUSE management, A&R, production-house, Art and Content-studio, Digital Media, strategic-marketing, promotional and Bookings agency for all our music, and associated tours.

Initially this new entity would start with our existing music brands as well as new artists, projects and tours and expand to new opportunities in the other content fields of film, TV, podcasts, training, books, merch and other resources and products.

### IN GREATER IMMEDIATE DETAIL:

IØ would remain fully under the governance and service of the Hillsong Global Board, and Senior Pastors. It would operate autonomously, but in partnership with current stakeholders such as CCMG and our other key partners and distributors to produce, deliver and market all necessary assets for our music and tours.

IØ would have its own executive-management team and a core creative-vision board of key Hillsong Stakeholders who would work together in the decision-making and implementation of all our external music projects and endeavours.

IØ would focus have a central management core focussing on A&R, People & Projects between two parallel divisions working in constant tandem—the Creative (Studio) & Marketing (Agency).

Peripheral to these two main divisions; IØ would ultimately incorporate three sub-divisions in both creative and marketing (Studio and Agency);

EVENTS (Tours/Bookings)

PROMOTION (P/R, publicity, Media)

PUBLISHING (A&R, Development, Pitch and Sync)



## INITIAL ØBJECTIVES:

**Firstly:** IØ primary objective would be the ongoing management, development, production, reach and impact of the people, projects, tours and all related content and marketing for our existing Hillsong Brands.

**Hillsong: Worship / UNITED / Y&F.**

(This is already happening)

**Secondly:** IØ would facilitate the management, development, production and release of new market opportunities for potential new talent /brands & core artists from within our church. Focussing on A&R, people (pastoral) and Projects (Content). Initially this would begin with a three tier approach to artist development focussing on audience. We would start by putting our best foot forward; whilst simultaneously looking to identify and develop potential and future talent from across the greater breadth of our church; as well as looking to commission particular projects using the wealth of talent we have in global campuses.

**Thirdly;** IØ would pursue building a collective of kingdom minded industry professionals in the fields of production, engineering, content-creation, digital media, marketing and management across three key regions. Australia / USA / Europe. And look to expand into content opportunities in line with our vision we are currently not maximising to our potential.

## EXPANDING....

Having started with Music, IØ would further develop other opportunities including:

FILM AND TV  
TECHNOLOGY  
RESOURCES  
CREATIVE  
VENTURES  
PROPERTY  
INVESTMENTS  
PARTNERSHIPS

AGENCY

This would be done in conjunction with the various heads that are already working on initiatives in some of these spaces, bringing these activities together under one umbrella where resources can be collectively shared and synergy between industry opportunity can be taken advantage of.





# PART 1:

## WELCOME H Ø M E COLLECTIVE

Central to the success of any further initiatives is the need to create an environment that promotes cohesion, synergy and efficiency within our existing core Global Services for the benefit of both our existing Hillsong endeavours and from a position of strength, new and unventured opportunities.

**Welcome Home Collective** aims to bring together all the creative industry and marketing functions of these services in order to serve the needs of Hillsong church locally and globally, and our other *iØ* external activities.

The heads of each function would meet together as a core vision and activation collective to strategise, plan and execute.

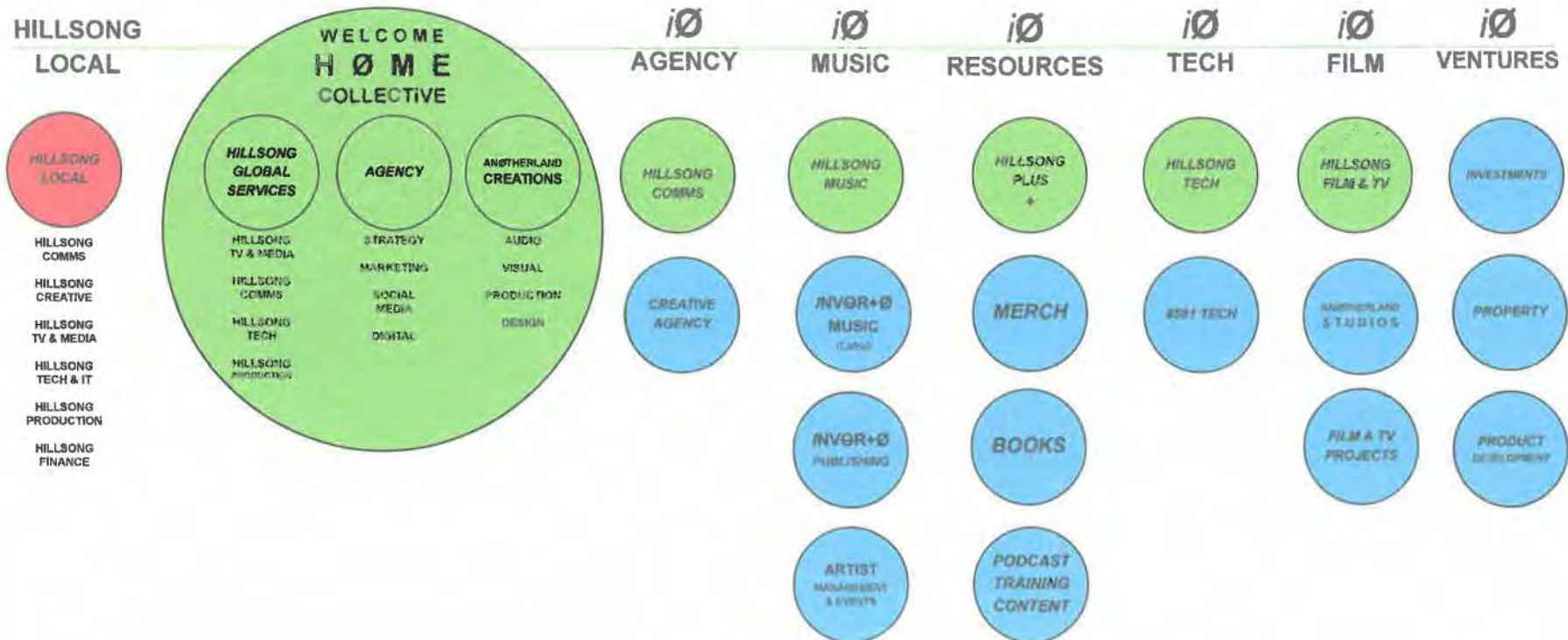
One of the current challenges is having the various team members spread across the various silo's of our existing Hillsong structure has at times led to a fragmented and often inefficient approach to our collective strategy across many of our existing Hillsong initiatives, limiting their potential impact.

By bringing all the creative industry and marketing functions under one umbrella, there will be greater synergy, focus and effectiveness to continue to expand, stay agile and remain at the cutting edge of both kingdom and cultural impact.



# WELCOME HOME COLLECTIVE

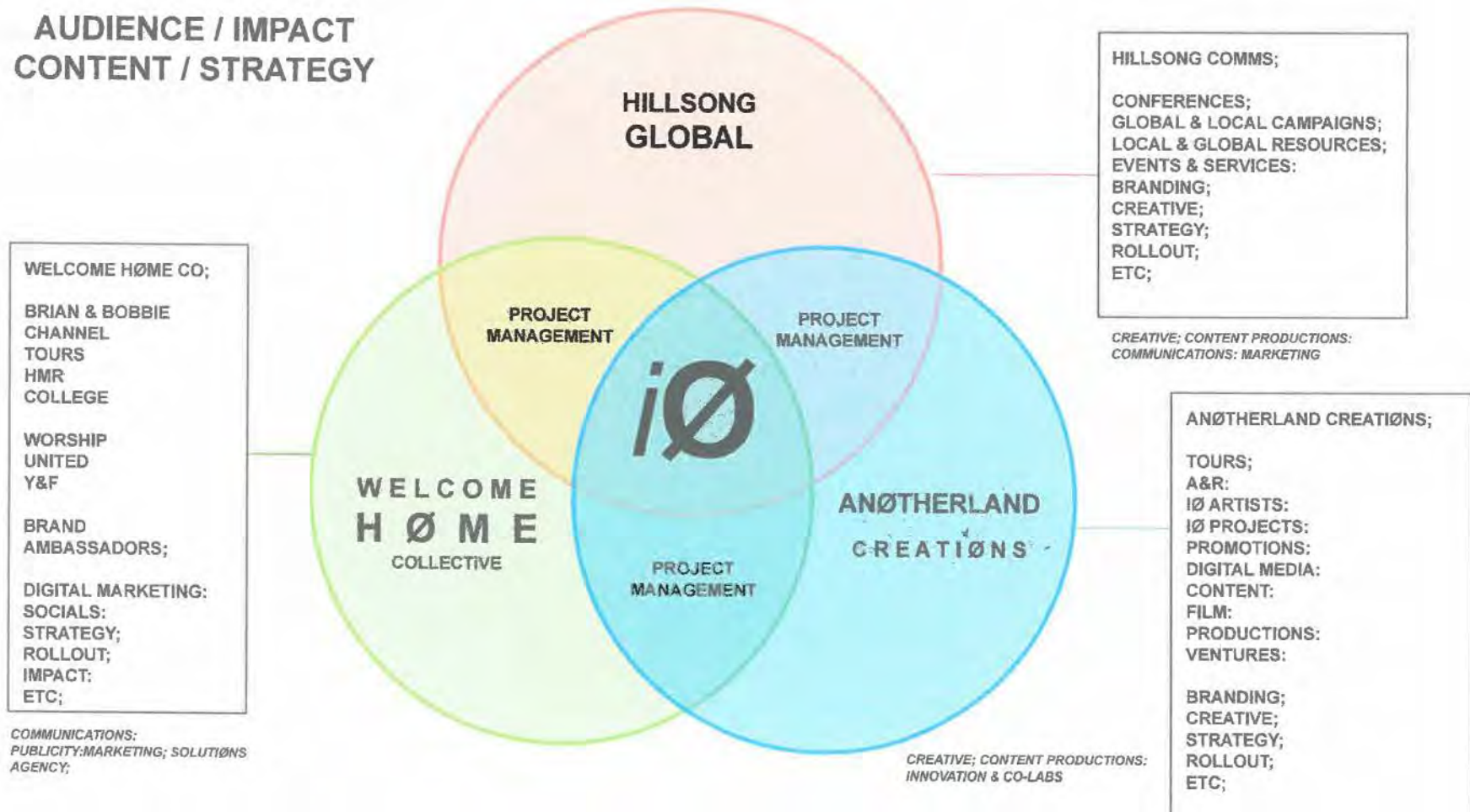
Welcome Home Collective would occupy the overlap of Hillsong Global Services and iØ initiatives. Focused on supporting all the creation and marketing that is needed for Hillsong locally and globally as well as other external iØ initiatives. The heads of each function would meet together in seeking solutions and embracing immediate and long term opportunities to further the mission and vision of our church. Working together as a collective to strategise, plan and execute with clear expectations and accountability.







