



Financial Statements

for the year ended 31 December 2014

Baptist Union of Victoria

ABN: 67 934 884 236

Financial Statements 31 December 2014

Contents

Councillors' Report.....	2
Auditor's independence declaration under section 60.40 of the Australian Charities and Not-for-profits Commission Act	6
Statement of Profit and Loss and Other Comprehensive Income.....	7
Statement of Financial Position.....	8
Statement of Cash Flows.....	9
Notes to the Financial Statements.....	10
Responsible Entity Declaration.....	19
Independent Auditor's Report.....	20

The Baptist Union of Victoria is an entity incorporated under the Baptist Union of Victoria Incorporation Act 1930.

This special purpose financial report covers the body corporate of the Baptist Union of Victoria [BUV] as an individual entity and is presented in Australian currency.

The financial report was authorised for issue by the Executive Council on 28th April 2015.

Principal Office

Level 1, 1193 Toorak Road
Camberwell, Victoria, 3124
(03) 9880 6123
www.buv.com.au

Council Members as at date of this report

T Spicer (Chairman), J Bradshaw, D Bullock, A Demond, S Holt, P Inglis, D Kilker, J Lewis, I Southwood

Union Secretary

I Southwood

Auditors

Saward Dawson
20 Albert Street
Blackburn, Victoria, 3130

Banker

Baptist Financial Services Ltd
Level 1, Cnr Rawson Street & Carlingford Road
Epping, New South Wales, 2121

Baptist Union of Victoria

ABN: 67 934 884 236

Councillors' Report

The Councillors present their report with respect to the results of the Union for the financial year ended 31 December 2014 and the state of the Union's affairs at that date. The Council members in office at the date of this report are:

Mr Trevor Spicer (Chair) B.Bus, CPA, AFAIM, MAICD

Finance Manager and Company Secretary of Mission Enterprises (Victoria) Limited

Former Secretary of the Baptist Union of Victoria

Member of Diamond Valley Baptist Church since 2000

Council member from 1996 to 2005 and since October 2011

Special responsibilities: Council Chair, Chair of Nominations Committee and Council Development Committee

Other boards (current): National Treasurer & National Council member of Australian Baptist Ministries, member of the Budget & Finance Committee & Commission on Religious Freedom – Baptist World Alliance, Treasurer and Council member of Australian College of Optometry, Treasurer and Director of LINK Community Transport, Treasurer Melbourne Prayer Breakfast, Deputy Chairman and Director of Baptist Financial Services Australia Ltd and Mobile Mission Maintenance, Director of The Leprosy Mission Australia, Council Member of Diamond Valley Baptist Church

Mrs Jo-Anne Bradshaw BA GradDipVET; MEd CAHRI

Independent Human Resources Consultant

Twenty years' experience in Human Resources and Organisational Development roles across a number of industries including telecommunications, health and banking & finance. Provided HR consulting services to BU, Whitley College, Global Interaction, Baptist Camping and a number of Baptist churches

Member of Now and Not Yet Baptist Church

Council member since October 2012

Special responsibilities: Council Deputy Chair, Member of Council Development Committee

Rev Daniel Bullock Dip Theol, Adv Dip Min, B.Min, MA Church Leadership

Director of Mission & Ministries of the Baptist Union of Victoria

Senior Pastor at Essendon Baptist Church, Senior Associate Pastor at NewHope Baptist Church, Interim Pastor at Berwick Baptist Church

Member of Albert Park/Port Melbourne Baptist Church

Council member since March 2012

Special responsibilities: Member of Advisory Board, member of Ordination Discernment Group, member of Nominations Committee

Rev Dr Allan Demond B.A. (Hons), M.Div. (Hons), MTh., Ph.D.

Senior Pastor at NewHope Baptist Church and the Executive Director of NewHope Community Care, former Pastor Highfield Baptist Church (eastern Canada), former Educator at Crandall University (eastern Canada)

Past President of the Baptist Union of Victoria

Member of NewHope Baptist Church (since 1995)

Council member from 2001 to 2004 and since October 2013

Special responsibilities: member of Nominations Committee, Adjunct Faculty Member of Whitley College, conference speaker and, freelance strategy/governance consultant

Baptist Union of Victoria

ABN: 67 934 884 236

Councillors' Report continued

Rev Dr Simon Holt DipBS, BTheol, ThM, PhD

Senior Minister at Collins Street Baptist Church since 2010.

