

AUDITED FINANCIAL STATEMENTS

For the Year ended 30 June 2018

FOR

THE BAPTIST UNION OF QUEENSLAND

ABN 59 241 212 544

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The Baptist Union of Queensland
ABN 59 241 212 544
Statement of Profit or Loss and Other Comprehensive Income
For the year ended 30 June 2018

	Note	2018 \$	2017 \$
Income			
Church Contributions		777,586	745,517
Specified Gifts & Donations	2	54,233	46,000
Rent & Outgoings Received		786,318	749,830
Interest Income		4,267	10,150
Australian Baptist Insurance Scheme Contribution		240,000	235,020
Baplink Contribution		749,880	730,000
Carinity Contributions		305,060	303,000
QCCC Contribution		292,740	286,340
		3,210,084	3,105,857
Expenditure			
Administrative Services		653,793	629,542
Pastoral Services		341,590	345,876
Regional Consultants		554,425	645,491
Queensland Baptists Activities	3	599,550	524,463
Field Ministries	4	224,367	189,743
Other Ministries	5	386,171	395,823
		2,759,896	2,730,938
Surplus/ (deficit) from QBSG Operations		450,188	374,919
Surplus/ (deficit) from Other Comprehensive Income Generating Ministries:			
Baplink		562,860	232,000
The Training Collaborative		(26,767)	240
Malyon College		75,834	(100,554)
Carinity		417,394	2,734,364
Queensland Conference & Camping Centres (QCCC)	6	233,447	368,449
Queensland Baptists Women's Ministry		(4804)	(6,827)
South Pacific Education Company Limited (SPEC)		(492,625)	(268,906)
		765,339	2,958,766
Total surplus/ (deficit) before other items		1,215,527	3,333,685
Other Items:			
Asset Revaluation		(29,584,217)	4,661,252
		(29,584,217)	4,661,252
Net Surplus/ (Deficit)	7	(28,368,690)	7,994,937

*The accompanying notes form part of these financial statements.
These financial statements have been subject to audit and should be read in conjunction with the attached Independent Audit Report.*

The Baptist Union of Queensland
Statement of Financial Position
As at 30 June 2018

	Note	2018 \$	2017 \$
Current assets			
Cash and cash equivalents	8	51,175,499	95,976,516
Trade and other receivables	9	5,566,889	7,957,989
Inventories	10	148,637	123,750
Other current assets	11	4,774,437	834,759
Total current assets		<u>61,665,462</u>	<u>104,893,014</u>
Non-current assets			
Trade and other receivables		0	0
Other assets	11	82,094,761	73,374,261
Property, plant and equipment	12	287,973,622	267,945,187
Intangible assets	13	3,816,266	33,411,593
Total non-current assets		<u>373,884,649</u>	<u>374,731,041</u>
Total assets		<u>435,550,111</u>	<u>479,624,055</u>
Current liabilities			
Trade and other payables	14	8,795,811	7,201,065
Financial liabilities	15	86,988,473	114,719,731
Employee benefits	16	8,352,020	7,816,060
Provisions	17	228,046	240,000
Total Current Liabilities		<u>104,364,350</u>	<u>129,976,856</u>
Non-current liabilities			
Financial Liabilities	15	170,130,602	155,346,170
Employee benefits	16	1,122,643	1,079,345
Provisions	17	5,405,895	5,328,272
Total non-current liabilities		<u>176,659,140</u>	<u>161,753,787</u>
Total liabilities		<u>281,023,490</u>	<u>291,730,643</u>
Net assets		<u>154,526,621</u>	<u>187,893,412</u>
Equity			
Reserves	18	39,500,331	105,118,807
Retained earnings	19	115,026,290	82,774,605
Total equity		<u>154,526,621</u>	<u>187,893,412</u>

The accompanying notes form part of these financial statements.

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The Baptist Union of Queensland
ABN 59 241 212 544
Statement of Cash Flows
For the year ended 30 June 2018

	2018	2017
	\$	\$
Cash flows from operating activities		
Receipts from customers	2,306,700	2,300,279
Payments to suppliers and employees	(2,898,453)	(2,887,974)
Interest received	0	10,262
Cash receipts from other operating activities	1,100,597	986,178
Cash payments from other operating activities	0	0
Total cash flows from operating activities	508,844	408,745
Cash flows from investing activities		
Proceeds from sale of property, plant and equipment	27,782	50,909
Payment for property, plant and equipment	(177,541)	(1,059,930)
Other cash items from investing activities	(28,661)	(23,226)
Total cash flows from investing activities	(178,420)	(1,032,247)
Cash flows from financing activities		
Other cash items from financing activities	(143,311)	931,529
Total cash flows from financing activities	(143,311)	931,529
Net cash flows	187,113	308,027
Cash balances		
Cash and cash equivalents at beginning of period	3,206,625	2,898,598
Cash and cash equivalents at end of period	3,393,738	3,206,625
Net change in cash for period	187,113	308,027

*The accompanying notes form part of these financial statements.
These financial statements have been subject to audit and should be read in conjunction with the attached Independent Audit Report.*

The Baptist Union of Queensland

Notes to the Financial Statements

For the Year ended 30 June 2018

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

The Board of The Baptist Union of Queensland have prepared the financial statements on the basis that The Baptist Union of Queensland trading as Queensland Baptists is a non-reporting entity. The financial report is therefore a special purpose financial report that has been prepared for use by the members and delegates of the Assembly and for fulfilling the requirements of the constitution of The Baptist Union of Queensland.