**AUDIENCE / IMPACT  
CONTENT / STRATEGY**





# PART 2:

# STRUCTURE

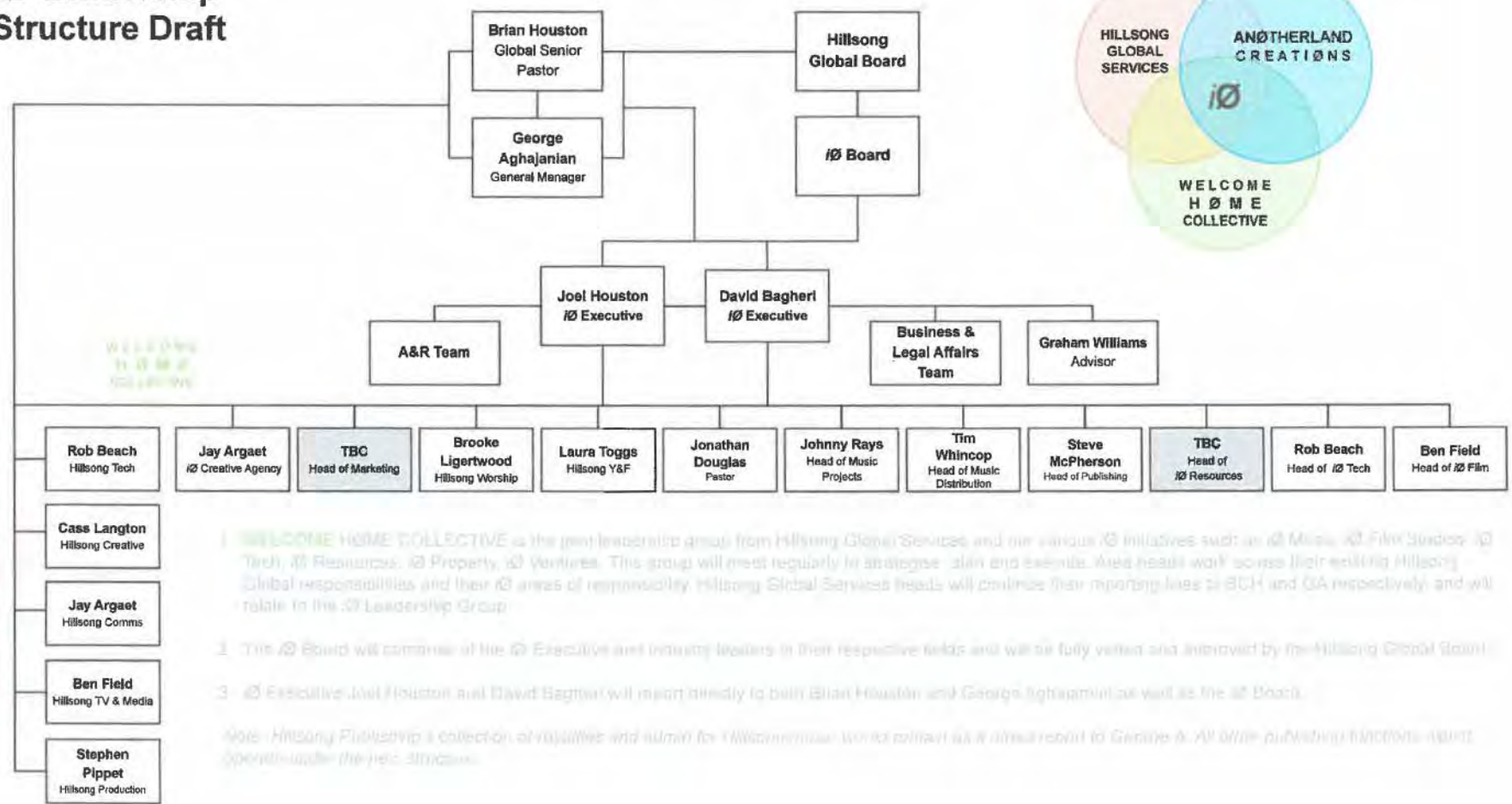
1. In order to ensure we have a scalable model and we do not duplicate resources, we propose that the unifying of our existing music functions, brands, marketing and services is essential to make sure we capitalise on our existing team's expertise and productivity without unnecessarily doubling up on roles, enabling the ability for these teams to expand and cater for the growing demands of immediate opportunities to further our impact and engage in future endeavours. Within this, Worship, United and Y&F; Hillsong Music and Resources; Publishing; Marketing and our digital content teams would come together under the leadership of the *iØ* Executive making sure the creative and operational functions are unified, working close together in order to maximise the reach and impact of our music.
2. Other Hillsong Global initiatives including Tech, Film & TV and Resources would also come under the support of the *iØ* Executive with existing key department heads continuing to drive each area forward sustaining existing expectations and empowering them into new collective endeavours. They would operate relatively autonomously within the existing Hillsong framework, gaining support from; and contributing toward *iØ*'s strategic initiatives. This will help us to share resources as an organisation and take advantage of strategic opportunities that cross over from vertical to vertical in a way that promotes the horizontal outreach of the Hillsong mission.
3. Welcome Home Collective is the coming together of the leads of the various Hillsong Global Services (Hillsong Comms, Hillsong Creative, Hillsong TV & Media, Hillsong Tech, Hillsong Live Production) who will continue to report to the Hillsong Executive, with the leads of the various *iØ* initiatives - this group will come together regularly on strategy, planning and execution.
4. New Entities will need to be set up and we are currently in the process of seeking external advice on the best way to achieve that.



# iØ Leadership Structure Draft



HILLSONG GLOBAL SERVICES



1. WELCOME HOME COLLECTIVE is the joint leadership group from Hillsong Global Services and the various iØ initiatives such as iØ Music, iØ Film Studio, iØ Tech, iØ Resources, iØ Property, iØ Ventures. This group will meet regularly to strategise, plan and execute. Area heads will own their existing Hillsong Global responsibilities and their iØ areas of responsibility. Hillsong Global Services heads will continue their reporting lines to BCH and GA respectively, and will relate to the iØ Leadership Group.

- 2. This iØ Board will comprise of the iØ Executive and industry leaders in their respective fields and will be fully vetted and approved by the Hillsong Global Board.
- 3. iØ Executive Joel Houston and David Bagheri will report directly to both Brian Houston and George Aghajanian, as well as the iØ Board.

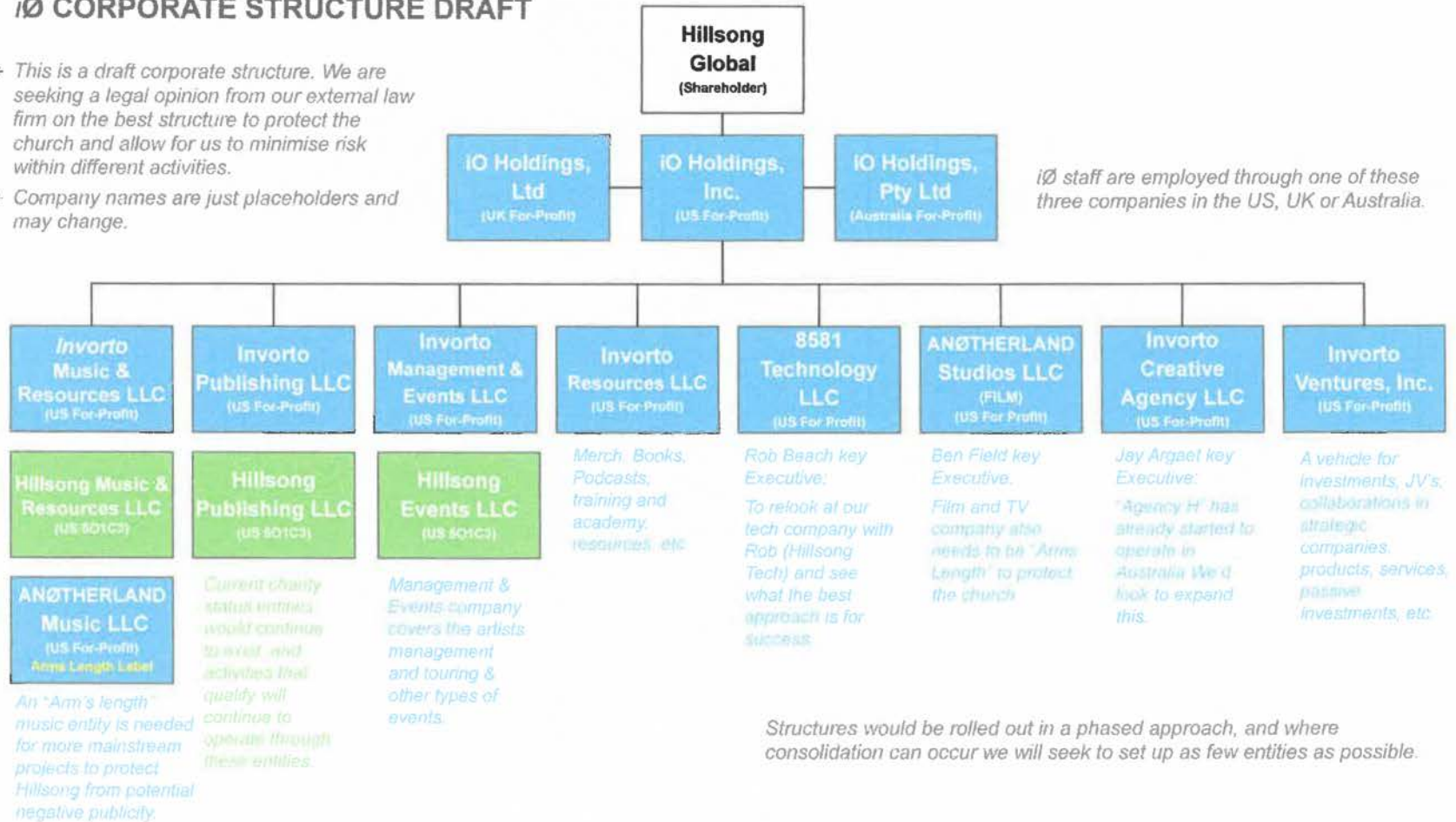
Note: Hillsong Publishing is a collection of royalties and admin for Hillsong-owned world collectives and will report to George & A. All other publishing royalties report directly to the respective initiatives.