Formerly pastor of the Cranbourne Baptist Church; Associate Pastor of the Waverley Baptist Church; Area Pastor for the Association of House Churches in Pasadena California; Director of Academic Development at the Macquarie Christian Studies Institute; Senior Lecturer and Dean of Postgraduate Studies at Whitley College.

Member of Collins Street Baptist Church since 2010.

Council member since May 2014.

Special responsibilities: Adjunct lecturer in spirituality and ethics at Whitley College; Member of Nomination Committee for the BUV.

Other responsibilities: Chair of Advisory Board of Mannagum; Member of Melbourne City Churches in Action; author, conference speaker and consultant on urban and neighbourhood ministry

Mr Paul Inglis B.Ec (Hons), MAICD

Bank Executive

Over twenty five years' experience in the banking industry in payments and economics; five years in government service, including Federal Treasury

Member of Lilydale Baptist Church

Council member since October 2007

Special responsibilities: Chairman of Audit & Risk Committee, member of Council Development Committee

Rev Darryl Kilker BA

Senior Pastor, Pakenham Baptist Church since 2008

Prison Fellowship, 1980-1991

Attended Ouachita Baptist University, USA

Pastoring various Baptist Church's since 1982

Lead short mission trips to Mexico and Philippians

Partnered in three church plants

Member of various committees: local government, school and small college boards

Eternal Gold 2000 Olympic Outreach Committee

Special responsibilities: member of Audit and Risk Committee

Mr Jame Lewis B.Com, LLB

Lawyer for more than 33 years working in the areas of Mergers and Acquisition, Property, Organizational Governance, Commercial Law and Wills and Estates

Principal of Lewis Counsel Lawyers

Honorary Legal Advisor of the Baptist Union of Victoria

Member of Aberfeldie Baptist Church

Council member since October 2014

Special responsibilities: Ex Officio Member of Advisory Board, Chair of Constitutional Review Committee

Mr Ian Southwood B.Com, B.Com (Hons), MBA, M.Com, CPA

Director of Finance & Administration and Secretary of the Baptist Union of Victoria

More than 17 years financial management experience. Former Head of Finance at World Vision Australia

Member of NewHope Baptist Church

Council member since December 2010

Special responsibilities: Member of Constitutional Review Committee, ex officio member of Advisory Board

Councillors' Report continued

Council meeting attendance: January 2014 – December 2014

Council Member	Eligible to attend	Attended
Jo-Anne Bradshaw	11	8
Daniel Bullock	11	10
Allan Demond	11	8
Simon Holt **	6	5
Paul Inglis	11	11
Darryl Kilker *	2	2
Jame Lewis *	2	2
Stephen Morton #	9	9
Ian Southwood	11	11
Trevor Spicer	11	10
Phil Trebilcock #	9	7

* Elected as Council member 10 October 2014

** Elected as Council member 30 May 2014

Ceased to be Council members 10 October 2014

Principal activity

The principal activity of the BUV during the year was to empower leaders of Victorian Baptist churches for mission. Accordingly, the Union does not aim to generate a surplus from its operations, other than that which may be required to enable it to carry out its mission among the churches. No significant change in those activities has occurred during the year.

The Union is trustee under various beneficiary trusts, and holds funds generated from the sale of church properties on behalf of those churches. It invests and disburses funds in accordance with the provisions of the appropriate deed, or trust instruments.

Results and review of operations

In 2014 our total operating revenue was \$6,853,167 (2013: \$4,518,822) which was an increase of \$2,334,345 over 2013 revenue. In 2014 we disbursed \$4,357,230 (2013: \$5,096,568) resulting in a surplus of revenue over expenditure for the year of \$2,495,937 (2013: shortfall of \$577,746).

The increase in revenue is mainly due to the receipt of \$2,866,000 of trust funds, of which majority of this amount related to properties of two churches that dissolved during the year. This revenue increase is offset by a decrease of \$486,614 for an investment in a collateralised debt obligation, received in 2013. The decrease in expenditure is mainly due to a once-off grant of \$600,000 paid in 2013, not repeated in 2014.

The net asset position of the Union was affected positively by the receipt of the trust funds and properties from churches that dissolved and resulted in an increase in net assets (2014: \$45,322,339 compared to 2013: \$42,833,128).

Changes to the Financial Statements

A statement of cash flows has been added to the 2014 financial statements. Insurance income has been included as a net number in 2014. The 2013 numbers have been restated to offset insurance expenses against gross insurance revenue.