These financial statements have been prepared in accordance with the recognition and measurement requirements specified by the Australian Accounting Standards and Interpretations and the disclosure requirements of:

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

The Baptist Union of Queensland trading as Queensland Baptists is incorporated under letters patent and is domiciled in Australia. The Baptist Union of Queensland trading as Queensland Baptists is a not-for-profit entity for the purpose of preparing financial statements under Australian Accounting Standards.

1.1 Basis of Preparation

The financial statements have been prepared on an accruals basis and are based on historical costs modified by the revaluation of selected non-current assets and financial instruments for which the fair value basis of accounting has been applied.

1.2 New and amended standards adopted by the Company

The Baptist Union of Queensland has adopted all the amendments to Australian Accounting Standards issued by the Australian Accounting Standards Board, which are relevant to and effective for the Company's financial statements for the annual period beginning 1 July 2016.

None of the amendments have had a significant impact on the Company.

1.3 Significant accounting policies

Property, Plant and Equipment

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

Property

Freehold land and buildings are shown at their fair value (being the amount for which an asset could be exchanged between knowledgeable willing parties in an arm's length transaction). Valuations are performed whenever the Directors believe there has been a material movement in the value of the assets. Increases in the carrying amount arising on revaluation of land and buildings are credited to a revaluation reserve in equity. Decreases that offset previous increases of the same asset are charged against the related revaluation reserve directly in equity; all other decreases are charged to the statement of profit or loss and other comprehensive income.

These notes should be read in conjunction with the attached Independent Audit Report.

The Baptist Union of Queensland

Notes to the Financial Statements

For the Year ended 30 June 2018

Plant and equipment

Plant and equipment are measured at cost less depreciation and impairment losses. The cost of fixed assets constructed within the Company includes the cost of materials, direct labour, borrowing costs and an appropriate proportion of fixed and variable overheads. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to The Baptist Union of Queensland and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the statement of profit or loss and other comprehensive income during the financial period in which they are incurred.

Depreciation

The depreciable amount of all fixed assets including building and capitalised leased assets, but excluding freehold land is depreciated on a straight-line basis over their useful lives to The Baptist Union of Queensland commencing from the time the asset is held ready for use. Leased assets and leasehold improvements are depreciated over the shorter of either the unexpired period of the lease or the estimated useful lives of the assets.

Employee benefits

Short-term employee benefits

Short-term employee benefits are benefits, other than termination benefits, that are expected to be settled wholly within twelve (12) months after the end of the period in which the employees render the related service.

Examples of such benefits include wages and salaries, non-monetary benefits and accumulating annual leave.

Short-term employee benefits are measured at the undiscounted amounts expected to be paid when the liabilities are settled.

Other long-term employee benefits

The Baptist Union of Queensland's liabilities for long service leave are included in other long-term benefits as they are not expected to be settled wholly within twelve (12) months after the end of the period in which the employees render the related service. They are measured at the present value of the expected future payments to be made to employees. The Baptist Union of Queensland presents employee benefit obligations as current liabilities in the statement of financial position if The Baptist Union of Queensland does not have an unconditional right to defer settlement for at least twelve (12) months after the reporting period, irrespective of when the actual settlement is expected to take place.

Provisions

Provisions are recognised when The Baptist Union of Queensland has a legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will result and that outflow can be reliably measured. Provisions are measured using the best estimate of amounts required to settle the obligation at the end of the reporting period.

Cash and cash equivalents

Cash comprises cash on hand and demand deposits. Cash equivalents are short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value. Bank overdrafts are shown within short-term borrowings in current liabilities on the statement of financial position.

These notes should be read in conjunction with the attached Independent Audit Report.

**The Baptist Union of Queensland
Notes to the Financial Statements
For the Year ended 30 June 2018**

Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Taxation Office. In these circumstances, the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense. Receivables and payables in the statement of financial position are shown inclusive of GST. Cash flows are presented in the statement of cash flows on a gross basis, except for the GST component of investing and financing activities, which are disclosed as operating cash flows.