## iØ CORPORATE STRUCTURE DRAFT

- + This is a draft corporate structure. We are seeking a legal opinion from our external law firm on the best structure to protect the church and allow for us to minimise risk within different activities.
- + Company names are just placeholders and may change.





## Legal Structure Questions to Answer

In order to find the best structure to operate *iØ* through, we are seeking the legal opinion of our law firm in the US we have previously used for these matters. Here is a list of questions that we are seeking to answer in order to find the best possible structure. We anticipate a full proposal to be ready for the Board by the September Board Meeting.

- Evaluate which projects should go into the For Profit v Not for Profit - taking into consideration related vs unrelated activities and private benefit laws.
- What are the required company officers?
- How do we show separation of control from Hillsong companies? How much separation of control do we need to have within companies in the *iØ* structure, to protect the corporate veil?
- Hillsong Global as the shareholder in the Holding Co - best way to structure that.
- Which state in the US best suits For Profit Companies to be formed in?
- How do we suppress public information about the shareholders of the company? (particularly for arms length companies)
- Can we consolidate some of the companies? - music, publishing and artist management (could they all be one entity under music?)
- Could the assets be held in one company and thus minimise the need for too many operating companies?
- Personnel likely to be in US, UK and Australia (mainly) - With a US holding co and a UK and Australia Subsidiary, do we run all our personnel in those three entities to avoid having employment set up in too many companies?
- The subsidiaries could become Operating Co.'s. or Special Purpose Vehicles (SVPs).
- How do we treat the profits that need to flow through the Hillsong Global and some be retained for reinvestment? Can we through management fees or donations reduce the amount of tax payable?
- If profits flow from a subsidiary to the parent, is tax payable at the subsidiary level or is it paid at the consolidated level?
- Will we need separate insurances for each company or list each entity as additional insured? What effect may that have on creating a controlling group?
- Audited accounts - do we just do that for the Holding Companies rather than all entities?





# PART 3:

# MUSIC PROJECTS

**Audience:** We have identified three main audiences with multiple overlaps by which we seek to intentionally target our existing and future brands, artists and projects. Clear strategy allows us to focus our resources to achieve maximum impact for the specific needs in order to be effective in each of these spaces. This three part focus means we can accomplish this under the following imprints:

**HILLSONG MUSIC** - Continuing to grow and resource the church and beyond through our three existing brands and new Hillsong projects; building upon our existing foundation, excellence and trust to remain at the forefront of worship worldwide.

**WELCOME HOME MUSIC** - Branching into opportunities that promote the breadth and depth of the talent within our Global church to specifically target and impact the broader Christian and mainstream audience - allowing for the creation of new and different expressions on behalf of our church without diluting the expectations of the greater Hillsong brand.

**ANOTHERLAND MUSIC** - creating an avenue for creative expression across the breadth and depth of our Global church to reach and impact culture with kingdom spirited projects designed to connect with people in every sphere of life. Mission minded to empower creativity from the heart of our church tailored to reach a wider audience with various styles, genres, artists and projects.

**Projects:** between 2020-25 we are targeting 60 new projects (49 not including Hillsong's current three brands)

**Levels of investment into projects:** There are three levels (tiers) to differentiate how much backing/investment we put into a project.



# PROSPECTIVE PROJECTS / ARTISTS

In addition to our current three music brands, *iØ* will activate and launch artists from within our church and connected to our world reaching existing and new audiences. Examples of types of projects are listed here.



HILLSONG MUSIC	WELCOME HOME MUSIC	ANOTHERLAND MUSIC
THE CHURCH	THE KINGDOM	THE CULTURE
<p><b>HILLSONG WORSHIP</b></p>	<p><b>WELCOME HOME ROOMS</b></p> <p>Written and Produced collaboratively by local and global teams. Drawing on the depth and scope of the existing and emerging talent well; and providing new opportunity and expression to the global breadth of the writers, producers, artists, creatives and worship teams of Hillsong Church Globally.</p> <p>LONDON NEW YORK SAO PAULO STOCKHOLM CAPE TOWN PARIS</p> <p>✦ ✦ ✦ ✦ ✦</p>	<p><b>ANOTHERLAND PROJECTS</b></p> <p>Artist projects in the mainstream space. A collection of people directly in our church and connected to our world targeting different audiences through genres of music such as pop, rock, alternative, R&amp;B, dance and others.</p> <p>TAYA ADDHAN KING BEN HASTINGS MATT CROCKER MELODIE WAGNER ALEX PAPPAS BROOKE FRASER JOSH GOOD DEVELOPMENT ARTISTS HILLSONG COLLEGE ALUMNI EXTERNAL ARTISTS</p> <p>✦ ✦ ✦ ✦ ✦</p>
<p><b>HILLSONG YOUNG &amp; FREE</b></p>	<p><b>WELCOME HOME PROJECTS</b></p> <p>Artist projects in the christian space.</p> <p>JAD GILBERT DAVID WARE MICHELLE COORE LINDY HODGE ASH MORGAN CHRIS DAVENPORT</p> <p>✦ ✦ ✦ ✦ ✦</p>	
<p><b>HILLSONG UNITED</b></p>	<p><b>SYNC &amp; PLAYLIST</b></p> <p>Developing a full service Sync and playlist facility to strategically RE imagine both existing catalogue, and new compositions for placement outside of our existing avenues.</p> <p>✦ ✦ ✦ ✦ ✦</p>	
<p><b>OTHER PROJECTS</b></p> <p>New projects targeting different audiences using the breadth of talent in our church.</p> <p>KIDS CHAPEL GOSPEL HOUSE REMIX MEDITATIONS SLEEP INSTRUMENTAL CHRISTMAS EASTER</p> <p>✦ ✦ ✦ ✦ ✦</p>		



# iØ MUSIC PROJECTS

		2020		2021				2022				2023				2024				2025				
		Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	
HILLSONG MUSIC	HILLSONG YOUNG & FREE	Tier 0	✓					✓						✓					✓					
	HILLSONG UNITED	Tier 0			✓						✓					✓							✓	
	HILLSONG WORSHIP	Tier 0				✓						✓								✓				
	OTHER PROJECTS	Tier 2			✓		✓		✓		✓		✓		✓		✓			✓		✓		
WELCOME HOME MUSIC	WELCOME HOME ROOMS	Tier 2				✓					✓					✓				✓				
		Tier 3							✓				✓						✓				✓	
	WELCOME HOME PROJECTS	Tier 1		✓					✓				✓				✓				✓			
		Tier 2				✓			✓					✓			✓				✓			
		Tier 3						✓			✓				✓			✓				✓		
ANOTHERLAND MUSIC	ANOTHERLAND PROJECTS	Tier 1			✓						✓			✓					✓				✓	
		Tier 2				✓				✓				✓				✓				✓		
		Tier 3					✓		✓			✓				✓				✓				
		Total: 2		Total: 10				Total: 12				Total: 12				Total: 12				Total: 12				





# PART 4:

# BUDGET

Where applicable we have given all diligence and focus to how we maximise our existing resources and will continue to do so while intentionally highlight potential existing duplications and inefficiencies. This discovery process has revealed existing gaps and areas lacking in our capacity to maintain what we have achieved thus far. This budget seeks to address both the existing gaps and additional capacity required to take things forward.

Initial outlay is required to expand our capacity to continue take forward our existing three Hillsong music brands as well as creating the space for new artists and projects. A focus of the additional capacity is:

1. Reinforcing areas where there are current gaps and weaknesses such as marketing and social media around our music brands
2. Adding Creation focused roles such audio and visual producers and engineers, design and art personnel
3. Underpinning it with a project management and operational team that can make sure we can execute and deliver
4. Coming together of existing roles under Welcome Home Collective

Our starting point is to hire 18 new roles, convert 4 independent contractors to either full-time or retained contractors and move 3 existing team members directly into our music area.

To cover the cost required for this expansion we see losses in the first two years (2021 **-\$550k** and 2022 **-\$2.0m**) that peak at a cash lowpoint of **-\$2.6m** before 2022 and beyond become profitable with the initial outlay breaking even in Q4 of 2023 - this is isolating new income and expenditure to demonstrate it can stand on its own merits financially.

Combined with all our music activities 2021 (\$5.4m) sees an increase in profit compared to 2020 (\$4.9m) profit, before there is a significant increase in overall profit in 2022 of \$10.3m and further annual increases beyond that.