Councillors' Report continued

Significant changes in ministry operations or financial position

There have been no significant changes in the scope or nature of ministry operations or in the vision and purpose of the Baptist Union of Victoria during the year ended 31 December 2014.

Events subsequent to 31 December 2014

We have considered impairment of investments subsequent to year end and noted no significant variances in market values compared to amounts recorded in the financial statements at year end. There have been no other events or circumstances which have arisen since the close of the financial year which would have, or might have, a significant impact on the ministries or operations of the Union as stated in the accompanying financial statements.

Indemnification of officer or auditor

The Union has not, during or since the financial year, in respect of any person who is or has been an officer or auditor of the Union or any related agency or body:

- indemnified or made any relevant agreement for indemnifying against a liability incurred as an officer, including costs and expenses in successfully defending legal proceedings; or
- paid or agreed to pay a premium in respect of a contract insuring against a liability incurred as an officer for the costs or expenses to defend legal proceedings, with the exception of premiums paid under its normal Management Liability cover

Proceedings on behalf of the Union

The Union has registered a claim against an external third-party borrower that has gone into liquidation. The claim is to recover overdue funds of \$544,948 secured by residual guarantees, after calling in mortgages.

No other person has applied for leave of Court to bring proceedings on behalf of the Union or intervene in any proceedings to which the Union is a party for the purpose of taking responsibility on behalf of the Union for all or any part of those proceedings.

Executive Council members' benefits

The following Council members are also paid staff of the Union and are compensated according to the guidelines established by the Council:

- Rev Daniel Bullock – Director of Ministries.
- Mr Ian Southwood – Director of Finance & Administration.

One Council member has provided the Union with professional services through their legal firm McCracken and McCracken during the year, as follows:

- Mr Stephen Morton – Legal services \$10,560

Signed in accordance with a resolution of the Council this.

Mr Trevor Spicer
Chair of Executive Council

Mr Paul Inglis
Chair of Audit & Risk Committee

Baptist Union of Victoria

ABN: 67 934 884 236

Auditors Independence Declaration under section 60.40 of the Australian Charities and Not-for-profits Commission Act 2012 to the Councillors of Baptist Union of Victoria

I declare that, to the best of my knowledge and belief, during the year ended 31 December 2014, there have been no contraventions of any applicable code of professional conduct in relation to the audit

Saward Dawson Chartered Accountants

Tim Flowers
Partner

Dated:

Baptist Union of Victoria

ABN: 67 934 884 236

Statement of Profit and Loss and Other Comprehensive Income

For the year ended 31 December 2014

	Notes	2014 \$	2013 \$
REVENUE			
Constituent membership contributions		928,886	871,539
Insurance Commission		873,133	880,530
Grants		216,858	154,558
Investment income		1,803,730	1,822,748
Gain on revaluation of investment		0	486,614
Donations, bequests and legacies		17,598	121,358
Other	2	3,012,962	181,475
Total revenue		6,853,167	4,518,822
EXPENDITURE			
Remuneration		2,577,358	2,380,662
Grants paid		566,050	1,065,897
Travel & hospitality		234,697	247,005
Depreciation		362,628	358,720
Occupancy		170,019	139,585
IT & office expenses		182,345	206,091
Doubtful debts		(26,605)	0
Impairment on Mortgages		0	530,483
Professional services		290,739	168,125
Total expenditure		4,357,230	5,096,568
Excess / (shortfall) of revenue over expenditure		2,495,937	(577,746)
OTHER COMPREHENSIVE INCOME			
Items that will not be reclassified subsequently to profit or loss			
Net gain on revaluation of non-current assets	1c	0	1,150,000
Items that will be reclassified subsequently to profit or loss when specific conditions are met			
Net gain on revaluation of financial assets to fair value	1b	(6,725)	1,438,855
Total comprehensive income / (loss) for the year		2,489,212	2,011,109

The above income statement should be read in conjunction with the accompanying notes.