	2018	2017
	\$	\$
2. Specified Gifts & Donations		
Insurance Professional Standards	54,233	46,000
	54,233	46,000
3. Queensland Baptists Activities		
Queensland Baptists Centre	388,802	385,942
Promotions & Advertising	110,234	97,287
Board Operations	28,172	22,946
Other	72,342	18,288
	599,550	524,463
4. Field Ministries		
Children's Ministry	27,219	26,825
Indigenous Ministry	0	5,404
Mission to Queensland	79,004	75,771
Multicultural Ministry	10,000	4,152
Women's Ministry	30,588	28,294
Youth Ministry	44,990	49,297
Provision for Staff Changes	32,566	0
	224,367	189,743
5. Other Ministries		
BWAA Support	2,323	4,247
BUA & BWA Membership	61,000	65,381
The Training Collaborative Contribution	156,594	158,344
Global Interaction Support	16,254	17,851
Malyon College Contribution	150,000	150,000
Other External Support	0	0
	386,171	395,823

**The Baptist Union of Queensland
Notes to the Financial Statements
For the Year ended 30 June 2018**

	2018	2017
	\$	\$
6. Queensland Conference & Camping Centres (QCCC)		
Operating Income		
Brookfield	1,528,693	1,463,973
Mapleton	4,284,991	4,201,308
Tamborine	2,397,473	2,004,450
	8,211,157	7,669,731
Other Expenditure		
Brookfield	1,123,874	1,021,582
Mapleton	3,844,729	3,802,684
Tamborine	2,014,543	1,607,895
Head Office	276,810	204,270
Interest Paid	425,014	378,511
Bapshare contribution	292,740	286,340
	7,977,710	7,301,282
Net Surplus/(Deficit)	233,447	368,449

These notes should be read in conjunction with the attached Independent Audit Report.

**The Baptist Union of Queensland
Notes to the Financial Statements
For the Year ended 30 June 2018**

7. Operating Results of the Ministries of The Baptist Union of Queensland As at 30 June 2018

	QBSG	QCCC	Baplink	Carinity	Malyon College	QBWM	The Training Collaborative	SPEC	Aggregated Position
	\$	\$	\$	\$	\$	\$	\$	\$	\$
Operating Income									
Bapshare Contributions	777,586	0	0	0	0	0	0	0	777,586
Contributions Working Groups	1,347,680	0	0	0	150,000	0	156,594	0	1,654,274
Contribution Baptist Insurance Scheme	240,000	0	0	0	0	0	0	0	240,000
Core Operations Income	0	8,057,470	6,042,798	87,872,999	1,514,115	60,709	216,024	1,899,028	105,663,143
Gifts, Donations, Bequests	0	0	0	699,607	22,255	0	0	0	721,862
Interest Income	4,267	4,319	0	510,418	24,088	45	1,223	184	544,544
Rent & Outgoings	786,318	129,170	0	0	0	0	0	0	915,488
Other	54,233	28,078	124,447	513,399	23,475	0	45,025	24,678	813,335
Total Operating Income	3,210,084	8,219,037	6,167,245	89,596,423	1,733,933	60,754	418,866	1,923,890	111,330,232
Operating Expenditure									
Bapshare Contributions	306,594	292,740	749,880	305,060	0	0	0	0	1,654,274
Core Operations Costs	702,424	2,563,186	379,796	9,907,565	292,296	65,558	154,964	958,782	15,024,571
Employment Costs	1,440,711	3,916,121	731,026	63,831,218	1,175,367	0	290,669	1,409,804	72,794,916
Insurance Expenses	42,123	52,268	0	0	12,167	0	0	9,343	115,901
Interest Paid on Deposits	0	425,014	3,631,892	0	0	0	0	0	4,056,906
Property Costs	268,044	736,261	0	11,590,971	174,059	0	0	38,586	12,807,921
Other	0	0	111,791	3,544,215	4,210	0	0	0	3,660,216
Total Operating Expenditure	2,759,896	7,985,590	5,604,385	89,179,029	1,658,099	65,558	445,633	2,416,515	110,114,705
Operating surplus/(deficit)	450,188	233,447	562,860	417,394	75,834	(4,804)	(26,767)	(492,625)	1,215,527
Other Items									
Asset revaluation	0	0	0	(29,580,000)	(4,217)	0	0	0	(29,584,217)
Total Other Items	0	0	0	(29,580,000)	(4,217)	0	0	0	(29,584,217)
Net Surplus/(Deficit)	450,188	233,447	562,860	(29,162,606)	71,617	(4,804)	(26,767)	(492,625)	(28,368,690)

These notes should be read in conjunction with the attached Independent Audit Report.