USD	2018	2019	2020	2021	2022	2023	2024	2025	Total
<b>Income</b>									
Hillsong Music & Resources	\$ 12,680,771	\$ 11,477,000	\$ 12,806,173	\$ 14,086,790	\$ 14,791,130	\$ 15,300,686	\$ 16,307,220	\$ 17,122,581	\$ 90,644,581
Hillsong Publishing	\$ 7,816,789	\$ 10,289,000	\$ 10,575,629	\$ 11,631,191	\$ 12,214,851	\$ 12,825,594	\$ 13,466,873	\$ 14,140,217	\$ 74,856,355
Hillsong Touring & Merch	\$ 2,399,004	\$ 29,903,000	\$ 626,000	\$ 14,951,500	\$ 29,901,000	\$ 32,893,300	\$ 36,187,630	\$ 39,800,893	\$ 154,357,323
IO Music	\$ -	\$ -	\$ -	\$ 1,980,000	\$ 3,638,500	\$ 5,960,000	\$ 6,825,000	\$ 7,896,500	\$ 26,300,000
IO Publishing	\$ -	\$ -	\$ -	\$ 383,296	\$ 1,507,178	\$ 2,460,952	\$ 2,818,120	\$ 3,260,555	\$ 10,425,301
IO Touring & Artist Management	\$ -	\$ -	\$ -	\$ -	\$ 15,360,000	\$ 19,200,000	\$ 24,000,000	\$ 30,000,000	\$ 88,560,000
IO Resources & Merch	\$ -	\$ -	\$ -	\$ 750,000	\$ 3,000,000	\$ 5,250,000	\$ 7,875,000	\$ 9,843,750	\$ 26,718,750
<b>Total</b>	<b>\$ 22,896,564</b>	<b>\$ 51,669,000</b>	<b>\$ 24,007,801</b>	<b>\$ 43,784,778</b>	<b>\$ 80,409,859</b>	<b>\$ 94,120,531</b>	<b>\$ 107,471,844</b>	<b>\$ 122,064,496</b>	<b>\$ 471,862,310</b>
<b>Gross Profit</b>									
Hillsong Music & Resources	\$ 8,799,120	\$ 8,182,103	\$ 9,352,850	\$ 10,288,115	\$ 10,802,542	\$ 11,341,669	\$ 11,909,803	\$ 12,505,293	\$ 66,201,293
Hillsong Publishing	\$ 2,447,826	\$ 3,643,000	\$ 3,017,034	\$ 3,318,738	\$ 3,484,675	\$ 3,658,908	\$ 3,841,854	\$ 4,033,946	\$ 21,355,155
Hillsong Touring & Merch	\$ 2,346,114	\$ 9,552,000	\$ 565,000	\$ 4,776,000	\$ 9,552,000	\$ 10,507,200	\$ 11,557,920	\$ 12,713,712	\$ 49,671,832
IO Music	\$ -	\$ -	\$ -	\$ 681,245	\$ 1,354,138	\$ 2,172,565	\$ 2,587,930	\$ 2,931,678	\$ 9,727,756
IO Publishing	\$ -	\$ -	\$ -	\$ 95,824	\$ 524,400	\$ 890,005	\$ 1,160,486	\$ 1,377,904	\$ 4,148,620
IO Touring & Artist Management	\$ -	\$ -	\$ -	\$ -	\$ 6,144,000	\$ 7,680,000	\$ 9,600,000	\$ 12,000,000	\$ 35,424,000
IO Resources & Merch	\$ -	\$ -	\$ -	\$ 300,000	\$ 1,200,000	\$ 2,100,000	\$ 3,150,000	\$ 3,937,500	\$ 10,687,500
<b>Total</b>	<b>\$ 13,593,060</b>	<b>\$ 21,577,103</b>	<b>\$ 12,934,885</b>	<b>\$ 19,459,942</b>	<b>\$ 33,061,955</b>	<b>\$ 38,351,348</b>	<b>\$ 43,907,992</b>	<b>\$ 49,500,034</b>	<b>\$ 197,216,156</b>
<b>Expenses</b>									
<b>Hillsong Music &amp; Resources 84.82%</b>									
Operational	\$ 1,425,946	\$ 1,671,103	\$ 1,363,788	\$ 1,431,973	\$ 1,503,572	\$ 1,578,750	\$ 1,657,688	\$ 1,740,572	\$ 9,276,339
Staffing	\$ 2,415,682	\$ 2,831,000	\$ 3,168,460	\$ 3,326,883	\$ 3,493,227	\$ 3,667,889	\$ 3,851,283	\$ 4,043,847	\$ 21,551,589
<b>Hillsong Publishing</b>									
Operational	\$ 564,453	\$ 654,000	\$ 711,000	\$ 746,550	\$ 783,878	\$ 823,071	\$ 864,225	\$ 907,436	\$ 4,836,160
Staffing	\$ 509,716	\$ 590,000	\$ 638,000	\$ 669,900	\$ 703,195	\$ 738,565	\$ 775,493	\$ 814,268	\$ 4,339,620
<b>Hillsong Touring &amp; Merch</b>									
Operational	\$ 2,422,850	\$ 6,679,000	\$ 423,000	\$ 3,639,988	\$ 6,679,000	\$ 7,346,900	\$ 8,081,590	\$ 8,897,949	\$ 35,060,227
Staffing	\$ 493,494	\$ 1,195,000	\$ 1,136,000	\$ 1,136,000	\$ 1,195,000	\$ 1,314,500	\$ 1,445,950	\$ 1,590,545	\$ 7,817,995
<b>IO Music &amp; Publishing &amp; Touring</b>									
Operational	\$ -	\$ -	\$ 150,650	\$ 1,181,780	\$ 1,398,114	\$ 1,639,758	\$ 1,810,147	\$ 1,998,986	\$ 8,181,834
Tours & Artist Management	\$ -	\$ -	\$ -	\$ -	\$ 3,993,600	\$ 4,992,000	\$ 6,240,000	\$ 7,800,000	\$ 23,025,600
Staffing (all IO Staffing)	\$ -	\$ -	\$ 338,250	\$ 1,758,900	\$ 2,286,570	\$ 2,972,541	\$ 3,769,795	\$ 3,596,775	\$ 14,222,831
<b>IO Resources &amp; Merch</b>									
Operational	\$ -	\$ -	\$ 60,000	\$ 180,000	\$ 720,000	\$ 1,260,000	\$ 1,890,000	\$ 2,362,500	\$ 6,477,500
<b>Total</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 7,981,144</b>	<b>\$ 14,071,974</b>	<b>\$ 22,756,355</b>	<b>\$ 26,333,974</b>	<b>\$ 29,886,370</b>	<b>\$ 33,744,677</b>	<b>\$ 134,784,695</b>
<b>Net Profit (EBITDA)</b>									
Hillsong Music & Resources	\$ 4,957,492	\$ 3,880,000	\$ 4,820,607	\$ 5,529,129	\$ 5,805,743	\$ 6,096,031	\$ 6,400,832	\$ 6,720,674	\$ 35,373,365
Hillsong Publishing	\$ 1,374,156	\$ 2,999,000	\$ 1,567,340	\$ 1,902,288	\$ 1,997,402	\$ 2,097,272	\$ 2,202,136	\$ 2,312,343	\$ 12,178,880
Hillsong Touring & Merch	\$ (2,111,730)	\$ 1,679,000	\$ (894,133)	\$ 12	\$ 1,678,000	\$ 1,845,800	\$ 2,030,380	\$ 2,233,418	\$ 6,793,610
IO Music Publishing & Touring	\$ -	\$ -	\$ (486,950)	\$ (143,951)	\$ 344,254	\$ 1,138,271	\$ 2,128,274	\$ 2,913,822	\$ 3,870,110
IO Resources & Merch	\$ -	\$ -	\$ (120,000)	\$ 120,000	\$ 480,000	\$ 840,000	\$ 1,260,000	\$ 1,575,000	\$ 4,215,000
<b>Total Net Profit</b>	<b>\$ 5,821,418</b>	<b>\$ 7,957,000</b>	<b>\$ 4,943,245</b>	<b>\$ 5,387,968</b>	<b>\$ 10,305,399</b>	<b>\$ 12,017,374</b>	<b>\$ 14,021,622</b>	<b>\$ 15,755,357</b>	<b>\$ 62,430,966</b>
<b>IO Cash Flow Position</b>									
			\$ 1,200,000	\$ 2,400,000	\$ 208,014	\$ 3,596,788	\$ 8,085,110	\$ 8,085,110	\$ 8,085,110

## Budget 2020-25

This budget represents the combination of Hillsong Music, Resources, Publishing and Touring with new *iØ* projects. I have left the areas separate for illustrative purposes, but we will look to consolidate different departments and gain efficiencies of building from the same platform.

- + 2020 & 2021 experience severe COVID disruption to touring for Hillsong, returning back to 2019 levels in 2022 in 2020 there is a **-\$2.87m** swing in profits.
- + 2020 & 2021, looking at *iØ* activities on their own, run at losses combined at **-\$2.6m** (our cash lowpoint).
- + Consolidated net profit in 2021 is \$5.4m, and increase on 2020's \$4.9m.
- + 2022 and beyond are profitable years
- + We achieve an overall break even in Q4 of 2023.
- + At the end of 2025 we are performing at an EBITDA run rate of \$4.5m for *iØ* isolated, and \$15.8m consolidated.
- + *iØ*'s cash position at the end of 2025 is \$8.1m.

Note: Touring Income 2018 does not include ticket sales as that information was unavailable at the time.





## **iØ Music Operating Costs and Staffing Costs**

- + Orange County Office Space: Stage 1 of the office fit out in OC is already underway in 2020. Stage 2 & 3 will be carried out in 21 & 22;
- + Staffing headcount will gradually grow at 30% from 2021-23, then 10% for 24 and 25.
- + Annual budgets would be set in conjunction with Hillsong's current processes and oversight
- + 2020 Staffing cost has been listed at \$25% as new hires will have staggered starts over the rest of 2020 as we interview and agree on suited candidates
- + This excludes \$60,000 in expenses in iØ Resources and Merch.