Baptist Union of Victoria

ABN: 67 934 884 236

Statement of Financial Position

As at 31 December 2014

	Notes	2014 \$	2013 \$
ASSETS			
Current Assets			
Cash & cash equivalents	3	529,573	3,202,774
Trade and other receivables	4	1,272,675	1,583,872
Financial assets	5	14,160,526	12,538,601
Total current assets		15,962,775	17,325,247
Non-Current Assets			
Financial assets	5	23,240,303	20,925,163
Property plant & equipment	6	21,464,745	21,080,571
Total non-current assets		44,705,048	42,005,734
Total Assets		60,667,822	59,330,981
LIABILITIES			
Current Liabilities			
Trade and other payables	7	922,171	964,392
Short term provision	8	269,816	352,484
Total current liabilities		1,191,987	1,316,876
Non-Current Liabilities			
Other non-current liabilities	9	13,200,767	14,200,332
Other long term provisions	10	952,729	980,645
Total non-current liabilities		14,153,496	15,180,977
Total Liabilities		15,345,483	16,497,853
NET ASSETS		45,322,339	42,833,128
Equity			
Reserves	11	41,529,110	38,100,044
Unrestricted fund	12	3,793,229	4,733,085
TOTAL EQUITY		45,322,339	42,833,128

The above statement of cash flows should be read in conjunction with the accompanying notes.

Baptist Union of Victoria

ABN: 67 934 884 236

Statement of Cash Flows

For the year ended 31 December 2014

	Notes	2014 \$	2013 \$
CASH FLOWS FROM OPERATING ACTIVITIES			
Operating surplus/ (shortfall)		2,495,937	(577,746)
<i>Adjusted for Non cash items in profit:</i>			
Depreciation		362,628	358,720
Increase in provision for impairment of Investments		0	530,483
Loss (Profit) on disposal of non-current assets		(2,936)	(1,734)
Loss (Profit) on disposal of investments		(120,338)	(16,974)
Movement in asset revaluation		56,888	(490,446)
Properties received	2	(2,483,000)	0
<i>Changes in net assets:</i>			
(Increase) / Decrease in trade receivables		652,458	842,772
Increase / (Decrease) in trade payables		(273,837)	(5,212)
Net cash from operating activities		687,800	639,863
CASH FLOWS FROM INVESTING ACTIVITIES			
Capital expenditure		(746,803)	(68,409)
Purchase of investments		(1,622,174)	(8,857,607)
Proceeds from disposal of investments		(113,042)	(535,688)
Net cash used in investing activities		(2,482,019)	(8,926,017)
CASH FLOWS FROM FINANCING ACTIVITIES			
Increase / (Decrease) in trust funds		(878,982)	2,657,232
Net cash from financing activities		(878,982)	2,657,232
Net decrease in cash & cash equivalents		(2,673,201)	(5,628,921)
Cash and cash equivalents at start of the year		3,202,774	8,831,695
Cash and cash equivalents at end of the year		529,573	3,202,774

The above statement of cash flows should be read in conjunction with the accompanying notes.

Notes to the Financial Statements

As at 31 December 2014

1. Statement of significant accounting policies

This financial report is a special purpose financial report prepared for use by the Council and for distribution to the member churches of the Baptist Union of Victoria in order to satisfy the financial reporting requirements of The Baptist Union of Victoria Incorporation Act 1930, the Australian Charities and Not-for-profits Commission Act 2012 and the Australian Charities and Not-for-profits Commission Regulations 2013. The Council has determined that the Union is not a reporting entity.

The report has been prepared in accordance with the following applicable Accounting Standards and Accounting Interpretations:

- AASB 101, Presentation of Financial Statements
- AASB 107, Statement of Cash Flows
- AASB 108, Accounting Policies, Changes in accounting Estimates and Errors
- AASB 1031, Materiality
- AASB 1048, Interpretation of Standards
- AASB 1054, Australian Additional Disclosures

No other Accounting Standards, Accounting Interpretations or other authoritative pronouncements of the Australian Accounting Standards Board have been applied.

The financial report excludes the financial data relating to the financial information of the BUV Agencies (refer note 13).

Although the Baptist Union of Victoria has the right to appoint the majority of directors on the boards of these Agencies, the Executive Council is of the opinion that to consolidate the accounts of the entities with those of the Baptist Union of Victoria would not be of practical value to users of these special purpose financial statements.

The financial report, except for cash flow information, has been prepared on an accrual basis and is based on historical costs otherwise stated in the notes. It does not take into account changing money values or, except where stated, current valuations of non-current assets. Cost is based on the fair values of the consideration given in exchange for assets.

Following is a summary of the material accounting policies adopted in the preparation of the financial report. Unless otherwise stated, accounting policies have been consistently applied.

(a) Income tax

The Baptist Union of Victoria is a non-profit entity registered as a religious charitable organisation and, as such, is exempt from income tax under Section 50-5 of the Income Tax Assessment Act, 1997.

