



## **SPANISH UNION OF CHURCHES**

FINANCIAL STATEMENTS

31 DECEMBER 2023 and 2022



To the Executive Committee  
Unión de Iglesias Cristianas Adventistas de España (UICASDE)  
Calle Fernando Rey 3  
28223 Pozuelo de Alarcón  
Madrid, Spain

### **Opinion**

We have audited the unconsolidated financial statements of Unión de Iglesias Cristianas Adventistas de España (UICASDE) (Organisation), which comprise the unconsolidated statements of financial position as at 31 December 2023 and 2022 and the unconsolidated statements of financial activities, unconsolidated statements of changes in net assets, and unconsolidated statements of cash flows for the years then ended, and notes to the unconsolidated financial statements, including a summary of significant accounting policies.

In our opinion, as internal auditors of the General Conference of Seventh-day Adventists, the accompanying unconsolidated financial statements present fairly, in all material respects, the unconsolidated financial position of the Organisation as at 31 December 2023 and 2022, its financial performance and its cash flows for the years then ended in accordance with International Financial Reporting Standards (IFRSs) adopted by the Seventh-day Adventist denomination.

### **Basis for Opinion**

We conducted our audits in accordance with International Standards on Auditing (ISAs), except the ethical requirement for the appearance of independence. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Unconsolidated Financial Statements section of our report. We are independent of the Organisation in accordance with the ethical requirements that are relevant to our audits of the financial statements in Spain, and we have fulfilled our other ethical responsibilities in accordance with these requirements, except the ethical requirement for the appearance of independence, because of our affiliation with the Seventh-day Adventist denomination. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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## **Emphasis of Matter**

Attention is drawn to note 2 to these unconsolidated financial statements regarding the exclusion of balances and transactions of subsidiary entity from these unconsolidated financial statements.

## **Other Matters**

In connection with our audit, we have also issued a report dated 18 February 2025 regarding compliance with the Working Policy of the General Conference of Seventh-day Adventists.

## **Responsibilities of Management and Those Charged with Governance for the Unconsolidated Financial Statements**

Management is responsible for the preparation and fair presentation of the unconsolidated financial statements in accordance with Spanish financial reporting standards adopted by the Seventh-day Adventist denomination, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Organisation's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Organisation or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Organisation's financial reporting process.

## **Auditor's Responsibilities for the Audit of the Unconsolidated Financial Statements**

Our objectives are to obtain reasonable assurance about whether the unconsolidated financial statements as a whole are 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 ISAs 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 these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, 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 Organisation's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by 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 Organisation'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 statements 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 Organisation to cease to continue as a going concern.

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

*General Conference Auditing Service*

18 February 2025

SPANISH UNION OF CHURCHES (UICASDE)  
Unconsolidated Statement of Financial Position  
as at 31 December 2023 and 2022

	Note	Operating Fund	Plant Fund	2023 Total	2022 Total Restated
<b>ASSETS</b>					
<u>Current assets</u>					
Cash	3	152,691	-	152,691	2,384,400
Investments	4	8,275,560	-	8,275,560	4,801,395
Accounts Receivable	5	2,470,446	-	2,470,446	2,111,211
Notes and Loans Receivable (Current)	6	146,534	-	146,534	170,240
Supplies and Prepaid Expense	7	67,036	-	67,036	51,015
Total current assets		<u>11,112,267</u>	<u>-</u>	<u>11,112,267</u>	<u>9,518,261</u>
<u>Property, plant and equipment</u>	8	<u>-</u>	<u>21,700,687</u>	<u>21,700,687</u>	<u>20,270,816</u>
<u>Other assets</u>					
Notes and Loans Receivable - long term	6	2,146,385	-	2,146,385	2,392,868
Miscellaneous Other Assets		51,782	2,400,001	2,451,783	2,450,913
Total other assets		<u>2,198,167</u>	<u>2,400,001</u>	<u>4,598,168</u>	<u>4,843,781</u>
Total assets		<u><u>13,310,434</u></u>	<u><u>24,100,688</u></u>	<u><u>37,411,122</u></u>	<u><u>34,632,858</u></u>
<b>LIABILITIES</b>					
<u>Current liabilities</u>					
Accounts Payable and Accrued Liabilities	10	2,128,065	-	2,128,065	2,645,411
Offering and Agency Accounts	11	130	-	130	-
Notes and Loans Payable	12	-	354,435	354,435	287,205
Total current liabilities		<u>2,128,195</u>	<u>354,435</u>	<u>2,482,630</u>	<u>2,932,616</u>
<u>Other liabilities</u>					
Accounts Payable (non-current)		500	-	500	500
Notes and Loans Payable (non-current)	12	-	2,317,701	2,317,701	2,226,597
Total other liabilities		<u>500</u>	<u>2,317,701</u>	<u>2,318,201</u>	<u>2,227,097</u>
Total liabilities		<u><u>2,128,695</u></u>	<u><u>2,672,136</u></u>	<u><u>4,800,831</u></u>	<u><u>5,159,713</u></u>
<b>NET ASSETS</b>					
Unallocated: Tithe		7,609,832	-	7,609,832	8,432,438
Unallocated: Non-Tithe		1,859,289	-	1,859,289	2,183,072
Allocated Net Assets		1,712,618	-	1,712,618	1,100,620
Invested in Plant Net Assets		-	21,428,552	21,428,552	17,757,015
Total net assets		<u>11,181,739</u>	<u>21,428,552</u>	<u>32,610,291</u>	<u>29,473,145</u>
Total liabilities and net assets		<u><u>13,310,434</u></u>	<u><u>24,100,688</u></u>	<u><u>37,411,122</u></u>	<u><u>34,632,858</u></u>