<b>Costs - USD</b>	<b>Staffing Cost</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>	<b>2024</b>	<b>2025</b>
Office Fit Out - OC		\$ -	\$ 150,000	\$ 100,000	\$ -	\$ -	\$ -
Operational Costs		\$ 50,000	\$ 240,000	\$ 312,000	\$ 405,600	\$ 446,160	\$ 490,776
Legal & Professional Services		\$ -	\$ 100,000	\$ 115,000	\$ 132,250	\$ 152,088	\$ 174,901
Management Travel		\$ -	\$ 200,000	\$ 260,000	\$ 338,000	\$ 371,800	\$ 408,980
Other Staffing Costs		\$ 35,000	\$ 140,000	\$ 154,000	\$ 169,400	\$ 186,340	\$ 204,974
Staffing Taxes & Costs		\$ 67,650	\$ 351,780	\$ 457,314	\$ 594,508	\$ 653,959	\$ 719,355
<b>Total Operating Costs</b>		<b>\$ 152,650</b>	<b>\$ 1,181,780</b>	<b>\$ 1,398,314</b>	<b>\$ 1,639,758</b>	<b>\$ 1,810,347</b>	<b>\$ 1,998,986</b>
<i>Staffing % Growth</i>		<i>25% of New Hires</i>	<i>30%</i>	<i>30%</i>	<i>30%</i>	<i>10%</i>	<i>10%</i>
<b>New Staffing Costs</b>	<b>\$ 1,353,000</b>	<b>\$ 338,250</b>	<b>\$ 1,758,900</b>	<b>\$ 2,286,570</b>	<b>\$ 2,972,541</b>	<b>\$ 3,269,795</b>	<b>\$ 3,596,775</b>
Headcount	25	25	31	40	52	58	63
<b>Total Combined Costs</b>		<b>\$ 490,900</b>	<b>\$ 2,940,680</b>	<b>\$ 3,684,884</b>	<b>\$ 4,612,299</b>	<b>\$ 5,080,142</b>	<b>\$ 5,595,760</b>



## PERSONNEL FOR iØ STAGE 1: 2020

New Roles / Directly focused on Music						Existing Roles / Move Under Agency		
Art & Design	Marketing & Social Media		Creation	Projects & People		Design	Social	Digital
Emile Freeman Art Director \$120-150,000	Jorden Hughes Social Strategy IC to FTE. +\$34,000	TBC Marketing Director \$120-\$150,000	Nathaniel Redekop Visual Director (Move - Hillsong TV)	TBC People Assist \$50,000	TBC Business Manager \$70,000	Nathan Cahyadi Design Director	Adam Moore Social - Hillsong	Adam Smith Digital Director
TBC Design Director \$70,000	TBC Social - Hillsong Worship \$55,000	Steven Lester Marketing - Music IC to FTE. +20,000	Ben Whincop Mixing Engineer IC to Retainer +\$27,000	Johannes Shore Artist Manager (Move Hillsong Publishing)	Alicia Simla Project Manager \$60,000		Anthony Thompson Social - BCH	Yasmin Hingston Web Developer
TBC Social Designer \$60,000	TBC Social - United & Ambassadors \$55,000	TBC Social Video Producer \$60,000	Sam Gibson Mixing Engineer IC to Retainer +\$42,000	Cam Gullo Artist Manager \$65,000	TBC Digital Content PM \$60,000		Katie Randall Social - Colour & Bobbie	Francisco Cabral Digital Ads
	TBC Social - Hillsong Y&F and Ambassadors \$55,000		Ethan Saunders Joint Producer / Audio Engineer \$30,000	TBC - ASR USA Artist Manager \$65,000	Stephanie Martinez Social PM \$70,000		Emily Snowberger Social - College	Maddie Atkins Digital PM
	TBC Social - Artist \$55,000		Adam Cattell Junior Audio Engineer / Studio Oversight \$30,000	Chris Davenport Welcome Home Projects (Move - Hillsong NYC)			Sonya Staines Marketing - Conferences	AJ Malvey Digital Content Project Manager
							Bek Abreu Marketing - Conferences	

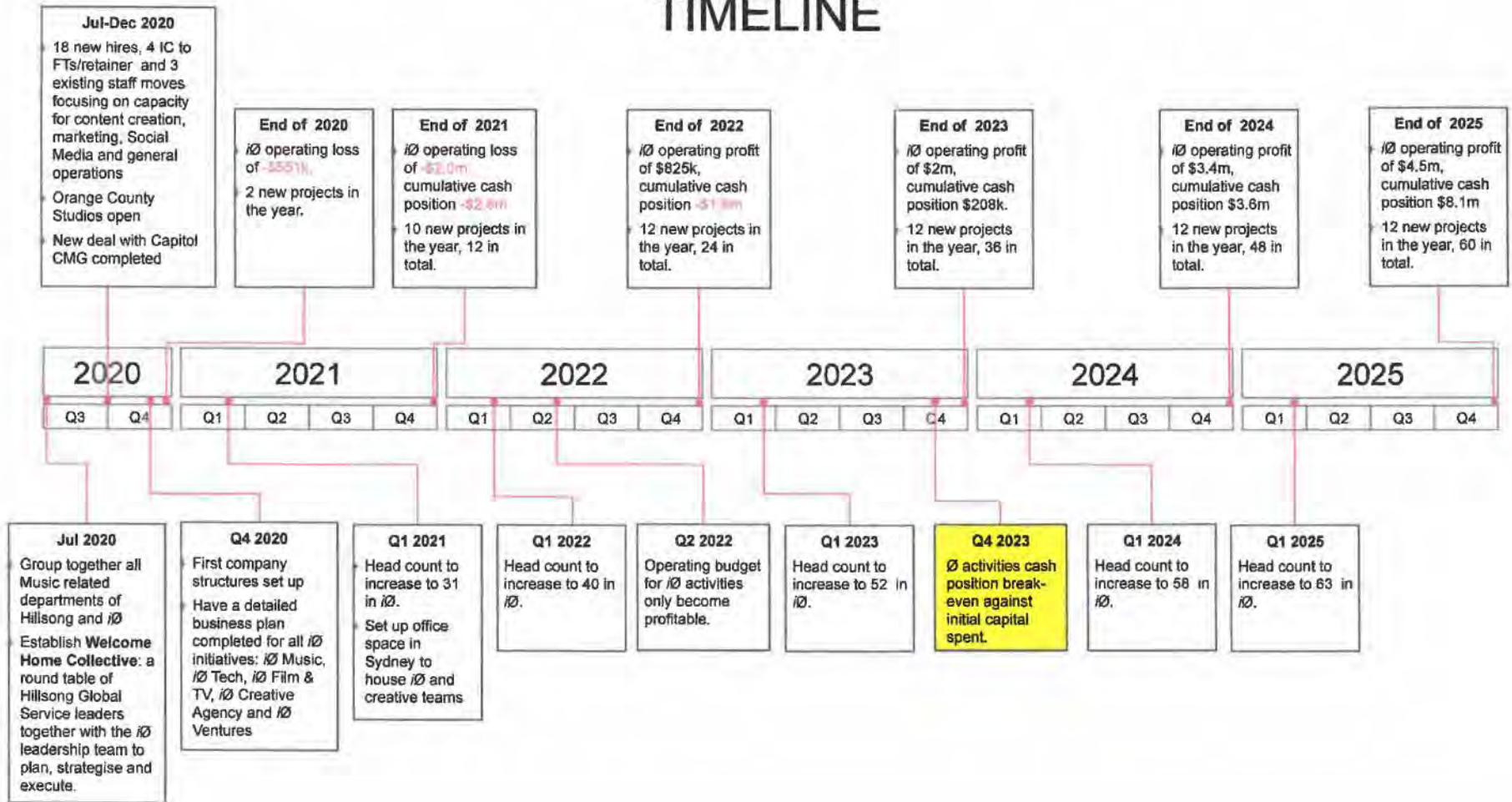
Total: \$1,353,000 p.a. USD (additional spend) Note: Nominated candidates' commitments are yet to be confirmed.

- + 25 roles: 18 new hires, 4 ICs to FT or retainer & 3 existing roles moved over Q3 and Q4 of 2020.
- + Focus and emphasis of first hires has been on content creation, capacity of project management, artist and management, marketing and social media and design.
- + Suggested names for new hires are yet to be confirmed.
- + Some of these hires are to address current gaps in Hillsong Music's capacity, particularly in Social Media.

Existing roles would be brought under the Creative Agency under "Welcome Home Collective" - these roles would continue to dual function - reporting to their existing oversight and being functionally supported by the creative agency.



# TIMELINE







# PART 5:

# POTENTIAL PARTNERS

The corporate structure of *iØ* would allow for strategic partnerships including potential investment of capital and resources to take advantage of opportunities as they arise.

One current important relationship is the one we currently have in place with Capitol Christian Music Group (CCMG) and Hillsong Music. We have commenced discussions with CCMG about what we are trying to achieve through *iØ*.

CCMG have put forward some thoughts on options of how it could look, ranging from an addendum to the current agreement to a whole new Joint Venture.

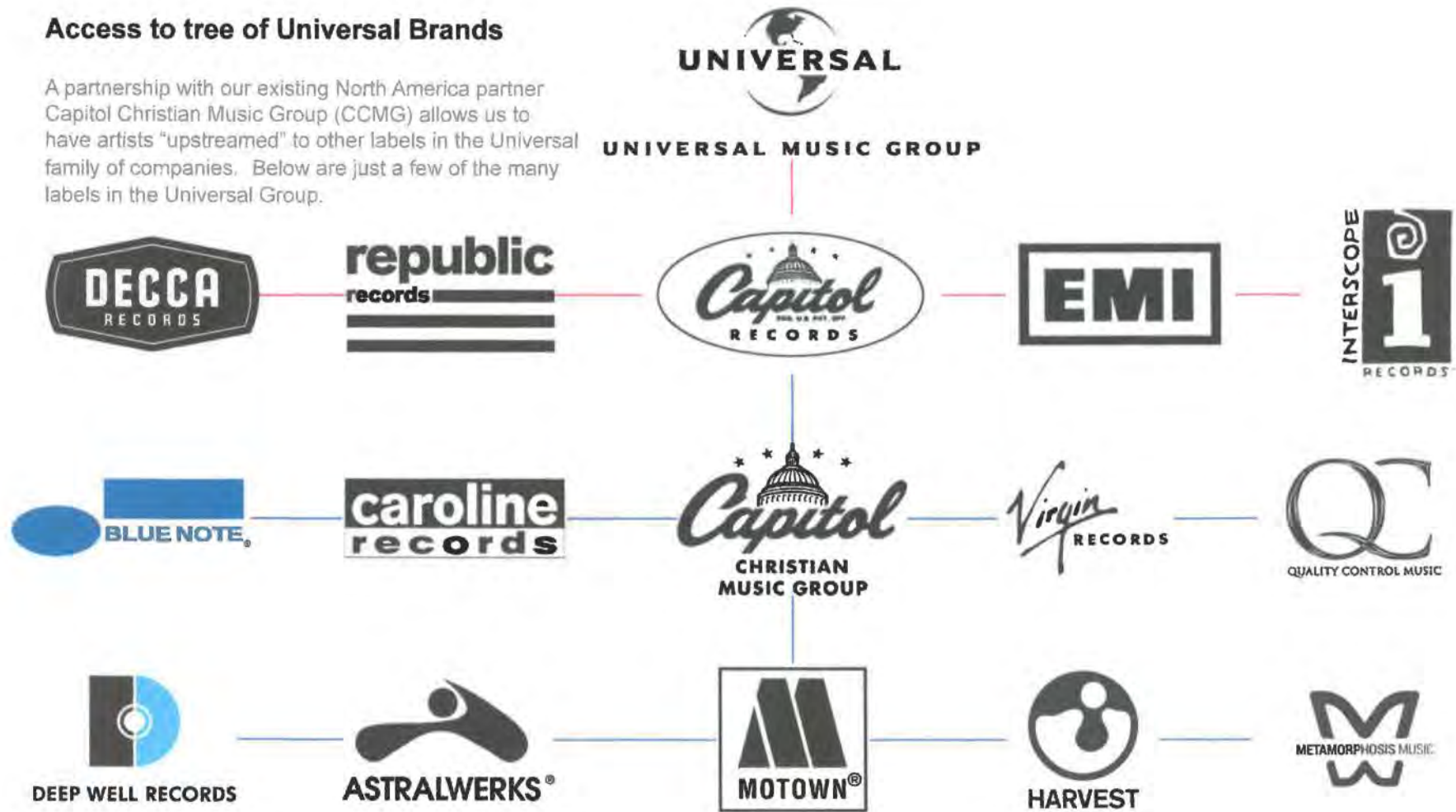
Considerations for us are thinking about our long term strategic interests and whether we are better served by leaving ourselves the option of gaining full independence to distribute our own music in the future once our scale justifies it. This requires future long term planning including investment into the right people well in advance of making such a move.