**The Baptist Union of Queensland
Notes to the Financial Statements
For the Year ended 30 June 2018**

7. Operating Results of the Ministries of The Baptist Union of Queensland (continued) As at 30 June 2017

	QBSG	QCCC	Baplink	Carinity	Malyon College	QBWM	The Training Collaborative	SPEC	Aggregated Position
	\$	\$	\$	\$	\$	\$	\$	\$	\$
Operating Income									
Bapshare Contributions	745,517	0	0	0	0	0	0	0	745,517
Contributions Working Groups	1,319,340	0	0	0	150,000	0	158,344	0	1,627,684
Contribution Baptist Insurance Scheme	235,020								235,020
Core Operations Income	0	7,495,000	5,574,000	77,489,414	1,408,410	71,060	579,300	1,096,761	93,713,945
Gifts, Donations, Bequests	0	0	0	866,564	6,300	0	0		872,864
Interest Income	10,150	13,467	0	955,460	25,785	43	1,080	1,086	1,007,071
Rent & Outgoings	749,830	129,930	0	0	0	0	0		879,760
Other	46,000	31,334	0	1,576,026	33,788	0	31,681	39,487	1,758,316
Total Operating Income	3,105,857	7,669,731	5,574,000	80,887,464	1,624,283	71,103	770,405	1,137,334	100,840,177
Operating Expenditure									
Bapshare Contributions	308,344	286,340	730,000	303,000	0	0	0	0	1,627,684
Core Operations Costs	631,783	2,176,307	830,000	6,034,459	237,674	77,930	518,260	372,517	10,878,930
Employment Costs	1,480,647	3,866,816	563,000	57,404,136	1,249,207	0	251,905	972,046	65,787,757
Insurance Expenses	39,235	43,440	0	0	16,036	0	0	6,390	105,101
Interest Paid on Deposits	0	378,511	3,219,000	0	0	0	0	0	3,597,511
Property Costs	270,929	549,868	0	8,880,112	181,456	0	0	51,288	9,933,653
Other	0	0	0	5,531,393	40,464	0	0	3,999	5,575,856
Total Operating Expenditure	2,730,938	7,301,282	5,342,000	78,153,100	1,724,837	77,930	770,165	1,406,240	97,506,492
Operating surplus/(deficit)	374,919	368,449	232,000	2,734,364	(100,554)	(6,827)	240	(268,906)	3,333,685
Other Items									
Asset revaluation	507,279	0	0	4,153,973	0	0	0	0	4,661,252
Total Other Items	507,279	0	0	4,153,973	0	0	0	0	4,661,252
Net Surplus/(Deficit)	882,198	368,449	232,000	6,888,337	(100,554)	(6,827)	240	(268,906)	7,994,937

These notes should be read in conjunction with the attached Independent Audit Report.

**The Baptist Union of Queensland
Notes to the Financial Statements
For the Year ended 30 June 2018**

	2018	2017
	\$	\$
8. Cash and Cash Equivalents		
Cash on Hand	1,530	1,675
Cash at Bank	13,711,268	41,572,845
Short Term Investments & Term Deposits	37,462,701	54,401,996
	<u>51,175,499</u>	<u>95,976,516</u>
9. Trade and Other Receivables		
Current		
Trade Debtors	2,617,478	3,429,185
Less Provision for Doubtful Debts	(22,568)	(21,416)
Other Debtors	2,971,979	4,550,220
	<u>5,566,889</u>	<u>7,957,989</u>
Non-Current		
Other Debtors	0	0
	<u>0</u>	<u>0</u>
	<u>5,566,889</u>	<u>7,957,989</u>
10. Inventories		
Food and Consumables	146,761	107,132
Uniforms	1,876	16,618
	<u>148,637</u>	<u>123,750</u>
11. Other Assets		
Current		
Loans to Members	3,607,585	0
State Government Grants	0	124
Accrued Interest	479,433	289,000
Prepayments	687,419	545,635
	<u>4,774,437</u>	<u>834,759</u>
Non-Current		
Loans to Members	82,081,321	73,361,000
Queensland Community Foundation	13,440	13,261
	<u>82,094,761</u>	<u>73,374,261</u>
Total Other Assets	<u>86,869,198</u>	<u>74,209,020</u>

These notes should be read in conjunction with the attached Independent Audit Report.

**The Baptist Union of Queensland
Notes to the Financial Statements
For the Year ended 30 June 2018**

	2018	2017
	\$	\$
12. Property, Plant & Equipment		
Land & Buildings		
Land at Cost	60,000	60,000
Land at Independent Valuation	9,396,534	9,389,803
	9,456,534	9,449,803
Buildings at Cost	0	0
Buildings at Independent Valuation	6,175,000	6,175,000
	6,175,000	6,175,000
Land & Buildings at Cost	3,736,097	2,627,225
Land & Buildings at Independent Valuation	217,996,289	191,596,983
Land & Buildings Accumulated Depreciation	(9,211,889)	(6,979,862)
	212,520,497	187,244,346
Improvements at Cost	883,548	873,531
Improvements Accumulated Depreciation	0	0
	883,548	873,531
Total Land & Buildings	229,035,579	203,742,680
Capital Works in Progress		
Capital Works in Progress	35,195,530	48,716,496
Total Capital Works in Progress	35,195,530	48,716,496

These notes should be read in conjunction with the attached Independent Audit Report.