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

SPANISH UNION OF CHURCHES (UICASDE)  
Unconsolidated Statement of Financial Activity  
for the years ended 31 December 2023 and 2022

	<u>Note</u>	<u>Operating Fund</u>	<u>Plant Fund</u>	<u>2023 Total</u>	<u>2022 Total Restated</u>
<b>OPERATING ACTIVITY</b>					
<u>Earned income</u>					
Net tithe income	20				
Investment Earnings	13	10,588,781	-	10,588,781	9,348,044
Income from activities		85,506	-	85,506	127,920
Building Income	14	695,812	-	695,812	617,623
		233,023	-	233,023	193,311
Total earned operating income		<u>11,603,122</u>	<u>-</u>	<u>11,603,122</u>	<u>10,286,898</u>
<u>Operating expense</u>					
Employee-related expense	15	7,020,566	-	7,020,566	6,438,355
Admin. & general expense	18	674,747	508,626	1,183,373	1,208,459
Evangelism and other dep. exp.	19	773,567	-	773,567	707,334
Other operating expense		392,500	-	392,500	132,500
Total operating expense		<u>8,861,380</u>	<u>508,626</u>	<u>9,370,006</u>	<u>8,486,648</u>
Inc. (decr.) before appropriations		<u>2,741,742</u>	<u>(508,626)</u>	<u>2,233,116</u>	<u>1,800,250</u>
<u>Operating appropriations</u>					
Tithe appropriations received		222,795	-	222,795	219,000
Non-tithe appropriations received		601,002	-	601,002	119,315
Tithe appropriations disbursed		(603,291)	-	(603,291)	(433,170)
Non-tithe appropriations disbursed		(180,118)	-	(180,118)	(156,285)
Net appropriations retained		<u>40,388</u>	<u>-</u>	<u>40,388</u>	<u>(251,140)</u>
Increase (decrease) after oper. approp.		<u>2,782,130</u>	<u>(508,626)</u>	<u>2,273,504</u>	<u>1,549,110</u>
<b>CAPITAL</b>					
Gain from properties sale		-	391,013	391,013	751,652
Other capital income		-	506,564	506,564	153,508
Other capital expense		(33,934)	-	(33,934)	(298,084)
Net capital income/(expense)		<u>(33,934)</u>	<u>897,577</u>	<u>863,643</u>	<u>607,076</u>
Increase (decrease) before transfers		2,748,196	388,951	3,137,147	2,156,186
<b>TRANSFERS</b>					
Between Operating and Property funds		<u>(3,282,586)</u>	<u>3,282,586</u>		
Net increase (decrease) for year		<u>(534,390)</u>	<u>3,671,537</u>	<u>3,137,147</u>	<u>2,156,186</u>
Net assets at beginning of year (as previously stated)		<u>11,716,130</u>	<u>17,757,014</u>	<u>29,473,144</u>	<u>27,316,959</u>
Net assets, end of year		<u>11,181,740</u>	<u>21,428,551</u>	<u>32,610,291</u>	<u>29,473,145</u>

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