On the other hand, CCMG through their parents Capitol Music and Universal Music Group present us with the opportunity to maximise potential reach particularly in markets we do not have a track record in such as pop, dance and other genres.



## Access to tree of Universal Brands

A partnership with our existing North America partner Capitol Christian Music Group (CCMG) allows us to have artists "upstreamed" to other labels in the Universal family of companies. Below are just a few of the many labels in the Universal Group.







## Partnership with Capitol Christian Music Group (CCMG)



Capitol Christian Music Group (CCMG) currently have an agreement with Hillsong Music & Resources to distribute our music in North America. The partnership presently provides that:

- + Hillsong owns 100% of the masters, and covers all expenses relating to production costs and paying out royalties;
- + CCMG recover their costs from the top line (income) - in 2019 that represented 26% of income. After CCMG's costs are recovered, profits are split 60% to Hillsong and 40% to CCMG;
- + CCMG have an expectation that any artists that are currently prominent members of Hillsong's music brands that create any christian music projects would be covered under the agreement;
- + Hillsong has a 6 month break clause to the agreement.

We have been in discussions with CCMG about what a relationship with *iD* will look like. CCMG have proposed a joint-venture, where:

- + The possibility of CCMG fronting costs relating to production costs, and artist advances, in return of 50% ownership of the masters. They have also highlighted that if *iD* wants to cover the costs, the masters co-ownership wasn't expected and could remain 100% with *iD* / Hillsong;
- + 50% profit split, after CCMG have recouped their costs;
- + CCMG would have first-look (first right of refusal) at any artist and project, and if a deal was not compatible, we would be free to look for a deal elsewhere. We would want more flexibility where a deal would need to be mutually agreed (since we don't own the artists and they may be better suited to do deals with other labels);
- + The ability to "Upstream" a deal to other Capitol Records labels (and failing that, Universal's other many sub-labels);
- + They have pitched the desire to be a Global distributor (rather than North-America only), citing their credentials in other music genres to help achieve greater traction and synergies with the global DSPs through Capitol Records and Universal Music Groups family of labels; and
- + An option to do an addendum to our existing deal rather than a full JV, allowing a deal by deal tailoring under an overarching terms of agreement;

Key Points for us to explore/consider:

- + If we are to give up any ownership of masters, we would want to put a premium on it (rather than it being in exchange for them fronting the costs), unless it was out of our strength area in other genres and an investment by us may be deemed higher risk, and we would want Capitol to carry the risk. Therefore a deal by deal approach would best serve us;
- + We do not want to limit the potential of an artist finding the best label for them - a mutually agreeable first right of refusal would achieve this for us;
- + Would a deal with Capitol Records (the parent) directly be more beneficial than with CCMG (a sub-sub label of Universal and a sub-label of Capitol), allowing more ease of working with the total brands in the Universal group?
- + Do we want to negotiate an upfront capital injection as a part of a joint venture, to help fund the costs of *iD* establishing - e.g. \$1m per year x 3 years. This would likely come with a need to give up some ownership of Masters on *iD* projects.
- + While the relationship is very beneficial, do we want to leave ourselves the option of breaking away and being fully autonomous as a label in the future - by getting in too deep with a global partnership across the board, we may find this more challenging to break away in the future. One option is to use a Global partnership for *iD* project but maintain a "North-America" only arrangement for Hillsong Music, where we have more potential to grow our market share in emerging markets.



## ASSUMPTIONS / THE MODEL

### TIER 1 PROJECTS

Consumption Figures: 2,500,000 track consumptions over 5 years.

Recoupable Production Advance: \$100,000 USD

Direct Marketing, Selling and Distribution Costs: \$240,000

Tier 1 (USD)	Record Income	Record Profit	Publishing Income	Publishing Profit	Total Income	Total Profit
Year 1	\$ 800,000	\$ 275,250	\$ 141,600	\$ 35,400	\$ 941,600	\$ 310,650
Year 2	\$ 460,000	\$ 199,669	\$ 621,900	\$ 155,475	\$ 1,081,900	\$ 355,144
Year 3	\$ 300,000	\$ 100,219	\$ 299,100	\$ 74,775	\$ 599,100	\$ 174,994
Year 4	\$ 240,000	\$ 104,175	\$ 157,400	\$ 39,350	\$ 397,400	\$ 143,525
Year 5	\$ 200,000	\$ 68,813	\$ 129,500	\$ 32,375	\$ 329,500	\$ 101,188
<b>Total</b>	<b>\$ 2,000,000</b>	<b>\$ 748,126</b>	<b>\$ 1,349,500</b>	<b>\$ 337,375</b>	<b>\$ 3,349,500</b>	<b>\$ 1,085,501</b>

### TIER 2 PROJECTS

Consumption Figures: 1,000,000 track consumptions over 5 years.

Recoupable Production Advance: \$50,000 USD

Direct Marketing, Selling and Distribution Costs: \$96,000 USD

Tier 2 (USD)	Record Income	Record Profit	Publishing Income	Publishing Profit	Total Income	Total Profit
Year 1	\$ 320,000	\$ 110,100	\$ 74,872	\$ 18,718	\$ 394,872	\$ 128,818
Year 2	\$ 184,000	\$ 79,868	\$ 259,248	\$ 64,812	\$ 443,248	\$ 144,680
Year 3	\$ 120,000	\$ 40,088	\$ 121,632	\$ 30,408	\$ 241,632	\$ 70,496
Year 4	\$ 96,000	\$ 41,670	\$ 64,808	\$ 16,202	\$ 160,808	\$ 57,872
Year 5	\$ 80,000	\$ 27,525	\$ 52,340	\$ 13,085	\$ 132,340	\$ 40,610
<b>Total</b>	<b>\$ 800,000</b>	<b>\$ 299,251</b>	<b>\$ 572,900</b>	<b>\$ 143,225</b>	<b>\$ 1,372,900</b>	<b>\$ 442,476</b>

### TIER 3 PROJECTS

Consumption Figures: 250,000 track consumptions over 5 years.

Recoupable Production Advance: \$25,000 USD

Direct Marketing, Selling and Distribution Costs: \$24,000 USD

Tier 3 (USD)	Record Income	Record Profit	Publishing Income	Publishing Profit	Total Income	Total Profit
Year 1	\$ 80,000	\$ 27,525	\$ 17,882	\$ 4,470	\$ 97,882	\$ 31,995
Year 2	\$ 46,000	\$ 19,967	\$ 75,804	\$ 18,951	\$ 121,804	\$ 38,918
Year 3	\$ 30,000	\$ 10,022	\$ 37,160	\$ 9,290	\$ 67,160	\$ 19,312
Year 4	\$ 24,000	\$ 10,418	\$ 19,822	\$ 4,956	\$ 43,822	\$ 15,374
Year 5	\$ 20,000	\$ 6,881	\$ 17,352	\$ 4,338	\$ 37,352	\$ 11,219
<b>Total</b>	<b>\$ 200,000</b>	<b>\$ 74,813</b>	<b>\$ 168,020</b>	<b>\$ 42,005</b>	<b>\$ 368,020</b>	<b>\$ 116,818</b>



# CONSIDERATIONS

We invite the Boards input and feedback in consideration to these key points and any other thoughts and questions not listed:

- The investment of a Stage 1 budget including 18 new hires; 4 Independent Contractors to full time roles or retained contractors; and moving 3 current roles into our music area, along with the operational budget for the remainder of 2020 and 2021. Total cash outlay is **-\$2.6m** in 2020 and 21 and is supported by growth in our overall music organisation meaning 2021 profit levels remain up from 2020 before they significantly grow in 2022 and beyond;
- Input into the organisational and leadership structure proposed, consolidating all music functions under one group led by the *iØ* Executive of Joel Houston and David Bagheri;
- Input into the organisational proposal of having the various missional initiatives such as Tech, Film Studios, Resources, Creative Agency and Ventures come under the leadership of the *iØ* Executive to provide support and shared resources to capitalise on opportunities;
- Company structures and how the For-Profit elements will interact with Hillsong Global - protecting the church in the process;
- Input into the CCMG partnership and their proposal on a relationship with *iØ*.