**The Baptist Union of Queensland
Notes to the Financial Statements
For the Year ended 30 June 2018**

	2018	2017
	\$	\$
12. Property, Plant & Equipment (continued)		
Plant & Equipment		
Plant & Equipment at Cost	15,405,922	9,389,664
Less Accumulated Depreciation	<u>(4,434,910)</u>	<u>(3,293,177)</u>
	10,971,012	6,096,487
Motor Vehicles at Cost	5,044,102	4,358,995
Less Accumulated Depreciation	<u>(1,937,886)</u>	<u>(1,624,797)</u>
	3,106,216	2,734,198
Office Furniture & Equipment at Cost	6,459,423	4,286,429
Less Accumulated Depreciation	<u>(3,491,069)</u>	<u>(2,687,250)</u>
	2,968,354	1,599,179
Furniture & Fittings at Cost	11,976,910	9,537,162
Less Accumulated Depreciation	<u>(5,774,330)</u>	<u>(4,987,090)</u>
	6,202,580	4,550,072
Formation Costs	325,972	362,191
Less Accumulated Depreciation	<u>(0)</u>	<u>(0)</u>
	325,972	362,191
Library at Valuation	168,379	143,884
Total Plant & Equipment	<u>23,742,513</u>	<u>15,486,011</u>
Total Property, Plant & Equipment	<u><u>287,973,622</u></u>	<u><u>267,945,187</u></u>
13. Intangibles		
Bed & CACPS Licences	3,390,593	32,955,593
Software - Ultracs	553,089	532,000
Less Accumulated Impairment	<u>(127,416)</u>	<u>(76,000)</u>
	425,673	456,000
	<u>3,816,266</u>	<u>33,411,593</u>
14. Trade and Other Payables		
Current		
Trade Creditors	4,151,757	6,985,604
Sundry Creditors	<u>2,320,826</u>	<u>215,461</u>
Total Trade and Other Payables	<u><u>6,472,583</u></u>	<u><u>7,201,065</u></u>

These notes should be read in conjunction with the attached Independent Audit Report.

**The Baptist Union of Queensland
Notes to the Financial Statements
For the Year ended 30 June 2018**

	2018	2017
	\$	\$
15. Financial Liabilities		
Current		
Bank Overdraft	1,683,114	1,634,045
Monies on Deposit	79,386,801	104,491,000
Advance Deposits	527,585	441,936
Accrued Interest on Deposits	637,023	475,000
Government Loan	703,950	703,950
Short Term Loan – QB Centre	0	0
Short Term Loan – Other	0	3,800
Accommodation Bond Refundable	4,050,000	6,970,000
	<u>86,988,473</u>	<u>114,719,731</u>
Non-Current		
Monies on Deposit	0	0
Government Loan	10,500,588	11,204,537
Accommodation Bond Refundable	111,429,472	106,691,369
Loan – QB Centre	828,800	1,230,581
Long Term Loans	47,371,742	36,219,683
	<u>170,130,602</u>	<u>155,346,170</u>
Total Financial Liabilities	<u>257,119,075</u>	<u>270,065,901</u>
16. Employee Benefits		
Current		
Provision for Annual Leave	5,350,223	4,924,015
Provision for Staff Long Service Leave	2,835,683	2,772,911
Salaries and Wages Accrued	2,203,877	38,243
Provision for Study Leave	67,995	80,891
	<u>10,457,778</u>	<u>7,816,060</u>
Non-Current		
Provision for Staff Long Service Leave	1,122,643	1,079,345
	<u>1,122,643</u>	<u>1,079,345</u>
Total Employee Benefits	<u>11,580,421</u>	<u>8,895,405</u>

These notes should be read in conjunction with the attached Independent Audit Report.