(b) Investments

Investments (including loans) are valued at cost except for the following:

- Real estate properties, held for investment purposes, at the Executive Council's valuation.
- Equity investments in public companies and managed equity funds are valued at current market values.

The carrying value of investments is reviewed annually to ensure it is not in excess of the recoverable amount of these investments. The recoverable amount is assessed from the estimated current market value of investments.

Notes to the Financial Statements

As at 31 December 2014

Impairment

Where there is objective evidence that an investment has been impaired, impairment losses are recognised in the Statement of Profit and Loss and Other Comprehensive Income. Where investments have current market values below cost as at year end and it is probable that the market values will recover above cost in the future, the carrying value of the investments is reduced to the market value and the decrease in market values below cost is recorded as a negative reserve in the financial statements. If at a subsequent year end the market value for an investment previously written down is more than the carrying value, the carrying value is reinstated to that market value and the reserve is adjusted.

Properties held for investment purposes are not subject to depreciation.

(c) Property, plant, and equipment

Property, plant, and equipment are included at cost or at Executive Council's valuation less, where applicable, accumulated depreciation or amortisation. Depreciation is calculated based on the estimated useful life of the asset to the Union. The carrying value of property, plant and equipment is reviewed annually by Council to ensure it is not in excess of the probable recoverable amounts.

Where BUV Agencies erected buildings on freehold land, the costs of the buildings and any associated accumulated depreciation are recorded in the accounts of the Agency.

Independent market valuations are obtained every two years. The latest independent valuations were obtained at the end of 2013.

Real Property (note 5) is not subject to depreciation and was revalued at the end of 2013.

(d) Employee entitlements

Provision is made for the Union's liability for employee entitlements arising from services rendered by employees to balance date. Annual leave is measured at its nominal amount and disclosed as a current provision. Long service leave is provided for employees from inception of employment using a probability factor based on past experience. Long Service Leave payable later than one year has been measured at the present value of the estimated future cash outflows to be made for those benefits and is disclosed as a non-current provision.

(e) Cash

Cash includes cash on hand and that on deposit in the current operating accounts of the Union. Cash balances in term deposits with banks or financial institutions, and investments in money market instruments are classified as investments (Note 5) where appropriate (longer than 3 months).

(f) Revenue

Interest and other investment revenues are recognised on a proportional basis taking into account the investment rates applicable to the financial assets.

Dividend revenue is recognised when the right to receive a dividend has been established.

Revenues from the rendering of a service are recognised upon the delivery of the service provided. All revenue is stated net of the amount of goods and services tax (GST).

Notes to the Financial Statements

As at 31 December 2014

(f) Revenue (cont'd)

Revenue is recognised and recorded in the accounts on an accrual basis except for donations, which are accounted for on a cash basis. Bequests are recognised when the right to receive the bequest is established.

Revenue includes the net profit (loss) on sale of assets.

(g) Insurance Provisions

i) Provision for self-funded claims losses

The Baptist Union of Victoria participates in the Australian Baptist Insurance Scheme, purchasing insurance cover for Baptist churches and agencies in Victoria. The cost of this cover is passed on to those churches and agencies. A feature of the National scheme is that each state Baptist Union bears a portion of the potential loss claims; that portion is limited and set annually by the Scheme's national board.

The self-insurance claim limit is recorded annually as an insurance claims provision, with eventual claims being charged against the provision of the applicable year. Claims in excess of the provision are recoverable from either the National Scheme or its insurance underwriters, while residual credits in the provision are carried forward until, in the opinion of the Executive Council, they are no longer required.

ii) Provision for unreported liability claims

Provision is made for unreported claims against the Baptist Union of Victoria, where the self-funded claims loss provision has been closed off by the Scheme's national board.

iii) Provision for un-insured claims

Provision is made for claims against the Baptist Union of Victoria where no insurance cover is provided under the policies of the scheme.

iv) Provision for exempt benefit gap cover

Provision is made for claims against the Exempt Benefit Gap Cover. From 1 October 2004, a level of cover has been provided for Churches in the event of a Pastor's WorkCover claim where the WorkCover insurer does not cover the exempt benefits portion of the Pastor's remuneration.

(h) Investment pool

All investments are formally held in the name of the Baptist Union of Victoria. The carrying value of these assets is allocated in the accompanying accounts to the various trust and other funds administered by the Union based on the capital of the particular fund.