## **BOARD CONSIDERATION OF THE iØ AND ANOTHERLAND STUDIOS PROPOSALS**

The report serves to facilitate Board discussions and decisions regarding iØ and the Anotherland Studios proposals. These further steps were agreed to at the previous meeting:

*"The Board agreed to support the Hillsong iØ project in principle as presented. Due to time constraints it was agreed further discussion would be had at a subsequent Board meeting. "*

*"The Board agreed to consider the 2021 Budget forecast and to make a decision regarding investment into Hillsong iØ and Hillsong Studios at the next Board meeting. "*

Joel Houston and Dave Bagheri presented the iØ proposal attached in Appendix A. It requested the following direction from the Board:

**1. The investment of a Stage 1 budget** including 18 new hires; 4 Independent Contractors to full time roles or retained contractors; and moving 3 current roles into our music area, along with the operational budget for the remainder of 2020 and 2021. Total cash outlay is **\$2.6m** in 2020 and 21 and is supported by growth in our overall music organisation meaning 2021 profit levels remain up from 2020 before they significantly grow in 2022 and beyond;

[Note to Board] A further \$380k is being requested over 18 months to commence Anotherland Studios as found in Appendix B.

**2. Input into the organisational and leadership structure** proposed, consolidating all music functions under one group led by the iØ Executive of Joel Houston and David Bagheri;

**3. Input into the organisational proposal** of having the various missional initiatives such as Tech, Film Studios, Resources, Creative Agency and Ventures come under the leadership of the iØ Executive to provide support and shared resources to capitalise on opportunities;

**4. Company structures and how the For-Profit elements will interact with Hillsong Global** - protecting the church in the process;

**5. Input into the CCMG partnership** and their proposal on a relationship with iØ.

[Note to Board] Dave has advised the negotiations with CCMG are ongoing and do not yet require Board involvement.



The information in the report below is provided to consider issues regarding finance, governance and finance risk as raised in questions 1 and 4 of the proposal.

To determine Hillsong Global's capacity to support these new initiatives, consideration has been given to Global's current and forecasted financial performance and cash position.

#### **HILLSONG GLOBAL'S FINANCIAL PERFORMANCE**

Hillsong Global's current performance is being impacted by the effects of COVID-19. Tours have been cancelled, student numbers, Channel sponsorship, and the 5% contribution received from our global churches are all effected. Whilst we have reduced expenditure, this does not match the drop in revenue. Fortunately the government stimulus provided in 2020 is keeping the results in surplus, however there is no promised government support for 2021 and we expect the impact to activities will affect us for at least the first six months of next year. Forecasted results are below:

##### **2020 Forecast**

	<b>Budget</b>	<b>Forecast</b>
Operating result	\$1,000,000	-\$3,180,000
Government support		\$3,799,000
Surplus incl. government support		\$619,000

##### **2021 Forecast**

Deficit range                      \$1,859,000 to                      -\$3,175,000

The details and assumptions that inform the 2021 forecast can be found in Appendix C.

We are working on measures to improve next year's results. We will present these to the Board along with updated forecasts as the year progresses.

**The financial position forecasted for 2021 highlight that the operating results will not generate the funds required for the investment into iØ or Anotherland Studios.**

##### **2022 Forecast**

We anticipate revenue streams will have restored to normal by 2022 and therefore expect the budget to again be in surplus. Joel is also working on additional worship projects that could see an upside in music revenue.





## CASHFLOW

The forecasted cash position for next year indicates we will start the year with a cash balance that exceeds working capital by \$1.1M. Due to the forecasted deficits and other cash needs, **we are projecting a cash shortfall in 2021 of between \$1.7M and \$2.9M.**

We will keep working to improve the cash position and will update the Board on the progress.

The details that inform the 2021 cash forecast can be found in Appendix D.

### Funding for *iØ* and Anotherland Studios

The funding requested is:

	Investment	Period	Payback
<i>iØ</i>	2,600,000	18 months	24 months
Anotherland Studios	380,000	18 months	tbc
<b>Total</b>	<b>2,980,000</b>		<b>27 months</b>

When considering the source of the \$3M investment, two things are clear:

- Hillsong Global does not have cash reserves nor the operating surplus to underwrite this.
- Hillsong Global relies on the surpluses generated through music sales & publishing to fund its activities. These revenue streams need to continue to fund Global activities and cannot be diverted to fund *iØ* or Anotherland Studios. The funds necessary to fund *iØ* will need to be secured from a bank.

### Recommended funding source - debt

We propose that *iØ* borrows in the US against the profits earned through our existing music and publishing surpluses which are housed in HMR LLC and Hillsong Publishing LLC. Security could be given against the Newport Property which is currently freehold and worth \$2.6 - \$2.8M.

We have placed the Connecticut property development on hold at this point and anticipate this is the only debt Hillsong Global will be carrying.

### Decisions for the Board

- Whether *iØ* and Anotherland Studios proceed with their proposals based on investing \$2.6M and \$380k respectively over the next 18 months.
- Whether *iØ* borrows the funds required and that Hillsong Music and Hillsong Publishing will underwrite the loan with Newport being offered as security if required.

### Note:

The Board is responsible to ensure that each Global entity is operating as a going concern; in other words, there is sufficient cash inflows to meet outgoings. In making these decisions, you are relying on the understanding that Global's financial performance will strengthen as the impact of COVID-19 diminishes to the point that cash inflows meet outgoings. And if this does not occur prior to the end of 2021, further austerity measures will be implemented to ensure Hillsong Global will meet its commitments.



**COMPANY STRUCTURES AND HOW THE FOR-PROFIT ELEMENTS WILL INTERACT WITH HILLSONG GLOBAL**

Advice is being sought regarding the simplest and most appropriate organisational structure that can be used to house the activities.

In each country, it is likely to be a combination of entities for Christian resources (mostly charitable) and for-profit entities for mainstream projects.

**Entities for Christian Resources**

Entities are already in place for Christian Resources in Australia (Hillsong International Trust), the USA (HMR LLC) and the UK (HMTR).

**Surpluses from the current activities are required for the Hillsong Global to meet its financial commitments; therefore, the organisational structure needs to include assurance that the current surpluses are retained.** This can be achieved three ways:

- a. The Global Board remains the Board over existing entities, thereby directing revenue flows.
- b. A sub-set of the Global Board be established, comprising of the non-pastoral members to release the Pastoral members from the commercial responsibilities.
- c. A new i/o Board is appointed over existing entities which will operate with a level of autonomy like our Global Churches. They will make financial commitments to Global for the surpluses required. However, how the funds are spent will not be under direct Global Board control as is the case currently.

Whilst a new Board can be appointed over the US and UK entities, this is very difficult to achieve a new Board over Australian activities as these are currently housed within the Hillsong International Trust alongside other global activities and would require significant work to separate the Music activities into a new entity.

**For-Profit Entities**

A similar decision needs to be made regarding for-profit entities that will be set up in these countries to house mainstream releases.

Dave and Joel's response to this question of Board composition was:

*.... our preference would be to remain under the governance of the Global Board. There was a discussion point between us about whether we needed to create some separation/independence on our for-profit activities and entities (with the 25% rule). I think provided we can answer those questions to protect church, in reality I would want to remain accountable to GA and BCH and the Global Board for all that we do, not just the existing.*



### **Safeguards for the investment**

In reference to the comments quoted above by Joel and Dave, they would like to remain under the covering of the Global Board and be accountable to Brian Houston and George Aghajanian. In light of this we need to confirm to them that the Board is happy for them to operate in a similar fashion to all other global departments where they will prepare and submit a budget and be accountable to the Board for their performance. Their results will be reviewed at each Board meeting.

### ***Decisions for the Board***

The Board needs to decide the board compositions of the new entities as outlined in options a., b. or c. listed above for both Christian and mainstream releases.





**Appendix B**

Ben and I have been discussing the Studios proposal that went before the board and Ben has come up with a lower cost model for the next 18 months that can get us started in this space while putting less at risk than originally proposed. I have attached the 18-month monthly breakdown of costs. Some things have been stripped out but we feel we can still gain the traction we need with this budget and give us some runway to look to secure a first look deal with a company like Netflix.

We would propose to put some 6-month milestones in there also, so the Board feels there are controls in place to assess whether we are headed in the right direction as we go, again to reduce the financial risk. It would be \$126,667 in 2020, and \$253,333 in 2021.

I personally feel it is an exciting opportunity and will commit to working with Ben to support him as we venture into this new space.

Expenses - Hillsong Studio	18 Month	Jul-20	Aug-20	Sep-20	Oct-20	Nov-20	Dec-20	2020 Total
Studio Executive (Kyle Benn)	\$ 180,000	\$ 10,000	\$ 10,000	\$ 10,000	\$ 10,000	\$ 10,000	\$ 10,000	\$ 60,000
Assistant/Administrator	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Development (Script development, Writers Fees)	\$ 100,000	\$ 5,556	\$ 5,556	\$ 5,556	\$ 5,556	\$ 5,556	\$ 5,556	\$ 33,333
Legal (California jurisdiction - Entertainment)	\$ 60,000	\$ 3,333	\$ 3,333	\$ 3,333	\$ 3,333	\$ 3,333	\$ 3,333	\$ 20,000
Office/Meeting Space (LA)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Hospitality	\$ 10,000	\$ 556	\$ 556	\$ 556	\$ 556	\$ 556	\$ 556	\$ 3,333
Travel	\$ 20,000	\$ 1,111	\$ 1,111	\$ 1,111	\$ 1,111	\$ 1,111	\$ 1,111	\$ 6,667
General Expenses	\$ 10,000	\$ 556	\$ 556	\$ 556	\$ 556	\$ 556	\$ 556	\$ 3,333
<b>Total</b>	<b>\$ 380,000</b>	<b>\$ 21,111</b>	<b>\$ 21,111</b>	<b>\$ 21,111</b>	<b>\$ 21,111</b>	<b>\$ 21,111</b>	<b>\$ 21,111</b>	<b>\$ 126,667</b>

Jan-21	Feb-21	Mar-21	Apr-21	May-21	Jun-21	Jul-21	Aug-21	Sep-21	Oct-21	Nov-21	Dec-21	2021 Total
\$ 10,000	\$ 10,000	\$ 10,000	\$ 10,000	\$ 10,000	\$ 10,000	\$ 10,000	\$ 10,000	\$ 10,000	\$ 10,000	\$ 10,000	\$ 10,000	\$ 120,000
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
\$ 5,556	\$ 5,556	\$ 5,556	\$ 5,556	\$ 5,556	\$ 5,556	\$ 5,556	\$ 5,556	\$ 5,556	\$ 5,556	\$ 5,556	\$ 5,556	\$ 66,667
\$ 3,333	\$ 3,333	\$ 3,333	\$ 3,333	\$ 3,333	\$ 3,333	\$ 3,333	\$ 3,333	\$ 3,333	\$ 3,333	\$ 3,333	\$ 3,333	\$ 40,000
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
\$ 556	\$ 556	\$ 556	\$ 556	\$ 556	\$ 556	\$ 556	\$ 556	\$ 556	\$ 556	\$ 556	\$ 556	\$ 6,667
\$ 1,111	\$ 1,111	\$ 1,111	\$ 1,111	\$ 1,111	\$ 1,111	\$ 1,111	\$ 1,111	\$ 1,111	\$ 1,111	\$ 1,111	\$ 1,111	\$ 13,333
\$ 556	\$ 556	\$ 556	\$ 556	\$ 556	\$ 556	\$ 556	\$ 556	\$ 556	\$ 556	\$ 556	\$ 556	\$ 6,667
<b>\$ 21,111</b>	<b>\$ 21,111</b>	<b>\$ 21,111</b>	<b>\$ 21,111</b>	<b>\$ 21,111</b>	<b>\$ 21,111</b>	<b>\$ 21,111</b>	<b>\$ 21,111</b>	<b>\$ 21,111</b>	<b>\$ 21,111</b>	<b>\$ 21,111</b>	<b>\$ 21,111</b>	<b>\$ 253,333</b>

Thanks  
Dave



supported by IØ's leadership and admin team, and we provide day to day manager support, as well as access to new artists that are a part of our ecosystem. The management commission is 18-20% of all of the artists earnings.

### **CCMG Joint Venture**

We have secured a joint venture with Capitol Christian Music Group with worldwide distribution support. The partnership means that the CCMG team as well as the IØ team are there to support artists to distribute and market their projects. CCMG will cover the production and advance costs on all artist deals, mutually decided by both parties. They administrate royalties and profits are shared between IØ and CCMG on a 50%/50% basis. For artists that want to target mainstream markets – access to Capitol Records and their affiliated labels is provided for under the same commercial terms of the agreement. Capitol has first right of refusal on any managed artist, and artists have final say on whether they want to proceed with Capitol or explore other label options.

### **Touring Booking Agent**

Luke Webb is heading up a new booking agent service through IØ. Booking agents typically charge artists 10% of gross revenue on all tour revenue and are responsible for the planning booking of tour dates, venues, promoters, merchandise and sponsorship opportunities.

### **IØ Artist Projects**

Alexander Pappas – has released his first EP in October 2021, with 5 original songs. He is currently working on his second EP due for release in early 2022. He is signed to our management, label JV as well as our publishing.

Ben Hastings – has released 3 singles in October 2021. He is currently working on an additional 5 songs to compile his first full album project. Ben has also had his initial tour in the US with events held in local church venues with capacities up to 1,000 seats, co-headlined with Cory Ashbury, another artist. He is signed to our management, label JV and publishing.

TAYA – is currently finalising her full album project, preparing for launch in February 2022. She is also planning on touring her album at some mid-size venues in between United Tours in 2022. She is currently in final stages of negotiating her label deal with our JV and publishing. She is under IØ Management.

Brooke Ligertwood – recorded a solo-project called seven in November 2022. She has run the project independently, but is in late stage negotiations to sign her publishing to IØ for the project.

### **New artists with projects in 2022:**

Ben Tan (Sydney) – in discussions

Melodie Wagner (London) – in discussions

Charlotte Adelle (Sydney) – agreed to management (finalising agreements)

Josh K (Sydney) – agreed to management (yet to sign)

Debbie Dawson (San Francisco) – in discussions

Mattaus (London) – agreed to management (yet to sign)

Aodhan King (LA) – independent management, exploring label and publishing deals with us.

## **SOUTHLAND STUDIOS**

**Jesus Music** – feature film created by the Erwin brothers. Southland received a producers credit on the film, released in Cinemas in October 2021, for support with marketing and production.

**Black Ops** – has provisionally received an offer of funding for \$35m. Currently we are negotiating terms with the funder as well as securing talent for the project. Southland's role will be producing the film, with Ben Field and Kyle Benn co-producing the project.

**Film Fund** – we are working with a fundraising advisor who is supporting us to establish our first film fund of \$40-50m, which will allow us to create our first few projects. The business model and funding prospectus is currently being finalised.

## **IØ AGENCY**

We have been developing an in-house marketing agency that can support the various needs of Hillsong and its ministries, as well as IØ initiatives. We have brought together Larry Hubatka, an external consultant that has run a sports and entertainment agency for 5 years (Tiny Horse) as well as being the Creative Head of Elevation Church for 10 years, and Rob Beach to co-lead the agency. Rob will bring his current digital and tech responsibilities and join them with our internal communications department, as well as other brand leads across Hillsong music and other areas. The initial focus has been on restructuring internal teams and starting with ways we can improve our revenue for Hillsong music. Existing teams will continue to maintain existing internal responsibilities – bringing the team together will create efficiencies and synergy.

## **IØ BOOK PUBLISHING**

We have recently established a new book publishing initiative that is being led by Graham Williams and Carlos Darby (recently joining us from Harper Collins UK).

They are in the process of identifying suitable titles for our first 10 projects in the next two years, ranging from leadership books to resources such as Kids and Youth bibles.

## **IØ VENTURES**

**Creatr** – is a new venture co-founded and funded by Scott Ligertwood and Dylan Thomas. It is focused on resources and content creation in the creative spaces in church communities. Creatr gifted IØ 10% founders equity. They are going through a series A investment raise at a \$10m valuation. The business has already got over 2,000 paid monthly subscribers.

**IØ Venture Fund** – Ranjy Thomas, based in Portland, has a long association with Hillsong from his wife Shine, who grew up in our church in Sydney. He is a successful Christian businessman and has been a strong support of IØ in the last two years, helping introduce many partners and organisations to our team. He is helping us think through how best to put a venture fund together with external like minded kingdom investors, to give us the resources we need to be

able to build, develop and acquire tech, applications, platforms or other business initiatives that have strategic alignment with our organisation and/or our strengths.

### **IØ Finance overview**

New recruitment leading to higher IØ payroll costs will be partially offset in 2022 by increasing income from the CCMG agreement, and IØ Artist JV income (Management fee).

Internal (transfer) income for Studio, Tours & Agency will be reliant on service agreements with IØ artists. These offerings will then be rolled out to 3<sup>rd</sup> parties once the business models have been tested. Charge rates are expected to contribute a margin (eg cost +25% for IØ artists in Studio) in addition to cost recovery. The model for charge-back of central IØ Admin costs and support contributions to the IØ business units is being developed.

### **Music & Publishing**

The budgeted music and publishing income has been structured on estimates of project income in line with previous projects and industry understanding. There will be limited personnel expenditure on new positions for IØ music and publishing. Artist management costs will be partially recouped from the IØ Artist JVs.

Full artist schedule and the timing of forward projects past Q1 2022 are unconfirmed past the eleven identified above. The budget has conservatively only included twelve IØ artist projects through to Q4 2022. Allowing for timing of receipts, these projects will provide returns of approximately \$550k GP from music sales and \$120k GP from publishing. Due to the structure of the agreement with CCMG, the up-front cost in relation to this income is minimal. Wherever other IØ business units are engaged in support of this activity (eg IØ Agency, or Studio), these transfers will generate cost recovery over and above the budgeted GP.

### **Southland Studios**

Ongoing expenditure is required to support the initial business case. This is expected to result in producer fees (3-5% of total production budget) once individual film projects commence draw-down. The first instalments for 'Black Ops' are anticipated in 2022 but timing has not yet been confirmed.

Capital contribution and income receipts for the Film Fund and any resulting film projects will be accounted for in separate structures (ie LLC for each project).

### **IØ Touring & Booking**

Four tours have been budgeted for, with estimated Gross Margins of \$1m (2x tier 1) and \$250k (2x tier 2). No outlay from IØ is expected with the IØ Artist JV receiving fees of 2x \$200k & 2x \$50k, for a total of \$500k.

Timing of IØ Artist touring depends significantly on Artist/manager discretion, with non-tour, non recording activity (eg conferences) also impacting an Artist's schedule. Tour Booking agent activity and income is anticipated, but is not budgeted for in 2022.

### **Studio operations**



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The studio is expected to operate under business as usual conditions in support of existing Hillsong brands. While no income has been budgeted, demand for studio services is expected to be generated as new IØ Artists are signed.

Internal (eg Hillsong Worship), IØ and 3<sup>rd</sup> party charge rates are in development. The charge rates have been constructed to offset Studio operating costs (eg recording studio depreciation, recording engineer salaries). IØ and External charge rates have been set at cost +25% and cost +50% respectively to contribute to IØ surplus in addition to the cost recovery.

#### **Agency**

Full cost recovery from Internal (HS) and IØ JV clients is anticipated in 2022, with expenditure as per existing IØ positions and the existing business case. No additional 3<sup>rd</sup> party income has been budgeted for in 2022, but may eventuate once synergies which allow existing team members to be deployed to this have been identified.

#### **Merch**

IØ Merchandise income (and COS expenditure) has not been budgeted for in 2022, however external sales would provide management fee income through IØ Artist JVs.

<b>Summary of IO Group against Baseline</b>			
	<b>2020</b>	<b>2021</b>	<b>2022</b>
HMR/Publishing/Tours 2022 Result	\$ 5,933,717	\$ 5,640,314	\$ 9,885,882
<b>Baseline</b>		<b>-\$ 6,900,000</b>	<b>-\$ 6,900,000</b>
Surplus/(Deficit) of Baseline		-\$ 1,259,686	\$ 2,985,882
IO Result	-\$ 67,376	-\$ 1,558,848	-\$ 2,707,790
Accum	-\$ 67,376	-\$ 2,885,910	-\$ 2,607,818
Interest expense 18 months		-\$ 106,779	-\$ 106,779
Artist Management costs (JG) 2022 TBC			-\$ 617,000
Accumulative Result including baseline	<b>-\$ 67,376</b>	<b>-\$ 2,992,688</b>	<b>-\$ 3,331,597</b>
<b>Loan Facility</b>		<b>\$ 3,000,000</b>	<b>\$ 3,000,000</b>