**The Baptist Union of Queensland
Notes to the Financial Statements
For the Year ended 30 June 2018**

	2018	2017
	\$	\$
17. Provisions		
Current		
Provision for Doubtful Loans	212,156	0
Provision for Insurance	15,890	240,000
	228,046	240,000
Non-Current		
Other Funds	4,629,779	4,666,382
Provision for Pastoral Long Service Leave	776,116	661,890
	5,405,895	5,328,272
Total Provisions	5,633,941	5,568,272
18. Reserves		
Asset Revaluation Reserve	39,500,331	105,118,807
Capital Reserve	0	0
	39,500,331	105,118,807
Reserves as at 30 June 2017	105,118,807	100,798,555
Revaluation of assets – Carinity write off value of bed licences	(29,565,000)	4,153,973
Revaluation of assets – Carinity Land and Buildings	(15,000)	0
Adjustment relating to a change in policy for investment property valuations	(36,034,259)	0
Revaluation of assets – Malyon College	(4,217)	0
Reduction of Capital Reserve - Baplink	0	(341,000)
Revaluation of assets – QBSG	0	507,279
Reserves as at 30 June 2018	39,500,331	105,118,807
<p>For the year ended 30 June 2018, Carinity Management have amended the accounting policy with respect to investment property. The fair value of investment property units is now determined with reference to the current list price for each unit, provided these values can be supported by recent sales in our villages. This change in policy is viewed by management as a fairer reflection of the fair value of retirement village investment property assets and has resulted in a reduction to the Asset Revaluation Reserve of \$36,034,259 for the 2017 financial year.</p> <p>Subsequent to an annual review of bed licences by Carinity it was decided by the management that bed licences are unlikely to have continuing value the prior revaluation of these licences has been reversed which has resulted in a reduction to the Asset Revaluation Reserve of \$29,565,000 for the 2018 financial year.</p>		
19. Retained Earnings		
Retained Earnings	115,026,290	82,774,605

**The Baptist Union of Queensland
Notes to the Financial Statements
For the Year ended 30 June 2018**

	2018 \$	2017 \$
19. Statement of Changes in Equity		
Accumulated Funds as at 30 June 2017	82,774,605	76,420,550
Add/(less) Surplus/(Deficit) for the year ended 30 June 2018:		
QBSG	450,188	374,919
Baplink	562,860	232,000
The Training Collaborative	(26,767)	240
Malyon College	75,834	(100,554)
Carinity	417,394	2,734,364
QCCC	233,447	368,449
Queensland Baptists Women's Ministry	(4804)	(6,827)
South Pacific Education Company Limited	(492,625)	(268,906)
Prior Year Adjustments	(13,880)	1,002
	<u>1,201,647</u>	<u>3,334,687</u>
	<u>83,976,252</u>	<u>79,755,237</u>
Less funds distributed from Baplink	(530,503)	(531,000)
Add insurance Reserves Transferred to Queensland Baptists From Baplink	0	341,000
Add adjustment for Carinity change in value of investment property valuations	31,327,259	0
Add back adjustment to QBSG Pastors Relocation Cost Fund	207,175	0
Add back adjustment to Malyon College Revaluation Reserve	46,107	0
Add Equity in South Pacific Education Company Limited	0	3,209,368
	<u>31,050,038</u>	<u>3,019,368</u>
Accumulated Funds as at 30 June 2018	<u>115,026,290</u>	<u>82,774,605</u>

The asset revaluation reserve arises on the revaluation of land and buildings. When revalued assets are sold, the portion of the property's revaluation reserve that relates to the asset is transferred directly to retained earnings. This adjustment equates to \$31,327,259.

**The Baptist Union of Queensland
Notes to the Financial Statements
For the Year ended 30 June 2018**

20. Financial Position of the Ministries of The Baptist Union of Queensland As at 30 June 2018

	QBSG	QCCC	Baplink	Carinity	Malyon College	QBWM	The Training Collaborative	SPEC	Aggregated Position
	\$	\$	\$	\$	\$	\$	\$	\$	\$
Current Assets									
Cash and Cash Equivalents	4,330,361	180,850	35,745,123	9,750,612	1,030,476	23,078	103,866	11,113	51,175,499
Trade and Other Receivables	305,021	418,886	98,850	4,644,506	13,722	1,819	16,658	67,427	5,566,889
Inventories	0	0	0	146,761	0	0	0	1,876	148,637
Other Assets	13,081	0	4,111,291	642,387	0	0	0	7,678	4,774,437
Total Current Assets	4,648,463	599,736	39,955,264	15,184,266	1,044,198	24,897	120,544	88,094	61,665,462
Non-Cur Assets									
Trade & Other Receivables	0	0	0	0	0	0	0	0	0
Other assets	0	0	82,081,321	13,440	0	0	0	0	82,094,761
Prop, Plant and Equipment	9,091,997	9,970,560	1,816,500	261,735,213	356,337	0	0	5,003,015	287,973,622
Intangible assets	0	0	425,673	3,390,593	0	0	0	0	3,816,266
Total Non-Current Assets	9,091,997	9,970,560	84,323,494	265,139,246	356,337	0	0	5,003,015	373,884,649
Total Assets	13,740,460	10,570,296	124,278,758	280,323,512	1,400,535	24,897	120,544	5,091,109	435,550,111
Cur Liabilities									
Trade and Other Payables	187,979	116,896	68,138	8,256,745	71,262	6,923	16,805	71,063	8,795,811
Financial Liabilities	120,077	1,669,386	79,914,386	4,753,950	60,585	0	0	470,089	86,988,473
Employee Benefits	156,904	246,750	158,510	7,543,739	138,380	0	22,028	85,709	8,352,020
Provisions	15,890	0	212,156	0	0	0	0	0	228,046
Other	0	0	0	0	0	0	0	0	0
Total Cur Liabilities	480,850	2,033,032	80,353,190	20,554,434	270,227	6,923	38,833	626,861	104,364,350
Non-Cur Liabilities									
Trade and Other Payables	0	0	0	0	0	0	0	0	0
Financial Liabilities	862,090	5,999,187	39,377,092	121,930,060	0	0	0	1,962,173	170,130,602
Employee Benefits	188,366	351,324	0	328,726	185,715	0	14,274	54,238	1,122,643
Provisions	4,981,819	265,240	0	0	158,836	0	0	0	5,405,895
Total Non-Current Liabilities	6,032,275	6,615,751	39,377,092	122,258,786	344,551	0	14,274	2,016,411	176,659,140
Total Liabilities	6,513,125	8,648,783	119,730,282	142,813,220	614,778	6,923	53,107	2,643,272	281,023,490
Net Assets	7,227,335	1,921,513	4,548,476	137,510,292	785,757	17,974	67,437	2,447,837	154,526,621
Equity									
Reserves	2,271,390	0	0	37,187,050	41,891	0	0	0	39,500,331
Accumulated Funds	4,955,945	1,921,513	4,458,476	100,323,242	743,866	17,974	67,437	2,447,837	115,026,290
Total Equity	7,227,335	1,921,513	4,458,476	137,510,292	785,757	17,974	67,437	2,447,837	154,526,621