Income earned by the fund is credited to individual trust funds on the basis of their identified investments or the overall pool rate, whichever is applicable.

(i) Capacity as trustee

The Baptist Union of Victoria acts in the capacity as trustee, holding assets, in the following situations:

1. Wills and trusts where the Baptist Union of Victoria is the recipient
2. Proceeds where a member church sells property (land and buildings)

The Union, acting as trustee, also holds properties, where these are land and buildings, on behalf of its member churches and various other associated entities.

Notes to the Financial Statements

As at 31 December 2014

(j) **Comparative Figures**

When required by Australian Accounting Standards or Executive Council policy, comparative figures have been adjusted to conform to changes in presentation for the current financial year.

2. Properties received from dissolved churches

In 2014 the BUV received two properties, from two churches that dissolved, in terms of "Schedule B" trust deeds. The properties were valued at \$2,483,000.

	2014	2013
	\$	\$
3. Cash & cash equivalents		
Cash on hand	300	300
Operating cash at bank	368,594	1,776,763
Short term deposits	160,678	1,425,711
	<u>529,573</u>	<u>3,202,774</u>
4. Trade and other receivables		
Due from members	881,086	1,313,113
Other debtors and prepayments	198,750	150,570
Interest and imputation credits receivable	192,729	177,900
Doubtful debts	0	(57,711)
	<u>1,272,565</u>	<u>1,583,872</u>
5. Financial assets		
Loans		
Current		
Secured		
• Interest bearing	6,987	8,883
Unsecured		
• Interest bearing	29,821	49,104
• Non-interest bearing	4,639	5,322
Total current loans	<u>41,447</u>	<u>63,309</u>
Non-current		
Secured		
• Interest bearing	132,759	168,778
Unsecured		
• Interest bearing	417,493	687,449
• Non-interest bearing	88,149	101,126
Total non-current loans	<u>638,401</u>	<u>957,353</u>
Total loans	<u>679,848</u>	<u>1,020,662</u>

Secured loans are secured by first mortgages over properties.

Notes to the Financial Statements

As at 31 December 2014

	2014 \$	2013 \$
5 (cont'd). Financial Assets		
Current		
• Bank bills and term deposits	13,747,467	12,125,293
• First mortgages	902,094	880,483
• Provision for impairment of first mortgages	(530,483)	(530,483)
	<u>14,119,078</u>	<u>12,475,293</u>
Non-Current		
• Equity investments in public companies	10,225,902	10,074,811
• Capital contribution – Baptist Financial Services	3,250,000	3,250,000
• Real property	9,126,000	6,643,000
	<u>22,601,902</u>	<u>19,967,811</u>
Total investments	<u>36,720,981</u>	<u>32,443,104</u>
Total financial assets		
Current	14,160,526	12,538,601
Non-current	23,240,303	20,925,163
	<u>37,400,829</u>	<u>33,463,764</u>
6. Property, Plant & Equipment		
Freehold land		
• Executive Council valuation	13,340,000	13,470,000
Building on freehold land		
• At Executive Council valuation	7,721,696	6,934,764
• Less depreciation	(533,051)	(347,173)
Total buildings	<u>7,188,645</u>	<u>6,857,591</u>
Motor vehicles		
• At cost	327,253	298,173
• Less depreciation	(108,546)	(100,904)
Total motor vehicles	<u>218,707</u>	<u>197,269</u>
Plant and equipment		
• At cost	1,646,423	1,653,521
• Less depreciation	(929,011)	(827,810)
Plant and equipment	<u>717,412</u>	<u>825,711</u>
Total	<u>21,464,765</u>	<u>21,080,571</u>
7. Trade and other payables		
Trade creditors and accruals	225,588	273,364
Unearned income	696,583	691,028
	<u>922,171</u>	<u>964,392</u>