These notes should be read in conjunction with the attached Independent Audit Report.

**The Baptist Union of Queensland
Notes to the Financial Statements
For the Year ended 30 June 2018**

**20. Financial Position of the Ministries of The Baptist Union of Queensland (continued)
As at 30 June 2017**

	QBSG	QCCC	Baplink	Carinity	Malyon College	QBWM	The Training Collaborative	SPEC	Aggregated Position
	\$	\$	\$	\$	\$	\$	\$	\$	\$
Current Assets									
Cash and Cash Equivalents	4,530,600	431,713	58,088,000	31,806,583	856,682	25,365	187,855	49,718	95,976,516
Trade and Other Receivables	259,549	385,637	4,492,000	2,505,339	188,022	1,709	24,901	100,832	7,957,989
Inventories	0	0	0	107,132	0	0	0	16,618	123,750
Other Assets	35,248	9,285	313,000	457,863	0	0	0	19,363	834,759
Total Current Assets	4,825,397	826,635	62,893,000	34,876,917	1,044,704	27,074	212,756	186,531	104,893,014
Non-Cur Assets									
Trade & Other Receivables	0	0	0	0	0	0	0	0	0
Other assets	0	0	73,361,000	13,261	0	0	0	0	73,374,261
Prop, Plant and Equipment	9,024,589	8,958,299	1,744,000	243,057,010	295,524	0	0	4,865,765	267,945,187
Intangible assets	0	0	456,000	32,955,593	0	0	0	0	33,411,593
Total Non-Current Assets	9,024,589	8,958,299	75,561,000	276,025,864	295,524	0	0	4,865,765	374,731,041
Total Assets	13,849,986	9,784,934	138,454,000	310,902,781	1,340,228	27,074	212,756	5,052,296	479,624,055
Cur Liabilities									
Trade and Other Payables	212,991	114,571	64,000	6,528,363	120,243	4,296	118,552	38,049	7,201,065
Financial Liabilities	135,879	1,554,194	104,966,000	7,673,950	0	0	0	389,708	114,719,731
Employee Benefits Provisions	141,736	246,927	69,000	7,128,432	173,358	0	0	56,607	7,816,060
	0	0	240,000	0	0	0	0	0	240,000
Total Cur Liabilities	490,606	1,915,692	105,339,000	21,330,745	293,601	4,296	118,552	484,364	129,976,856
Non-Cur Liabilities									
Trade and Other Payables	0	0	0	0	0	0	0	0	0
Financial Liabilities	1,230,581	6,082,043	28,554,000	117,895,906	0	0	0	1,583,640	155,346,170
Employee Benefits Provisions	176,934	339,007	31,000	296,232	192,342	0	0	43,830	1,079,345
	5,132,948	9,072	0	0	186,252	0	0	0	5,328,272
Total Non-Current Liabilities	6,540,463	6,430,122	28,585,000	118,192,138	378,594	0	0	1,627,470	161,753,787
Total Liabilities	7,031,069	8,345,814	133,924,000	139,522,883	672,195	4,296	118,552	2,111,834	291,730,643
Net Assets	6,818,917	1,439,120	4,530,000	171,379,898	668,033	22,778	94,204	2,940,462	187,893,412
Equity									
Reserves	2,271,390	0	0	102,801,309	46,108	0	0	0	105,118,807
Accumulated Funds	4,547,527	1,439,120	4,530,000	68,578,589	621,925	22,778	94,204	2,940,462	82,774,605
Total Equity	6,818,917	1,439,120	4,530,000	171,379,898	668,033	22,778	94,204	2,940,462	187,893,412

These notes should be read in conjunction with the attached Independent Audit Report.

**The Baptist Union of Queensland
Notes to the Financial Statements
For the Year ended 30 June 2018**

21. Aggregation of Different Financial Years

Malyon College, The Training Collaborative and South Pacific Education Company Limited adopt an alternative financial year to all other entities included in the aggregated financial statements. It is common for Educational Institutions to adopt a Calendar financial year model as this best reflects their operations.

All other entities included in the aggregated financial statements adopt a financial year ended 30th June 2018, accordingly the results presented for Malyon College, The Training Collaborative and South Pacific Education Company Limited are the audited financial results for the year ended 31st December 2017.

22. Adjustments to Asset Revaluation Reserves and Accumulated Funds by Carinity

The adjustments required to the Asset Revaluation Reserve and Accumulated Funds for Carinity affect both the current and previous financial years and consequently Carinity have elected to re-state their Audited Financial Statements for the financial year ended 30 June 2017. While Carinity have re-stated their financial results for 2017, The Baptist Union of Queensland have applied the adjustments relating to the amendments and policy changes to Reserves and Accumulated Funds all to the 2018 financial year accounts, with the details of these adjustments included in notes 18 and 19.

The Baptist Union of Queensland Statement by Members of the Board

The Board members have determined that The Baptist Union of Queensland is not a reporting entity and that this special purpose financial report should be prepared in accordance with the accounting policies described in Note 1 to the financial statements.

The accompanying financial statements and notes of The Baptist Union of Queensland as at 30th June 2018:

- a) Give a true and fair view of the financial position as at 30 June 2018 and of the performance for the year ended on that date in accordance with the accounting policies described in Note 1 to the financial statements.
- b) Comply with Accounting Standards as described in Note 1 to the financial statements and other mandatory reporting requirements.
- c) There are reasonable grounds to believe that The Baptist Union of Queensland will be able to pay its debts as and when they become due and payable.

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

.....
Chairman of the Board

.....
Secretary / Director of Administrative Services

Dated this day of 201

INDEPENDENT AUDIT REPORT TO THE MEMBERS OF THE BAPTIST UNION OF QUEENSLAND

Scope

The Financial Report and Board Members responsibility

The Financial Report being a Special Purpose Report comprises the income statement, balance sheet, accompanying Notes to the Financial Statements and Statement by members of The Queensland Baptist Board of The Baptist Union of Queensland ("the entity") for the year ended 30 June 2018.

The Board of the entity is responsible for the preparation and true and fair presentation of the financial report. This includes responsibility for the maintenance of adequate accounting records and internal controls that are designed to prevent and detect fraud and error, and for the accounting policies and accounting estimates inherent in the financial report.

Audit Approach

We have conducted an independent audit in order to express an opinion to the members of the entity. Our audit was conducted in accordance with Australian Auditing Standards, in order to provide reasonable assurance as to whether the financial report is free of material misstatement.

The nature of an audit is influenced by factors such as the use of professional judgement, selective testing, the inherent limitations of internal control, and the availability of persuasive rather than inclusive evidence. Therefore, an audit cannot guarantee that all material misstatements have been detected.

We performed procedures to assess whether in all material respects the financial report presents fairly, in accordance with Accounting Standards and other mandatory financial reporting requirements in Australia, a view which is consistent with our understanding of the entity's financial position, and of its performance as represented by the results of its operations and cash flows.

We formed an audit opinion on the basis of these procedures, which included:

- examining, on a test basis, information to provide evidence supporting the amounts and disclosures in the financial report, and;
- assessing the appropriateness of the accounting policies and disclosures used and the reasonableness of significant accounting estimates made by the Board.

While we considered the effectiveness of management's internal controls over financial reporting when determining the nature and extent of our procedures, our audit was not designed to provide assurance on internal controls.

Independence

In conducting our audit, we followed applicable independence requirements of Australian professional ethical pronouncements and the Corporations Act 2001.

**INDEPENDENT AUDIT REPORT
TO THE MEMBERS OF
THE BAPTIST UNION OF QUEENSLAND**

Audit Opinion

In our opinion, the financial report presents fairly in accordance with applicable Accounting Standards and other mandatory professional reporting requirements in Australia, the financial position of The Baptist Union of Queensland as at 30 June 2018, and the results of its operations for the year then ended.

Glen Klein
Audit Right Pty Ltd

Dated this day of 2018