Notes to the Financial Statements

As at 31 December 2014

	2014 \$	2013 \$
8. Short term provisions		
Insurance claims	0	24,772
Annual leave	198,010	158,561
Long Service Leave	71,806	169,151
	<u>269,816</u>	<u>352,484</u>
9. Other non-current liabilities		
Ministerial long service leave fund	2,137,914	1,904,682
Funds held in trust for churches	10,681,043	12,149,749
Other	381,810	145,901
	<u>13,200,767</u>	<u>14,200,332</u>
10. Other long term provisions		
Provision for insurance claims		
For claims which are self-funded, relating to the years:		
2013	0	24,772
2014	0	262,684
2015	236,306	0
Total provision for self-funded claim losses	<u>236,306</u>	<u>287,456</u>
Provision for unreported liability claims	60,000	60,000
Provision for exempt benefit gap cover	139,321	141,544
Provision for uninsured claims	500,000	500,000
	<u>699,321</u>	<u>701,544</u>
Total provisions	<u>935,627</u>	<u>989,000</u>
Represented by:		
Current	0	24,772
Non-current	935,627	964,228
Total	<u>935,627</u>	<u>989,000</u>
Provision for employee entitlements		
Long service leave liability	88,908	185,568
Represented by:		
Current	71,806	169,151
Non-current	17,102	16,417
	<u>88,908</u>	<u>185,568</u>
Total other long term provisions		
Current	71,806	193,923
Non-current	952,729	980,645
	<u>1,024,535</u>	<u>1,174,568</u>

Notes to the Financial Statements

As at 31 December 2014

	2014 \$	2013 \$
11. Reserves		
Asset valuation reserve	12,735,134	12,735,134
Financial assets revaluation reserve	2,064,003	2,070,727
Funds earmarked for specific ministry purposes	1,807,162	1,764,598
Funds restricted by internal rules and charters:		
• Advancement fund	20,643,303	17,223,230
• Church development fund	2,893,254	3,004,472
• Mark Pollard fund	1,261,043	1,183,135
• Victorian Baptist Gospel Communications fund	125,211	118,748
	41,529,110	38,100,044
12. Unrestricted Fund		
Balance of fund at beginning of year	4,733,085	5,436,090
Total comprehensive income/(loss) for the year	2,495,937	(577,746)
Less Transfers to reserves:		
• Earmarked reserves	(42,565)	(60,372)
• Advancement fund	(3,420,073)	(85,523)
• Church development fund	111,217	101,569
• Mark Pollard fund	(77,909)	(73,782)
• Victorian Baptist Gospel Communications fund	(6,463)	(7,152)
	3,793,229	4,733,085

13. Related Parties

Related parties of the Baptist Union of Victoria, whose accounts are not included in these financial statements, include:

Baptist Churches:

- The Union provides resources and advice to its member churches, pastors and lay leaders. The Union also holds property and funds on trust for its member churches.

Agencies:

- Baptistcare Ltd - a company limited by guarantee
- Whitley College - The Baptist College of Victoria - an unincorporated entity
- Carey Baptist Grammar School Ltd - a company limited by guarantee
- Strathcona Baptist Girls' Grammar School Ltd - a company limited by guarantee
- Kilvington Grammar School Ltd - a company limited by guarantee
- Baptist Camping Victoria - an unincorporated entity

The Baptist Union of Victoria is affiliated with Australian Baptist Ministries.

Notes to the Financial Statements

As at 31 December 2014

14. Contingent liabilities

The Union has signed a letter of acknowledgement in relation to the borrowing facilities provided by the Commonwealth Bank of Australia to Kilvington Grammar School Ltd. The Union's maximum exposure is capped at \$4,020,000.

The Union has also provided a guarantee in relation to borrowing facilities provided by the National Australia Bank [NAB] to Strathcona Baptist Girls Grammar School Ltd. The Union's maximum exposure is capped at \$11,000,000 and is further limited to the amount recovered by NAB on enforcement of any security granted to NAB in respect of the property. A number of Strathcona properties have been provided as security for the facility.

The Union has also provided a guarantee in relation to a loan of \$100,000 provided by Baptist Financial Services Australia Ltd to Now And Not Yet Inc.

15. Events subsequent to 31 December 2014

There have been no other events or circumstances which have arisen since the close of the financial year which would have, or might have, a significant impact on the ministries or operations of the Union as stated in the accompanying financial statements.

Baptist Union of Victoria

ABN: 67 934 884 236

Responsible Entity Declaration

The councillors of the Union declare that:

1. The financial report and notes as set out on pages 7 to 18, are in accordance with the Australian Charities and Not-for-profits Commission Act 2012; and
2. As the date of this statement, there are reasonable grounds to believe that the Baptist Union of Victoria will be able to pay its debts as and when they fall due.

This statement is made in accordance with a resolution of the councillors and is signed for and on behalf of the councillors by:

Mr Trevor Spicer
Chair of Executive Council

Mr Paul Inglis
Chair of Audit & Risk Committee

Dated: