

# UNITING CHURCH IN AUSTRALIA

## PRESBYTERY and SYNOD of SOUTH AUSTRALIA

### Financial Statements Index

for the year ended 31st December 2013

		Surplus/(Deficit)		Equity	
		2013	2012	2013	2012
		(\$'000)	(\$'000)	(\$'000)	(\$'000)
1.0	Mission and Service Fund	(997)	(1,797)	19,354	19,215
2.0	Property Sales Proceeds Fund	0	0	23	23
3.0	The R H White Settlement	177	252	5,971	5,250
4.0	Uniting Church Loan Fund	145	378	8,435	8,289
5.0	Motor Vehicle Lease Scheme	29	45	216	211
6.0	The Refugee Support Fund	1	1	12	12
7.0	The Uniting Church SA Relief Fund	95	0	97	2
8.0	The PWC Library Fund	0	0	2	2
9.0	The UCSA Building Fund	5	8	191	186
10.0	Disaster Fund	(6)	(25)	278	246
11.0	Uniting Venues SA:				
11.1	Adare Camp and Caravan Park	19	44	699	680
11.2	Nunyarra Conference Centre	25	89	835	810
11.3	Beyond Limits Outdoor Education (from 01/07/2013)	7	0	7	0
11.4	Tarooki Campsite	pending	(4)	pending	84
11.5	Thuruna Campsite	(2)	1	6	8
12.0	Peter Wood Devona Trust	(6)	(3)	580	586
13.0	Uniting Aboriginal and Islander Christian Congress	22	(89)	2,442	2,427
14.0	Pancake Day Appeal	(9)	1	11	20
15.0	Stillpoint Community	(16)	23	88	104
16.0	Mission Networks:				
16.1	Community Outreach Mission Network	(44)	(5)	65	110
16.2	Grace Connections Mission Network	1	3	7	6
16.3	Gulf Mission Network	1	2	15	14
16.4	South East Mission Network	2	1	20	18
16.5	Urban Mission Network	(1)	4	37	38
16.6	Western Mission Network	(1)	(1)	10	10
16.7	Hope Mission Network	(8)	(7)	55	62
16.8	3Dnet Mission Network	0	5	77	78
16.9	Northern Rural Mission Network	2	3	45	44
17.0	Uniting Foundation	384	169	4,622	3,871
18.0	Epworth SA Fund (from 12/2013)	69	168	10,386	9,336
19.0	The Parkin Trust Incorporated	346	277	4,911	3,946
20.0	The Parkin Mission of South Australia Incorporated	234	(72)	19,450	15,749
21.0	The Historical Society	37	33	793	1,676
22.0	UC Invest Group:				
22.1	UC Invest Property Fund	435	1,082	3,910	4,305
22.2	UC Invest Share Fund	9,178	7,503	51,362	30,332
22.3	UC Invest Direct Property Fund	3,562	3,616	31,828	26,920
22.4	UC Invest	3,351	5,674	22,894	17,472
22.5	UC Invest Dividend Income Fund (from 01/04/2012)	2,836	1,623	13,545	17,782

UNITING CHURCH IN AUSTRALIA  
PRESBYTERY and SYNOD  
of SOUTH AUSTRALIA

ABN 25 068 897 781

MISSION AND SERVICE FUND  
SPECIAL PURPOSE FINANCIAL REPORT

for the year ended  
31st December 2013

## **Mission and Service Fund Financial Report**

FOR THE YEAR ENDED 31 DECEMBER 2013

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## Mission and Service Fund Financial Report

FOR THE YEAR ENDED 31 DECEMBER 2013

### Preface

#### Description of the Business

The Uniting Church in Australia operates with an inter-conciliar framework. The Councils of the Church are:

- Assembly
- Synod
- Presbytery
- Church Councils i.e. Congregations

The Synod and Presbytery are two councils of the Church and consist principally of members elected by Church Councils. The Synod and Presbytery Councils have a responsibility for South Australia to fulfil the obligations set out for them in The Uniting Church in Australia Regulations. The responsibilities of the Presbytery are set out in Regulation 3.1.3 and the Synod's responsibilities are contained within Regulation 3.6.3.4.

These accounts reflect the financial impact of the mission and ministry activities of the Presbytery and Synod of South Australia but do not include the following financial statements:

- 1 Operations related to other Councils of the Church (e.g. Congregation Church Councils).
- 2 Presbytery and Synod accounts operated for specific purposes, for example, Disaster Fund.
- 3 The commercial activities of the UC Invest group which have a shared accountability to their depositors and unit holders as well as the Church.
- 4 Mission Networks which are operated independently under approved Presbytery rules.
- 5 The Uniting Foundation which has a shared accountability to bequestors as well as the Church.
- 6 Uniting Venues SA which at present has a "financial break even" mandate based on a full cost recovery model.
- 7 Motor Vehicle Lease Scheme / RH White / Property Sales Proceeds Fund / Uniting Church Loan Epworth SA Fund

All financial statements except those related to 1. above are reported separately and are available for inspection by Presbytery and Synod members once they have been tabled at the June 2014 Presbytery and Synod meeting.

Dealings with property and other assets as well as receipt of bequests on behalf of the Synod of South Australia are conducted within the legal entity entitled The Uniting Church in Australia Property Trust (S.A.) which was created by an Act of Parliament at the time of Union in 1977. Other than these obligations the Property Trust does not undertake any financial activities.

The Property Trust is also the legal owner of title to all financial and property resources of the Synod, Presbytery and all Church Councils as any of these assets are owned ultimately for the benefit of the national church. As described in the notes attached to these accounts, the value attached to properties under the custodial responsibility (for the time being) of any Church Council in South Australia has not been included in these accounts, except by Note.

The Mission and Service Fund operations are dependent on the continuation of grant income streams from The Parkin Mission, The Parkin Trust, RH White Settlement, Epworth Fund SA and UC Invest. Each of these granting entities has distinct governing policies which ensure continuity, require regular review and are renewed on an annual basis prior to balance date.

There are no indications that the grant funding will not be received.



## Role of Resources Board and Directors

The Resources Board, on behalf of both the Presbytery and Synod, has responsibility for complying with the Regulations with a particular emphasis on Sections 3 and 4 of the Regulations dealing with property, finance and budgeting. In formal terms the Resources Board fulfils the roles set out for a Synod Property Board under Regulation 4.2.1. In addition to its mandate to maximise the level of property and finance resources available for the mission of the Church in South Australia, the Resources Board also has the responsibility to ensure that the exposure of the Church to the risk of loss of its property and financial resources is minimised.

The members of the Resources Board as at 31st December 2013 are:

<b>Name</b>	<b>Role</b>	<b>Specialisation</b>
Rev Dr Tony Nancarrow: Alternate Director)	Chairperson	Mission and Small Business Management
Tom Adams	Executive Member	Investment
Rev Dr Graham Humphris*	Ex-officio and Executive Member	Mission
Dr Alice McCleary*	Executive Member	Finance and Accounting
Rob Williamson*	Executive Member	Property
Steve Roder*	Executive Member	Legal
Rev Ross Honey*	Executive member	Accounting, Mission
Peter Battersby*	Ex-officio (Property Officer and Executive member)	Finance, Governance and Strategic Planning
Dr Deirdre Palmer*	Ex-officio	Mission
Rev Beth Seaman*	Ex-officio	Mission

\* denotes the names of directors who are also members of the Property Trust and therefore ex-officio members of the Resources Board.

Rev Dr Tony Nancarrow  
Chairperson  
Resources Board

Peter Battersby  
Executive Officer, Resources Board &  
Presbytery Treasurer

UNITING CHURCH PRESBYTERY AND SYNOD OF SOUTH AUSTRALIA  
MISSION AND SERVICE FUND

## Statement of Comprehensive Income

FOR THE YEAR ENDED 31 DECEMBER 2013	Note	2013 \$	2012 \$
Income	2	10,338,717	9,855,627
Expenses	3	(11,231,622)	(11,572,172)
Impairment of Financial Assets		-	(76,031)
Finance Costs		(127,100)	(141,609)
<b>Current Year Operating Surplus/(Deficit)</b>		<b>(1,020,005)</b>	<b>(1,934,185)</b>
Capital Transfer:			
Funds transferred from Motor Vehicle Lease Scheme	4	23,487	60,017
Funds transferred from Strategic Plan	4	-	77,018
<b>Current Year Surplus/(Deficit)</b>		<b>(996,518)</b>	<b>(1,797,150)</b>
Other Comprehensive Income/(Losses)			
Unrealised Gains/(Losses) on Revaluation of Investments	5	1,321,053	930,953
<b>TOTAL COMPREHENSIVE INCOME/(LOSS) FOR THE YEAR</b>		<b>324,535</b>	<b>(866,197)</b>

UNITING CHURCH PRESBYTERY AND SYNOD OF SOUTH AUSTRALIA  
MISSION AND SERVICE FUND

# Statement of Financial Position

AS AT 31 DECEMBER 2013	Notes	2013 \$	2012 \$
<b>ASSETS</b>			
<b>CURRENT ASSETS</b>			
Cash and Cash Equivalents	6	2,155,055	2,795,012
Administered Items - Monies Held in Trust	6, 12	3,375,168	3,460,861
Trade and Other Receivables	7	2,044,981	2,214,308
<b>TOTAL CURRENT ASSETS</b>		<b>7,575,204</b>	<b>8,470,181</b>
<b>NON CURRENT ASSETS</b>			
Property Plant and Equipment	8	7,967,221	7,966,336
Intangible Assets	9	74,234	111,795
Financial Assets	10	13,647,906	12,902,658
<b>TOTAL NON CURRENT ASSETS</b>		<b>21,689,361</b>	<b>20,980,789</b>
<b>TOTAL ASSETS</b>		<b>29,264,565</b>	<b>29,450,970</b>
<b>LIABILITIES</b>			
<b>CURRENT LIABILITIES</b>			
Trade and Other Payables	11	1,516,590	1,933,771
Administered Items - Monies held in Trust	12	3,375,168	3,460,861
Borrowings	13	2,900,383	2,787,470
Provisions	14	1,837,588	1,786,381
<b>TOTAL CURRENT LIABILITIES</b>		<b>9,629,729</b>	<b>9,968,483</b>
<b>NON-CURRENT LIABILITIES</b>			
Provisions	14	281,206	267,064
<b>TOTAL NON-CURRENT LIABILITIES</b>		<b>281,206</b>	<b>267,064</b>
<b>TOTAL LIABILITIES</b>		<b>9,910,935</b>	<b>10,235,547</b>
<b>NET ASSETS</b>		<b>19,353,630</b>	<b>19,215,423</b>
<b>EQUITY</b>			
Accumulated Funds		10,152,633	10,529,322
Reserves		165,831	809,324
Asset Revaluation Reserves		9,035,166	7,876,777
<b>TOTAL EQUITY</b>		<b>19,353,630</b>	<b>19,215,423</b>

**UNITING CHURCH PRESBYTERY AND SYNOD OF SOUTH AUSTRALIA  
MISSION AND SERVICE FUND**

**Statement of Changes in Equity**

**FOR THE YEAR ENDED 31 DECEMBER 2013**

	<b>Accumulated Funds \$</b>	<b>Reserves \$</b>	<b>Asset Revaluation Reserves \$</b>	<b>Total \$</b>
Balance at 1 January 2012	7,049,111	1,593,990	11,438,519	20,081,620
Gain/(Loss) on revaluation of investments	-	-	930,953	930,953
Current Year Surplus/(Deficit)	(1,797,150)	-	-	(1,797,150)
Transfers from Reserves	784,666	(784,666)		-
Transfer on realisation of investments	4,492,695	-	(4,492,695)	-
Balance at 31 December 2012	<u>10,529,322</u>	<u>809,324</u>	<u>7,876,777</u>	<u>19,215,423</u>
Balance at 1 January 2013	10,529,322	809,324	7,876,777	19,215,423
Gain/(Loss) on revaluation of investments	-	-	1,321,053	1,321,053
Current Year Surplus/(Deficit)	(996,518)	-	-	(996,518)
Transfers from Reserves	643,493	(643,493)	-	-
Transfer of UCSA Building Fund - new enti	(186,328)			(186,328)
Transfer on realisation of investments	162,664	-	(162,664)	-
Balance at 31 December 2013	<u>10,152,633</u>	<u>165,831</u>	<u>9,035,166</u>	<u>19,353,630</u>

## Notes to the Financial Statements

FOR THE YEAR ENDED 31 DECEMBER 2013

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### NOTE 1 : SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial report of the Uniting Church in Australia Presbytery and Synod of South Australia Mission and Service Fund for the year ended 31 December 2013 was adopted by the Resources Board on 22nd May, 2014.

These contracts are renewed on an annual basis prior to balance date. There are no indications that the funding won't be received."

#### Operations and Principal Activities

The Uniting Church Presbytery and Synod of South Australia has been established as a separate entity in the Constitution of the Uniting Church in Australia Act 1976-1977. Under the Act, The Uniting Church in Australia Property Trust (S.A.) is the legal entity for the Synod and therefore all assets are held by the Property Trust beneficially for specific Synod established entities.

The Mission and Service Fund is the main operating fund of the Presbytery and Synod which is reported regularly to the membership. The Fund reports the financial activities of the Presbytery and Synod ministry centres, including Mission Resourcing SA, UnitingCare, Secretariat, Pastoral Relations, Resources and Uniting College for Leadership and Theology. The major income sources of the Fund are contributions from congregations, grant funding, cost recoveries from grant funding, cost recoveries from Synod ministry activities and investment income.

The Resources Board is responsible for the management of the Fund and preparing an annual budget to be approved by the annual Synod meeting.

#### Basis of Preparation

This financial report is a special purpose report prepared for use by the Mission and Service Fund. The Resources Board has determined that it is not a reporting entity.

The financial report has been prepared on a historical cost basis, except for available-for-sale investments and land and buildings which have been measured at fair value.

#### New Accounting Standards and Interpretations

The entity has adopted all of the new and revised standards and interpretations issued by the Australian Accounting Standards Board (AASB) that are relevant to its operations and effective for the current reporting period.

Apart from the changes in accounting policy noted below, the accounting policies and methods of computation remain unchanged from the previous financial year.

New and revised standards and interpretations effective for the current reporting period that are relevant to the entity include:

- Amendments to AASB 2009-12, 2010-3, 2010-4 and 2010-5.

These new standards have had no impact on the operations or net assets of the entity.

Any new, revised or amending Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

#### Significant Accounting Policies

##### (a) Cash and Cash Equivalents

Cash and Cash Equivalents in the Statement of Financial Position comprise cash at bank and in hand and short-term deposits with an original maturity of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

##### (b) Income Tax

The Fund is exempt from income tax due to its status as a charitable institution.

##### (c) Trade and Other Receivables

Trade receivables, which generally have 30-60 day terms, are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less an allowance for impairment.

Collectability of Trade Receivables is reviewed on an ongoing basis. Individual debts that are known to be uncollectible are written off when identified. An impairment provision is recognised when there is objective evidence that the Fund will not be able to collect the receivable. Financial difficulties of the debtor, default payments or debts more than 60 days overdue are considered objective evidence of impairment. The amount of the impairment loss is the receivable carrying amount compared to the present value of estimated future cash flows, discounted at the original effective interest rate.

## Notes to the Financial Statements

FOR THE YEAR ENDED 31 DECEMBER 2013

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### NOTE 1 : SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

#### (d) Revenue Recognition

Revenue is recognised and measured at the fair value of the consideration received or receivable to the extent it is probable that the economic benefits will flow to the Fund and the revenue can be reliably measured. The following specific recognition criteria must also be met before revenue is recognised:

##### (i) Interest Revenue

Revenue is recognised as interest accrues using the effective interest method. This is a method of calculating the amortised cost of a financial asset and allocating the interest income over the relevant period using the effective interest rate, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the net carrying amount of the financial asset.

##### (ii) Investment Revenue

Investment income is received in the form of distributions from units invested in UC Invest Share Fund, Dividend Income Fund, Property and Direct Property Funds. Revenue is recognised when the Fund's right to receive the payment is established.

##### (iii) Grant Revenue

Grant Revenue is recognised in the Statement of Comprehensive Income when it is controlled. When there are conditions attached to grant revenue relating to the use of those grants for specific purposes it is recognised in the Statement of Financial Position as a liability until such conditions are met or services provided.

##### (iv) Donations and Bequests

Donations and bequests are recognised as revenue when received unless they are designated for a specific purpose, where they are carried forward to the Statement of Financial Position as a specified fund.

##### (v) Congregational Contributions

Revenue for congregational contributions is recognised when it is received by the Mission and Service Fund. Each year congregations are required to submit to the Presbytery and Synod office a contribution to the wider mission of the church which is a percentage of their previous year's income. If a congregation is unable to contribute the designated amount then the Church Council is required to write to the Uniting Church Presbytery and Synod of SA applying for an exemption or variation from the Mission and Service Fund contribution for that year.

##### (vi) Synod Ministry Programs Cost Recoveries

Cost recoveries are from events, rental income, tax credits on minister's fringe benefit accounts, student fee contributions and strategic initiative projects. Amounts are not invoiced by the Fund and are recognised in the Statement of Comprehensive Income statement upon receipt.

#### (e) Land and Buildings

In accordance with the Act, The Uniting Church in Australia Property Trust (S.A.) is the legal entity under South Australian law that holds land and buildings and all other assets in trust for the Uniting Church in Australia. Although each Synod can have delegated powers on property dealings in accordance with the Constitution and Regulations of the Church, the Assembly of the Uniting Church in Australia has ultimate accountability for ensuring that all the assets are held in trust for the Uniting Church in Australia.

Increases in the carrying amount arising on revaluation of land and buildings are credited to an asset revaluation reserve in equity. Decreases that offset previous increases of the same asset class are charged against fair value reserves directly in equity; all other decreases are charged to the Statement of Comprehensive Income.

#### (f) Property, Plant and Equipment

Plant and equipment are measured on the cost or fair value basis less depreciation and impairment losses.

##### *Impairment*

The carrying value of plant and equipment are reviewed for impairment when events or changes in circumstances indicate the carrying value may not be recoverable.

If such indication exists and where the carrying values exceed the recoverable amount, the asset is written down to the recoverable amount.

## Notes to the Financial Statements

FOR THE YEAR ENDED 31 DECEMBER 2013

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### NOTE 1 : SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

#### (f) Property, Plant and Equipment (continued)

##### *Depreciation*

The depreciable amount of all fixed assets is depreciated on a straight line basis over their useful lives to the entity commencing from the time a portion of the asset was held ready for use.

Assets are depreciated at the following rates:

Motor Vehicles	15 to 23%
Office Equipment	27%
Furniture and Fittings	10%
Software	20%

The assets' residual values, useful lives and amortisation methods are reviewed, and adjusted if appropriate, at each financial year end.

##### *Derecognition*

An item of property, plant and equipment is derecognised upon disposal or when no further future economic benefits are expected from its use or disposal.

#### (g) Impairment of Assets

At each reporting date, the entity assesses whether there is objective evidence that an asset has been impaired. Where an indicator of impairment exists, the entity calculates the recoverable amount of the asset. When the carrying amount of an asset is greater than its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

Recoverable amount is the greater of fair value less costs to sell and value in use.

#### (h) Intangible Assets

##### *Intangibles*

Intangible Assets acquired are initially measured at cost. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and any accumulated impairment losses. Internally generated intangible assets, excluding capitalised software development costs, are not capitalised and expenditure is recognised in profit or loss in the year in which the expenditure is incurred.

Intangible Assets held by the entity have finite lives and are amortised over the useful life and tested for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life is reviewed at least at each financial year-end. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are accounted for prospectively by changing the amortisation period or method, as appropriate, which is a change in accounting estimate. The amortisation expense on intangible assets with finite lives is recognised in profit or loss in the expense category consistent with the function of the intangible asset.

##### *Computer Software*

Research costs are expensed as incurred. An intangible asset arising from development expenditure on an internal project is recognised only when the Fund can demonstrate the technical feasibility of completing the intangible asset so that it will be available for use or sale, its intention to complete and its ability to use or sell the asset, how the asset will generate future economic benefits, the availability of resources to complete the development and the ability to measure reliably the expenditure attributable to the intangible asset during its development. Following the initial recognition of the development expenditure, the cost model is applied requiring the asset to be carried at cost less any accumulated amortisation and accumulated impairment losses. Any expenditure so capitalised is amortised over the period of expected benefit from the related project.

The carrying value of an intangible asset arising from development expenditure is tested for impairment annually when the asset is not yet available for use, or more frequently when an indication of impairment arises during the reporting period.

#### (i) Provisions and Employee Benefits

Provisions are recognised when the Fund has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

## Notes to the Financial Statements

FOR THE YEAR ENDED 31 DECEMBER 2013

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### NOTE 1 : SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

#### (i) Provisions and Employee Benefits (continued)

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the balance sheet date using a discounted cash flow methodology. The risks specific to the provision are factored into the cash flows and as such a risk-free government bond rate relative to the expected life of the provision is used as a discount rate. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects the time value of money and the risks specific to the liability. The increase in the provision resulting from the passage of time is recognised in finance costs.

##### *Employee Leave Benefits*

###### *(i) Wages, salaries, annual leave and personal (sick/carer's) leave*

Liabilities for wages and salaries, including non-monetary benefits and annual leave expected to be settled within 12 months of the reporting date are recognised in respect of employees' services up to the reporting date. They are measured at the amounts expected to be paid when the liabilities are settled. Personal (Sick/Carer's) leave is non-accumulating and is recognised as an expense when the leave is taken and are measured at the rates paid or payable.

Annual leave is not accrued for Ministers as per the Stipend Committee Bylaws stating annual leave for Ministers shall be four weeks per calendar year taken within that year by arrangement with the Congregation or other appropriate body.

###### *(ii) Long Service Leave*

The liability for Long Service Leave is recognised and measured as the present value of expected future payments to be made in respect of services provided by employees up to the reporting date using the projected unit credit method. Consideration is given to expected future wage and salary levels, experience of employee departures, and periods of service. Expected future payments are discounted using market yields at the reporting date on national government bonds with terms to maturity and currencies that match, as closely as possible, the estimated future cash outflows.

#### (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.

##### *(i) Fund as a lessee*

Operating lease payments are recognised as an expense in the Statement of Comprehensive Income on a straight-line basis over the lease term. Operating lease incentives are recognised as a liability when received and subsequently reduced by allocating lease payments between rental expense and reduction of the liability.

#### (k) Trade and Other Payables

Trade and other payables and accruals are carried at amortised cost. Due to their short term nature they are not discounted. They represent liabilities for goods and services provided to the Fund prior to the end of the financial year that are unpaid and arise when the Fund becomes obliged to make future payments in respect of the purchase of these goods and services. The amounts are unsecured and are usually paid within 30 days of recognition.

##### *Contra Bank Accounts*

Some of the entities outside the Fund, including appeals and events conducted by the Uniting Church related entities do not operate their own bank accounts. Monies are deposited and paid from the Mission and Services Fund account. At year end the amount represents a liability of the Fund to these entities for the funds held on their behalf.

#### (l) Administered Items

Administered Items represent funds held in trust by the Synod on behalf of the Ministers for the following purposes:

##### *Monies Held in Trust*

###### *(i) Ministers Benefit Fund*

Funds have been set aside from amounts contributed by congregations to the Fund to cover anticipated costs of future Ministers' compensation claims by Ministers placed by the Church. The Fund is used to support future cost estimates associated with funding leave claims relating to sickness, work place injury and on compassionate grounds. An Actuarial assessment has been performed in September 2012 to ensure the level of funding is sufficient to meet its present and future obligations during the Ministers' incapacity and claims anticipated at balance date. The Fund is periodically reviewed and updated based on the facts and circumstances available at the time. Any shortfall identified would be met by increased contributions by congregations as determined by the Stipends Committee.



## Notes to the Financial Statements

FOR THE YEAR ENDED 31 DECEMBER 2013

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### NOTE 1 : SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

#### (l) Administered Items (continued)

##### (ii) Ministers Fringe Benefits Account

Monies held in trust at year end represent unpaid fringe benefit entitlements to ministers. Each year, ministers are entitled to allocate up to 30% of their Stipend and 100% of allowances as fringe benefit payments.

##### (iii) Ministers Accommodation Support Fund

The Ministers Accommodation Support Fund was approved at the Annual Synod meeting October 1997 to provide financial support for the provision of accommodation in special circumstances to Ministers and their spouses. The fund comprises the surplus generated in the South Australian Ministers' Home Endowment Fund after crediting interest due on individual accounts and transferring those accounts to the National Ministers' Home Endowment Fund. The CEO/General Secretary and Executive Officer Pastoral Relations determine those Ministers or spouses who are eligible to apply for a grant.

##### (iv) Other Monies held in Trust

Monies held in trust at year end represent donations or gifts made from external sources to be used for specified purposes in accordance with the trust deed or equivalent.

#### (m) Interest-bearing loans and borrowings

All loans and borrowings are initially recognised at the fair value of the consideration received less directly attributable transaction costs.

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the effective interest method.

Borrowings are classified as current liabilities unless the Fund has an unconditional right to defer settlement of the liability for at least 12 months after the balance sheet date.

##### *Borrowing costs*

Borrowing costs are recognised as an expense when incurred.

#### (n) Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST except:

- (i) when the GST incurred on a purchase of goods and services is not recoverable from the taxation authority, in which case the GST is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable;
- (ii) receivables and payables are stated with the amount of GST included.

The net amount of GST recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the Statement of Financial Position.

Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the taxation authority.

#### (o) Significant accounting judgements, estimates and assumptions

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts in the financial statements. Management continually evaluates its judgements and estimates in relation to assets, liabilities, contingent liabilities, revenue and expenses. Management bases its judgements and estimates on historical experience and on other various factors it believes to be reasonable under the circumstances, the result of which forms the basis of the carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates under different assumptions and conditions.

Management has identified the following critical accounting policies for which significant judgements, estimates and assumptions are made. Actual results may differ from these estimates under different assumptions and conditions and may materially affect financial results or the financial position reported in future periods.

Further details of the nature of these assumptions and conditions may be found in the relevant notes to the financial statements.

## Notes to the Financial Statements

FOR THE YEAR ENDED 31 DECEMBER 2013

---

### NOTE 1 : SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

#### (p) Financial Instruments

##### *Recognition and Initial Measurement*

Financial instruments, incorporating financial assets and financial liabilities, are recognised when the entity becomes a party to the contractual provisions of the instrument.

Trade date accounting is adopted for financial assets that are delivered within timeframes established by marketplace convention.

Financial Instruments are initially measured at fair value plus transactions costs where the instrument is not classified at fair value through profit or loss. Transaction costs related to instruments classified as at fair value through profit or loss are expensed to profit or loss immediately. Financial instruments are classified and measured as set out below.

##### *Derecognition*

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

##### *Classification and Subsequent Measurement*

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

Financial assets are classified at fair value through profit or loss when they are held for trading for the purpose of short term profit taking, where they are derivatives not held for hedging purposes, or designated as such to avoid an accounting mismatch or to enable performance evaluation where a group of financial assets is managed by key management personnel on a fair value basis in accordance with a documented risk management or investment strategy. Realised and unrealised gains and losses arising from changes in fair value are included in profit or loss in the period in which they arise.

##### *(ii) Loans and receivables*

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

##### *(iii) Held-to-maturity investments*

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

##### *(iv) Available-for-sale financial assets*

Available-for-sale financial assets are non-derivative financial assets that are either designated as such or that are not classified in any of the other categories. They comprise investments in the equity of other entities where there is neither a fixed maturity nor fixed or determinable payments. After initial recognition available for sale financial assets are measured at fair value with gains or losses being recognised as a separate component of equity until the investment is derecognised, at which time the cumulative gain or loss is transferred to accumulated funds. Where an asset is considered to be impaired, any decrement is recognised in profit or loss.

##### *(v) Financial liabilities*

Non-derivative financial liabilities (excluding financial guarantees) are subsequently measured at amortised cost using the effective interest rate method.

#### (q) Reserves

##### *(i) Financial Assets Revaluation Reserve*

The Financial Assets Revaluation Reserve is used to record increments and decrements in the fair value of available for sale financial assets. Should the decrement exceed the reserve amount that portion of the decrease is recorded as an expense in the income statement.

##### *(ii) Specified Reserves*

Specified Reserves are internally generated funds set aside for a specific purpose but do not have an existing constructive obligation.

## Notes to the Financial Statements

FOR THE YEAR ENDED 31 DECEMBER 2013

### NOTE 1 : SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

#### (q) Reserves (continued)

##### (iii) Fixed Asset Revaluation Reserve

The Fixed Asset Revaluation Reserve reflects increases in the carrying amount arising on the revaluation of land and buildings. Decreases that offset previous increases of the same asset class are recorded against this reserve; all other decreases are charged to the Statement of Comprehensive Income.

#### (r) Comparative Figures

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

	2013	2012
	\$	\$
<b>NOTE 2 : INCOME</b>		
Congregational Contributions	1,350,802	1,236,975
Grant - Parkin Trust	270,000	280,000
Grant - Parkin Mission	1,100,000	1,150,000
Grant - Epworth SA	600,000	510,000
Grant Uniting Foundation	12,000	15,903
Grant UC Invest	1,680,000	1,370,000
Investment Income	2,292,694	2,282,354
Synod Ministry Programs Cost Recoveries	3,021,716	3,010,899
Sundry	11,505	-
	<u>10,338,717</u>	<u>9,856,131</u>

#### OTHER INCOME

Realised profit/(loss) on sale of assets

Computer

-	(505)
-	(505)

#### Total Income

<u>10,338,717</u>	<u>9,855,627</u>
-------------------	------------------

#### NOTE 3 : EXPENSES

National Assembly and Ecumenical Support	518,905	504,222
Synod Ministry Programs**	9,261,938	9,233,308
Reserves - Strategic Planning	13,865	231,418
Reserves - Strategic initiatives	456,999	620,110
Sundry	979,915	983,114
	<u>11,231,622</u>	<u>11,572,172</u>

\*\* Synod Ministry Programs include Mission Resourcing, Uniting College of Leadership and Theology, Pastoral Relations (Ministers' Support and Chaplaincy), Resources (Business and Administration) and Insurance.

Included in the Income Statement are the following expenses

##### Personnel Entitlements

Short Term

4,493,124	4,340,251
-----------	-----------

Long Term

119,312	97,044
---------	--------

Post Employment - Superannuation

410,195	404,365
---------	---------

Depreciation

132,052	127,848
---------	---------

Amortisation

55,501	31,742
--------	--------

Operating Lease Payments

24,468	26,426
<u>5,234,651</u>	<u>5,027,676</u>

#### NOTE 4 : CAPITAL TRANSFER

The Resources Board agreed on 24/03/2011 to reduce the Motor Vehicle Lease Scheme (MVLS) Accumulated Funds from the current level to \$200,000. In 2013, A capital transfer of \$23,487 has been made into the Mission and Service Fund from the MVLS to reflect this decision, with provision made for indexation.

## Notes to the Financial Statements

FOR THE YEAR ENDED 31 DECEMBER 2013

### NOTE 5 : GAINS / (LOSSES) ON REVALUATION OF INVESTMENTS

	2013	2012
	\$	\$
Mission & Service Fund investment in:		
UC Invest Share Fund	150,086	372,557
UC Invest Dividend Income Fund	944,145	170,317
UC Invest Property Fund	54,469	252,413
UC Invest Direct Property Fund	167,353	208,623
Land & Buildings	5,000	(72,957)
	<u>1,321,053</u>	<u>930,953</u>

### NOTE 6 : CASH AND CASH EQUIVALENTS

Petty Cash	6,000	6,000
At Call deposits	<u>2,149,055</u>	<u>2,789,012</u>
	<u>2,155,055</u>	<u>2,795,012</u>

#### Reconciliation of Cash

Cash at end of the financial year as shown in the Statement of Financial Position

Cash and Cash Equivalents	2,155,055	2,795,012
Administered Items - Monies Held in Trust	<u>3,375,168</u>	<u>3,460,861</u>
	<u>5,530,223</u>	<u>6,255,873</u>

### NOTE 7 : TRADE AND OTHER RECEIVABLES

Sundry Debtors	902,640	872,459
Accruals	<u>1,142,341</u>	<u>1,341,849</u>
	<u>2,044,981</u>	<u>2,214,308</u>

### NOTE 8 : PROPERTY, PLANT AND EQUIPMENT

Land and Buildings	7,645,000	7,640,000
Accumulated Depreciation	<u>-</u>	<u>-</u>
	<u>7,645,000</u>	<u>7,640,000</u>
 Furniture and Fittings	 545,036	 516,490
Accumulated Depreciation	<u>(342,267)</u>	<u>(296,812)</u>
	<u>202,769</u>	<u>219,678</u>
 Office Equipment	 303,780	 415,141
Accumulated Depreciation	<u>(184,328)</u>	<u>(308,483)</u>
	<u>119,452</u>	<u>106,658</u>
 Total Net Property, Plant and Equipment	 <u>7,967,221</u>	 <u>7,966,336</u>

Movement in the carrying amounts for each class of property, plant, and equipment between the beginning and the end of the current financial year.

	Additions /		Depreciation		
	1/01/2012	Revaluations	Disposals	Expense	31/12/2012
	\$	\$	\$	\$	\$
Land and Buildings	7,003,333	636,667	-	-	7,640,000
Furniture and Fittings	255,973	13,920	-	50,214	219,679
Office Equipment	167,896	18,733	2,336	77,634	106,659
	<u>7,427,202</u>	<u>669,320</u>	<u>2,336</u>	<u>127,848</u>	<u>7,966,338</u>

	Additions /		Depreciation		
	1/01/2013	Revaluations	Disposals	Expense	31/12/2013
	\$	\$	\$	\$	\$
Land and Buildings	7,640,000	5,000	-	-	7,645,000
Furniture and Fittings	219,679	35,775	-	52,685	202,769
Office Equipment	106,659	94,075	1,915	79,367	119,452
	<u>7,966,338</u>	<u>134,850</u>	<u>1,915</u>	<u>132,052</u>	<u>7,967,221</u>

## Notes to the Financial Statements

FOR THE YEAR ENDED 31 DECEMBER 2013

### NOTE 8 : PROPERTY, PLANT AND EQUIPMENT (Continued)

Land and Buildings are valued at fair value.

Valuation - Land and Buildings	\$	Value Date	Valuer
Lipsett Terrace, Brooklyn Park	2,000,000	9/10/2011	Herron Todd White
Young Street, Wayville	4,840,000	10/12/2010	Herron Todd White
Tolcairn Crescent, Flagstaff Hill	435,000	1/07/2013	Valuer General
Portrush Road, Beulah Park (Land Only)	370,000	1/07/2013	Valuer General
	<u>7,645,000</u>		

	2013	2012
	\$	\$
Software	218,036	215,256
Accumulated Amortisation	<u>(143,802)</u>	<u>(103,461)</u>
	<u>74,234</u>	<u>111,795</u>

#### Movement in Carrying Amounts - Intangible Assets

	1/01/2012	Additions	Disposals	Amortisation Expense	31/12/2012
	\$	\$	\$	\$	\$
Software	108,070	35,467	-	31,742	111,795
	<u>108,070</u>	<u>35,467</u>	<u>0</u>	<u>31,742</u>	<u>111,795</u>

	1/01/2013	Additions	Disposals	Amortisation Expense	31/12/2013
	\$	\$	\$	\$	\$
Software	111,795	17,941	-	55,501	74,235
	<u>111,795</u>	<u>17,941</u>	<u>-</u>	<u>55,501</u>	<u>74,235</u>

### NOTE 10 : FINANCIAL ASSETS

#### NON-CURRENT

	2013	2012
	\$	\$
Available for redemption		
UC Invest Share & Dividend Income Fund - at Market Value	9,579,851	8,388,603
UC Invest Direct Property Fund - at Market Value	3,459,813	3,292,460
UC Invest Property Fund - at Market Value	608,242	1,211,187
Managed Funds - Uniting College - at cost	-	10,408
	<u>13,647,906</u>	<u>12,902,658</u>

### NOTE 11 : TRADE AND OTHER PAYABLES

#### CURRENT

Sundry Creditors	164,362	533,301
Accruals	1,027,840	1,146,483
Contra Bank Accounts	<u>324,388</u>	<u>253,987</u>
	<u>1,516,590</u>	<u>1,933,771</u>

All bequests, other than those in transition from executors of the deceased to specified congregations, are now held within the Uniting Foundation.

## Notes to the Financial Statements

FOR THE YEAR ENDED 31 DECEMBER 2013

### NOTE 12 : ADMINISTERED ITEMS

	2013	2012
CURRENT ASSETS	\$	\$
Cash and Cash Equivalents	3,375,168	3,460,861
<b>CURRENT LIABILITIES</b>		
Monies Held in Trust		
Ministers Benefit Fund	581,112	652,787
Minister Fringe Benefit Account	743,859	665,228
Ministers Accommodation Support Fund	17,062	27,729
Bequests	1,380,426	1,470,544
Other	652,709	644,573
	<u>3,375,168</u>	<u>3,460,861</u>

### NOTE 13 : BORROWINGS

<b>CURRENT (Unsecured)</b>		
Uniting Church Loan Fund	<u>2,900,383</u>	<u>2,787,470</u>
	<u>2,900,383</u>	<u>2,787,470</u>

### NOTE 14 : PROVISIONS

<b>CURRENT</b>		
Long Service Leave	1,551,281	1,559,033
Uniting College	33,757	36,186
Annual Leave	<u>252,550</u>	<u>191,162</u>
	<u>1,837,588</u>	<u>1,786,381</u>
<b>NON-CURRENT</b>		
Long Service Leave	<u>281,206</u>	<u>267,064</u>
	<u>281,206</u>	<u>267,064</u>

### NOTE 15 : RESERVES

Financial Asset Reserve	3,373,181	2,219,790
Fixed Asset Revaluation Reserve	<u>5,661,987</u>	<u>5,656,987</u>
	<u>9,035,168</u>	<u>7,876,777</u>

#### Gain/(Loss) on revaluation of Investments:

In December 2013, as a result of an instruction from the Resources Board Investment Sub-Committee, \$0.7m units were sold to provide cashflow for the annual insurance premiums which are paid in advance in one instalment. The sale realised \$162,663 increased Accumulated Funds, recognising net gains in the value of the units over the time held. A net gain of \$1,321,053 was realised during 2013 as a result of revaluation of these and the remaining investments.

Specified Reserves	1/01/2013	Funds In	Funds Out	31/12/2013
	\$	\$	\$	\$
Strategic Initiatives	420,717	10,825	431,542	-
SA Strategic Plan	100,000	4,747	13,865	90,882
Mission Resourcing SA Bookshop	12,180	10,952	13,109	10,023
UCSA Building Fund	186,328	-	186,328	-
Chaplaincy Professional Development	28,644	784	1,449	27,979
Thriving Church Leadership	19,218	-	-	19,218
Co-location Project	42,240	825	25,333	17,732
	<u>809,327</u>	<u>28,133</u>	<u>671,626</u>	<u>165,834</u>

#### Movement in Specified Reserves

Specified Reserves - Funds In	(28,133)
Specified Reserves - Funds Out	<u>671,626</u>
Total Movement	<u>643,493</u>

As at January 2013 the UCSA Building Fund was established as a distinct entity and all related balances transferred to this new entity

## Notes to the Financial Statements

FOR THE YEAR ENDED 31 DECEMBER 2013

### NOTE 15 : RESERVES (continued)

#### **Strategic Initiatives**

Current Strategic Initiatives include those projects above the normal operations of the Presbytery and Synod which have been identified as important. The Strategic Initiatives include:

- Mission Network Review – two additional staff to work with the Executive Officer, Pastoral Relations.
- Database integration and management for the planning and implementation of solutions to enable greater database integration within the Presbytery and Synod Office.
- Human Resources support – long term commitment towards a Human Resources Adviser and the costs of obtaining specialist advice from Business SA, EMA Consulting and other specialist HR services.
- Additional staffing for Secretariat as a result of Networks review.
- Costs to resource governance policy development to establish governance policies for Presbytery and Synod Agencies and Schools.

Funds have been earmarked for each of these initiatives' successful implementation. There are no remaining funds at the end of the 2013.

#### **SA Strategic Plan**

The 2008-2012 Strategic Plan comprised of six key directions designed to ensure that the Uniting Church in South Australia is intentional and committed about the future. A Strategic Planning Steering Group oversaw the development and implementation of the Key Directions ensuring the plan stayed on target. The Steering Group established Six Core Teams responsible for developing objectives and action plans to achieve each of the Six Key Directions. Core Teams set clear targets and reported regularly to the Steering Group. Funds were assigned to action the objectives to reach targets. During 2013 a new Strategic Plan has been developed, with four key directions established to build on the original six. These are Trusting Relationships, Gifts & Strengths of the UCA, Foundational Values & Core Activities and Key Issues Shaping The Next Ten Years. Unused funds quarantined for the Strategic Plan are held in Reserves.

#### **Mission Resourcing SA Bookshop**

The Mission Resourcing SA Bookshop operates out of the Synod and Presbytery office. Proceeds from the bookshop are used to purchase stock and support events held by the Mission Resourcing SA (MRSA). The funds accumulated in this reserve are available for use by the MRSA.

#### **Co-location Project**

The Resources Board agreed on 4/10/2012 to set aside \$50,000 from the remainder of the 2008-2012 Strategic Plan Funds as a separate reserve for using in researching suitable sites for relocation of the current Uniting Church SA Presbytery and Synod place of business.

	2013	2012
	\$	\$
<b>NOTE 16 : LEASING COMMITMENTS</b>		
<b>Operating Lease Commitments</b>		
Payable - minimum lease payments		
not later than 12 months	9,708	24,962
between 12 months and 5 years	1,596	11,428
	<u>11,304</u>	<u>36,390</u>

The office equipment leases are cancellable by negotiation, but incur a high penalty. Lease terms are generally for between three to five years with lease payments payable monthly in advance. Lease payments are set for the agreed term, with no provision within the lease agreement for increases. Options exist to renew individual leases at the end of the contract at varying terms, however, as the equipment is out of warranty at this time that option may not be taken up.

## Notes to the Financial Statements

FOR THE YEAR ENDED 31 DECEMBER 2013

### NOTE 17 : KEY MANAGEMENT PERSONNEL COMPENSATION

	<i>Short Term</i>	<i>Post employment</i>	<i>Long Term</i>	<i>Total</i>
	\$	\$	\$	\$
2012				
Total Compensation To Executive Officers	665,414	60,822	14,011	740,247
2013				
Total Compensation To Executive Officers	769,384	68,710	14,141	852,235
Rev Dr Graham Humphris, Chief Executive Officer				
Rev Rob Williams, Moderator				
Mr Barry Atwell, Executive Officer, Resources				
Mrs Sharonne Price, Executive Officer, Pastoral Relations				
Rev Dr Steve Taylor, Principal UCLT				
Rev Rob Brown, Executive Officer, UnitingCare				
Mr Peter Battersby, Executive Officer, Resources				
Mr Alan Dutton, Executive Officer - Interim MRSA				
Rev Beth Seaman, Executive Officer - Interim, MRSA				
Dr Deirdre Palmer, Moderator				

	2013	2012
	\$	\$
<b>NOTE 18 : AUDITORS REMUNERATION</b>		
Remuneration of the auditor for:		
Auditing the financial report	12,432	12,008

### NOTE 19 : CAPITAL COMMITMENTS

There were no capital commitments at 31 December 2013 relating to any future transactions.

### NOTE 20 : CONTINGENT LIABILITIES

There are no litigation or contingent liabilities.

### NOTE 21 : VALUATION OF PROPERTIES

The land and buildings not included in the financial statements of other reporting entities (refer note 1) have a capital value of \$224,050,860 based on the most recent South Australian Valuer General's assessment. This carrying amount will be updated on an annual basis. It is not the intention of the Uniting Church in Australia Property Trust (S.A.) to obtain independent assessments of the market value of land and buildings since the predominant use of these assets in the future is worship and related religious activities rather than to be sold.

The value of any building and fixed improvements has not been separated from the value of the land on which these improvements is situated. Buildings and improvements have not been depreciated.

### NOTE 22 : SEGMENT REPORTING

The entity operates predominantly in one geographical segment being the state of South Australia.

### NOTE 23 : EVENTS SUBSEQUENT TO REPORTING DATE

The Resources Board is not aware of any other event or circumstance which has arisen since the end of the financial year, which has significantly affected, or may significantly affect, the entity's operation, the results of those operations or the entity's state of affairs in subsequent financial period.

### NOTE 24 : RELATED PARTIES

Most members of Boards and Committees reporting to the Resources Board have certified that they did not receive any remuneration as a result of their Board or Committee activities. In the situations where remuneration was received, the Chairperson of the respective Board or Committee has certified that the remuneration received was part of a normal and transparent commercial process conducted by the Board or Committee.

The entity invests in UC Invest, UC Invest Dividend Income Fund, UC Invest Share Fund, UC Invest Property Fund and UC Invest Direct Property Fund, which are activities of The Uniting Church in Australia Property Trust (S.A.).

### NOTE 25 : ENTITY DETAILS

The registered office and principal place of business of this entity is:

Level 2, 212 Pirie Street  
Adelaide SA 5000



Notes to the Financial Statements

FOR THE YEAR ENDED 31 DECEMBER 2013

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Declaration by The Resources Board

The Resources Board has determined that the Fund is not a reporting entity. The Resources Board has determined that this special purpose financial report should be prepared in accordance with the accounting policies outlined in Note 1 to the financial statements.

The Resources Board declares that:

- 1. the financial statements and notes as set out on pages 5 to 19 present fairly the Fund's financial position as at 31<sup>st</sup> December 2013 and its performance for the year ended on that date in accordance with the accounting policies in Note 1 to the financial report.
- 2. in the opinion of the Resources Board, there are reasonable grounds to believe that the Fund will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the Resources Board by:

The Chairperson of the Resources Board:

.....

Dated this                      day of                      2014

Executice Officer, Resources:

.....

Dated this                      day of                      2014

UNITING CHURCH PRESBYTERY AND SYNOD OF SOUTH AUSTRALIA  
PROPERTY SALES PROCEEDS FUND

## Income Statement

FOR THE YEAR ENDED 31 DECEMBER 2013	Note	2013 \$	2012 \$
Revenue	2	894,711	668,272
Distribution - Congregations		(564,803)	(540,517)
Distribution - Pursuant to Property Sales Proceeds Policy	3	(329,237)	(127,538)
Distribution - Bequests		-	-
Other Expenses	4	(298)	(129)
<b>Current Year Surplus/(Deficit)</b>		<b>373</b>	<b>88</b>
Other Comprehensive Income		-	-
<b>Total Comprehensive Income</b>		<b>373</b>	<b>88</b>

UNITING CHURCH PRESBYTERY AND SYNOD OF SOUTH AUSTRALIA  
PROPERTY SALES PROCEEDS FUND

## Balance Sheet

FOR THE YEAR ENDED 31 DECEMBER 2013

Note

2013  
\$

2012  
\$

### ASSETS

#### CURRENT ASSETS

Cash and Cash Equivalents

5 9,678,913 7,201,406

Trade and Other Receivables

6 69,214 63,009

#### TOTAL CURRENT ASSETS

9,748,127 7,264,415

#### NON-CURRENT ASSETS

Financial Assets

7 5,786,824 4,349,445

#### TOTAL NON-CURRENT ASSETS

5,786,824 4,349,445

#### TOTAL ASSETS

15,534,951 11,613,860

### LIABILITIES

#### CURRENT LIABILITIES

Trade and Other Payables

8 9,724,753 7,241,414

#### TOTAL CURRENT LIABILITIES

9,724,753 7,241,414

#### NON-CURRENT LIABILITIES

Trade and Other Payables

8 5,786,823 4,349,444

#### TOTAL NON-CURRENT LIABILITIES

5,786,823 4,349,444

#### TOTAL LIABILITIES

15,511,576 11,590,858

#### NET ASSETS

23,375 23,002

### EQUITY

Accumulated Funds

23,002 22,914

Current Year Surplus /(Deficit)

373 88

#### TOTAL EQUITY

23,375 23,002

UNITING CHURCH PRESBYTERY AND SYNOD OF SOUTH AUSTRALIA  
PROPERTY SALES PROCEEDS FUND

**Statement of Changes in Equity**

FOR THE YEAR ENDED 31 DECEMBER 2013

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	Accumulated Funds \$
Balance at 1 January 2012	22,914
Current Year Surplus/(Deficit)	88
Balance at 31 December 2012	<u>23,002</u>
Balance at 1 January 2013	23,002
Current Year Surplus/(Deficit)	373
Balance at 31 December 2013	<u>23,375</u>

## Notes to the Financial Statements

FOR THE YEAR ENDED 31 DECEMBER 2013

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The financial report of Property Sales Proceeds Fund for the year ended 31st of December 2013 was adopted by the Resources Board on the 22nd of May 2014.

### Operations and Principal Activities

The Uniting Church in Australia Property Trust (SA) is a body corporate constituted by an act of Parliament and in accordance with the Act, the Trust is the legal entity under South Australian law that holds land and buildings and all other assets in trust for the Uniting Church in Australia in South Australia.

The Property Sales Proceeds Fund are the nett sale proceeds held by the Property Trust on behalf of the congregation. The sale proceeds are invested by the Property Trust with UC Invest. The funds are available for distribution for approved purposes as per the Property Sales Proceeds Policy. The use of these funds requires both Church Council and Uniting Church SA approval before expenditure. Approval is normally available for capital building works and property purchases, major repairs and upgrades, equipment purchases, new initiatives, gifts to other congregation for approved projects and demonstrated financial need. The basis of the Property Sales Proceeds Policy is that the funds are used for purposes that have the best missional gain for the church.

### Note 1: STATEMENT OF SIGNIFICANT POLICIES

This financial report is a special purpose report prepared for use by the Property Sales Proceeds Fund. The Fund has determined that it is not a reporting entity.

The financial report has been prepared in accordance with the following Australian Accounting Standards and other mandatory professional reporting requirements:

AASB 1031: Materiality

AASB 108: Events After the Balance Sheet Date

No other Australian Accounting Standards, Australian Accounting Interpretations or other authoritative pronouncements of the Australian Accounting Standards Board have been applied. However, the recognition and measurement criteria of all Australian Accounting Standards have been applied.

### Basis of Preparation

The financial report is prepared on an accruals basis. Unless a market valuation has been specifically stated all values are based on historic cost.

The following material accounting policies which are consistent with the previous period unless otherwise stated have been adopted in the preparation of this financial report.

#### (a) Cash and Cash Equivalents

Cash and Cash Equivalents in the balance sheet comprise cash at bank and in hand and short-term deposits with an original maturity of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

#### (b) Income Tax

The Fund is exempt from Income Tax due to its status as a charitable organisation.

#### (c) Trade and Other Receivables

Trade and Other Receivables, which generally have 30-60 day terms, are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less an allowance for impairment. Collectability of Trade and Other Receivables is reviewed on an ongoing basis. Individual debts that are known to be uncollectable are written off when identified.

An impairment provision is recognised when there is objective evidence that the Fund will not be able to collect the receivable. Financial difficulties of the debtor, default payments or debts more than 60 days overdue are considered objective evidence of impairment. The amount of the impairment loss is the receivable carrying amount compared to the present value of estimated future cash flows, discounted at the original effective interest rate.

## Notes to the Financial Statements

FOR THE YEAR ENDED 31 DECEMBER 2013

### (d) Revenue Recognition

Revenue is recognised and measured at the fair value of the consideration received or receivable to the extent it is probable that the economic benefits will flow to the Fund and the revenue can be reliably measured. The following specific recognition criteria must also be met before revenue is recognised:

#### (i) Investment revenue

Investment revenue is received in the form of distributions from units invested in UC Invest Share Fund and UC Invest Property Fund. Revenue is recognised when the Fund's right to receive the payment is established.

#### (ii) Interest revenue

Revenue is recognised as interest accrues using the effective interest method. This is a method of calculating the amortised cost of a financial asset and allocating the interest income over the relevant period using the effective interest rate, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the net carrying amount of the financial asset.

### (e) Trade and Other Payables

Trade and Other Payables and accruals are carried at amortised cost. Due to their short term nature they are not discounted. They represent liabilities for goods and services provided to the Fund prior to the end of the financial year that are unpaid and arise when the Fund becomes obliged to make future payments in respect of the purchase of these goods and services. The amounts are unsecured and are usually paid within 30 days of recognition.

### (f) Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST except:  
When the GST incurred on a purchase of goods and services is not recoverable from the taxation authority, in which case the GST is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable.

The net amount of GST recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the balance sheet.

Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the taxation authority.

		2013		2012
Note 2: REVENUE	\$	\$	\$	\$
Investment Income				
<i>UC Invest</i>				
Congregations		258,208		273,862
<i>UC Invest Share Trust</i>				
Congregations		294,811		256,249
<i>UC Invest Property Trust</i>				
Congregations		11,783		10,406
Surplus Property Proceeds				
Uniting Aboriginal and Islander Christian Congress	68,481		26,528	
Uniting Foundation	<u>260,756</u>	329,237	<u>101,010</u>	127,538
Interest Received		672		217
		<u>894,711</u>		<u>668,272</u>

### Note 3: DISTRIBUTION PROPERTY SALES PROCEEDS

Uniting Foundation	260,756	101,010
Uniting Aboriginal and Islander Christian Congress	68,481	26,528
	<u>329,237</u>	<u>127,538</u>

UNITING CHURCH PRESBYTERY AND SYNOD OF SOUTH AUSTRALIA  
PROPERTY SALES PROCEEDS FUND

## Notes to the Financial Statements

FOR THE YEAR ENDED 31 DECEMBER 2013

	2013	2012
	\$	\$
<b>Note 4: OTHER EXPENSES</b>		
Sundry Expenses	298	129
	<u>298</u>	<u>129</u>
<b>Note 5: CASH AND CASH EQUIVALENTS</b>		
UC Invest		
Congregations	9,454,348	7,158,599
Westpac Bank A/c	224,565	42,807
	<u>9,678,913</u>	<u>7,201,406</u>
<b>Note 6: TRADE AND OTHER RECEIVABLES</b>		
Sundry Debtors	41,262	29,131
Accrued Income	19,411	30,634
GST Receivable	8,541	3,244
	<u>69,214</u>	<u>63,009</u>
<b>Note 7: FINANCIAL ASSETS</b>		
Available for sale		
<i>UC Invest Share Trust</i>		
Congregations	5,581,100	4,156,929
<i>UC Invest Property Trust</i>		
Congregations	205,723	192,515
<i>Other Investments</i>		
Ecumenical Endeavours Pty Ltd Investment	1	1
	<u>5,786,824</u>	<u>4,349,445</u>
<b>Note 8: TRADE AND OTHER PAYABLES</b>		
<b>CURRENT LIABILITIES</b>		
Congregation Surplus Properties Monies Held in Trust	9,627,406	7,158,599
Bequests	39,490	6,087
Sundry Creditors	29,818	21,814
Accrued Expenses	19,411	30,634
GST Payable	8,628	24,280
	<u>9,724,753</u>	<u>7,241,414</u>
<b>NON-CURRENT LIABILITIES</b>		
Congregation Surplus Properties Monies Held in Trust	5,786,823	4,349,444
	<u>5,786,823</u>	<u>4,349,444</u>
<b>Note 9: CAPITAL COMMITMENTS</b>		

There were no capital commitments at 31 December 2013 relating to any future transactions.

**UNITING CHURCH PRESBYTERY AND SYNOD OF SOUTH AUSTRALIA  
PROPERTY SALES PROCEEDS FUND**

**Notes to the Financial Statements**

**FOR THE YEAR ENDED 31 DECEMBER 2013**

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**Note 10: EVENTS SUBSEQUENT TO BALANCE DATE**

The Resources Board are not aware of any event or circumstance which has arisen since the end of the financial year which has significantly affected, or may significantly affect, the entity's operation, the results of those operations or the entity's state of affairs in subsequent financial period.



Notes to the Financial Statements

FOR THE YEAR ENDED 31 DECEMBER 2013

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Declaration by The Resources Board

The Resources Board has determined that the Fund is not a reporting entity. The Resources Board has determined that this special purpose financial report should be prepared in accordance with the accounting policies outlined in Note 1 to the financial statements.

The Resources Board declares that:

- 1. the financial statements and notes, as set out on pages 1 to 7, present fairly the Fund's financial position as at 31<sup>st</sup> December 2013 and its performance for the year ended on that date in accordance with the accounting policies in Note 1 to the financial report.
- 2. in the opinion of the Resources Board, there are reasonable grounds to believe that the Fund will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the Resources Board by:

The Chairperson of the Resources Board

.....

Dated this                      day of                      2014

Executive Officer, Resources

.....

Dated this                      day of                      2014

UNITING CHURCH PRESBYTERY AND SYNOD OF SOUTH AUSTRALIA  
THE R H WHITE SETTLEMENT

## Income Statement

FOR THE YEAR ENDED 31 DECEMBER 2013	Note	2013 \$	2012 \$
<hr/>			
Revenue	2	405,503	370,577
Expenses	3	(228,100)	(118,411)
<b>OPERATING INCOME/(LOSS) FOR THE YEAR</b>		<b><u>177,403</u></b>	<b><u>252,166</u></b>
<b>Other Comprehensive Surplus/(Losses)</b>			
Gains/(Losses) on Revaluing Investments		543,078	220,915
<b>Total Comprehensive Surplus/(Loss) for the Year</b>		<b><u>720,481</u></b>	<b><u>473,081</u></b>

UNITING CHURCH PRESBYTERY AND SYNOD OF SOUTH AUSTRALIA  
THE R H WHITE SETTLEMENT

## Balance Sheet

AS AT 31 DECEMBER 2013	Note	2013 \$	2012 \$
<b>ASSETS</b>			
<b>CURRENT ASSETS</b>			
Cash and Cash Equivalents	4	224,731	363,334
Trade and Other Receivables	5	143,678	153,736
<b>TOTAL CURRENT ASSETS</b>		<b>368,409</b>	<b>517,070</b>
<b>NON-CURRENT ASSETS</b>			
Financial Assets	6	5,608,286	4,734,568
<b>TOTAL NON-CURRENT ASSETS</b>		<b>5,608,286</b>	<b>4,734,568</b>
<b>TOTAL ASSETS</b>		<b>5,976,695</b>	<b>5,251,638</b>
<b>LIABILITIES</b>			
<b>CURRENT LIABILITIES</b>			
Accrued Expenses		5,776	1,200
<b>TOTAL CURRENT LIABILITIES</b>		<b>5,776</b>	<b>1,200</b>
<b>NON-CURRENT LIABILITIES</b>			
<b>TOTAL NON-CURRENT LIABILITIES</b>		<b>-</b>	<b>-</b>
<b>TOTAL LIABILITIES</b>		<b>5,776</b>	<b>1,200</b>
<b>NET ASSETS</b>		<b>5,970,919</b>	<b>5,250,438</b>
<b>EQUITY</b>			
Accumulated Funds		2,833,441	912,522
Current Year Surplus/(Deficit)		177,403	252,166
Gain/Loss on Sale of Investments		-	1,698,753
Transfers to Reserves		(20,000)	(30,000)
Reserves		2,980,075	2,416,997
<b>TOTAL EQUITY</b>		<b>5,970,919</b>	<b>5,250,438</b>

**UNITING CHURCH PRESBYTERY AND SYNOD OF SOUTH AUSTRALIA  
THE R H WHITE SETTLEMENT**

**Statement of Changes in Equity**

**FOR THE YEAR ENDED 31 DECEMBER 2013**

	<b>Accumulated Funds \$</b>	<b>Asset Revaluation Reserve \$</b>	<b>Capital Reserves \$</b>	<b>Total \$</b>
Balance at 1 January 2012	912,522	2,424,835	1,440,000	4,777,357
Gain/(Loss) on revaluation of investments	-	220,915	-	220,915
Transfer In/(Out) on sale of investments	1,698,753	(1,698,753)		-
Transfers to Reserves	(30,000)	-	30,000	-
Current Year Surplus/(Deficit)	252,166	-	-	252,166
Balance at 31 December 2012	<u>2,833,441</u>	<u>946,997</u>	<u>1,470,000</u>	<u>5,250,438</u>
Balance at 1 January 2013	2,833,441	946,997	1,470,000	5,250,438
Gain/(Loss) on revaluation of investments	-	543,078	-	543,078
Transfer In/(Out) on sale of investments		-		-
Transfers to Reserves	(20,000)	-	20,000	-
Current Year Surplus/(Deficit)	177,403	-	-	177,403
Balance at 31 December 2013	<u>2,990,844</u>	<u>1,490,075</u>	<u>1,490,000</u>	<u>5,970,919</u>

## Notes to the Financial Statements

FOR THE YEAR ENDED 31 DECEMBER 2013

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The financial report of The R H White Settlement for the year ended 31st of December 2013 was adopted by the Resources Board on the 22nd of May 2014.

### Operations and Principal Activities

Richard Henry White provided a significant benefaction to the Church via a bequest of property and cash which resulted in the establishment of the Chapman Alexander Bible Institute for the theological education of lay persons. The property is affectionately known as "The White House" and is situated at 20 King William Road, Wayville. For many years it formed a significant part of Wesley College and then Parkin Wesley College on the amalgamation of the two organisations. Today it forms the centre piece of "The Lodge" an aged care facility run by Eldercare Incorporated.

The White Settlement has a significant investment in UC Invest Dividend Income Fund which provides the income to make grants to Uniting College (formerly Parkin Wesley College). The bulk of this funding is used for "White Scholarships" which are grants paid to students undertaking the year of discernment.

### Note 1: Statement of Significant Policies

This financial report is a special purpose report prepared for use by The R H White Settlement. The Settlement has determined that it is not a reporting entity.

The financial report has been prepared in accordance with the following Australian Accounting Standards and other mandatory professional reporting requirements:

AASB 1031: Materiality

AASB 108: Events After the Balance Sheet Date

No other Australian Accounting Standards, Australian Accounting Interpretations or other authoritative pronouncements of the Australian Accounting Standards Board have been applied. However, the recognition and measurement criteria of all Australian Accounting Standards have been applied.

### Basis of Preparation

The financial report is prepared on an accruals basis. Unless a market valuation has been specifically stated all values are based on historic cost.

The following material accounting policies which are consistent with the previous period unless otherwise stated have been adopted in the preparation of this financial report.

#### (a) Cash and Cash Equivalents

Cash and Cash Equivalents in the balance sheet comprise cash at bank and in hand and short-term deposits with an original maturity of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

#### (b) Income Tax

The Fund is exempt from income tax due to its status as a charitable organisation.

#### (c) Trade and Other Receivables

Trade and Other Receivables, which generally have 30-60 day terms, are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less an allowance for impairment. Collectability of Trade and Other Receivables is reviewed on an ongoing basis. Individual debts that are known to be uncollectable are written off when identified. An impairment provision is recognised when there is objective evidence that the scheme will not be able to collect the Receivable. Financial difficulties of the debtor, default payments or debts more than 60 days overdue are considered objective evidence of impairment. The amount of the impairment loss is the receivable carrying amount compared to the present value of estimated future cash flows, discounted at the original effective interest rate.

## Notes to the Financial Statements

FOR THE YEAR ENDED 31 DECEMBER 2013

### (d) Revenue Recognition

Revenue is recognised and measured at the fair value of the consideration received or receivable to the extent it is probable that the economic benefits will flow to the Settlement and the revenue can be reliably measured. The following specific recognition criteria must also be met before revenue is recognised:

#### (i) Investment revenue

Investment income is received in the form of distributions from units invested in UC Invest Shares and Direct Property. Revenue is recognised when the Settlement's right to receive the payment is established.

#### (ii) Interest revenue

Revenue is recognised as interest accrues using the effective interest method. This is a method of calculating the amortised cost of a financial asset and allocating the interest income over the relevant period using the effective interest rate, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the net carrying amount of the financial asset.

### (e) Trade and Other Payables

Trade and Other Payables and accruals are carried at amortised cost. Due to their short term nature they are not discounted. They represent liabilities for goods and services provided to the Settlement prior to the end of the financial year that are unpaid and arise when the Settlement becomes obliged to make future payments in respect of the purchase of these goods and services. The amounts are unsecured and are usually paid within 30 days of recognition.

### (f) Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST except:

When the GST incurred on a purchase of goods and services is not recoverable from the taxation authority, in which case the GST is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable.

The net amount of GST recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the balance sheet.

Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the taxation authority.

	2013		2012	
	\$	\$	\$	\$
<b>Note 2: Revenue</b>				
Investment Income				
UC Invest Share Fund Distribution	-		64,796	
UC Invest Direct Property	61,946		44,097	
UC Invest Dividend Income Fund	215,858		153,002	
UC Invest Interest	<u>36,932</u>	314,736	<u>45,563</u>	307,458
Interest Received		2		2
Imputation Credits		90,765		63,116
		<u>405,503</u>		<u>370,577</u>
<b>Note 3: Expenses</b>				
Audit Fees		1,117		1,150
Student Allowances		226,983		153,750
Unused Grants Returned		-		(36,489)
		<u>228,100</u>		<u>118,411</u>
<b>Note 4: Cash and Cash Equivalents</b>				
Cash at Bank		-		666
At Call Deposits		224,731		362,668
		<u>224,731</u>		<u>363,334</u>

## Notes to the Financial Statements

FOR THE YEAR ENDED 31 DECEMBER 2013

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	2013		2012	
	\$	\$	\$	\$
<b>Note 5: Trade and Other Receivables</b>				
Accrued Interest (UC Invest at Call)		-		5,726
Accrued Income		143,678		148,010
		<u>143,678</u>		<u>153,736</u>
<b>Note 6: Financial Assets</b>				
Available for redemption				
UC Invest Direct Property Fund		1,560,431		607,197
UC Invest Dividend Income fund		4,047,855		3,572,982
UC Invest Fixed Term Deposit		-		554,389
		<u>5,608,286</u>		<u>4,734,568</u>

### Note 7: Capital Commitments

There were no capital commitments at 31 December 2013 relating to any future transactions.

### Note 8: Events Subsequent To Balance Date

The Resources Board is not aware of any event or circumstance which has arisen since the end of the financial year, which has significantly affected, or may significantly affect, the entity's operation, the results of those operations, or the entity's state of affairs in subsequent financial period.

Notes to the Financial Statements

FOR THE YEAR ENDED 31 DECEMBER 2013

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Declaration by The Resources Board

The Resources Board has determined that the Settlement is not a reporting entity. The Resources Board has determined that this special purpose financial report should be prepared in accordance with the accounting policies outlined in Note 1 to the financial statements.

The Resources Board declares that:

- 1. the financial statements and notes, as set out on pages 1 to 6, present fairly the Settlement’s financial position as at 31st December 2013 and its performance for the year ended on that date in accordance with the accounting policies in Note 1 to the financial report.
- 2. in the opinion of the Resources Board, there are reasonable grounds to believe that the Settlement will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the Resources Board by:

The Chairperson of the Resources Board:

.....

Dated this 22nd day of May 2014

Executive Officer, Resources:

.....

Dated this 22nd day of May 2014





# Uniting Church Loan Fund

December 31

# 2013

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The Uniting Church Loan Fund is an activity of The Uniting Church in Australia Property Trust (S.A.) ABN 25 068 897 781, the legal entity of the Uniting Church SA.

Financial  
Report



## Income Statement

For the year to 31 December 2013

	Note	2013 \$	2012 \$
Revenue	2	338,857	456,408
Expenses	3	(193,532)	(78,084)
<b>PROFIT / (LOSS) FOR THE YEAR</b>		<b>145,325</b>	<b>378,324</b>



# Balance Sheet

As at 31 December 2013

	Note	2013 \$	2012 \$
<b>Assets</b>			
<b>Current Assets</b>			
Cash & Cash Equivalents	5	2,730,104	2,419,988
Trade & Other Receivables	6	1,959	2,265
Financial Assets	7	1,369,745	658,210
<b>Total Current Assets</b>		<b>4,101,808</b>	<b>3,080,463</b>
<b>Non-Current Assets</b>			
Financial Assets	7	4,332,800	5,208,820
<b>Total Non-Current Assets</b>		<b>4,332,800</b>	<b>5,208,820</b>
<b>Total Assets</b>		<b>8,434,608</b>	<b>8,289,283</b>
<b>Liabilities</b>			
<b>Current Liabilities</b>			
<b>Total Current Liabilities</b>		-	-
<b>Non-Current Liabilities</b>			
<b>Total Non-Current Liabilities</b>		-	-
<b>Total Liabilities</b>		-	-
<b>Net Assets</b>		<b>8,434,608</b>	<b>8,289,283</b>
<b>Equity</b>			
Accumulated Funds		8,289,283	7,910,959
Profit / (Loss) for the Year		145,325	378,324
<b>Total Equity</b>		<b>8,434,608</b>	<b>8,289,283</b>



# Statement of Changes in Equity

For the year to 31 December 2013

	Accumulated Funds	Total
Balance at 1 January 2012	7,910,959	7,910,959
Profit / (Loss) for the Year	378,324	378,324
<b>Balance at 31 December 2012</b>	<b>8,289,283</b>	<b>8,289,283</b>
Balance at 1 January 2013	8,289,283	8,289,283
Profit / (Loss) for the Year	145,325	145,325
<b>Balance at 31 December 2013</b>	<b>8,434,608</b>	<b>8,434,608</b>



## 1. Statement of significant accounting policies

The financial report of the Uniting Church Loan Fund (*"the Fund"*) for the year ended 31 December 2013 was adopted by the Uniting Church SA – Resources Board on 22 May 2014.

### Operations and principal activities

This financial report covers the Uniting Church Loan Fund as an individual entity. The Fund is an activity of The Uniting Church in Australia Property Trust (S.A.), which was established by an Act of the South Australian Parliament in 1977. All assets of the Fund are held in the name of The Uniting Church in Australia Property Trust (S.A.).

The Fund is an amalgamation of the Congregational Chapel Building Society Fund and the Methodist Church Building Fund dating back prior to Church union. In the early 1990s a significant bequest from the late Victoria Florence Annie Hutchinson was added to the fund. Since that time, UC Invest has provided further capital grants to take account of the escalating costs of building and the trend towards larger regional worship centres.

Congregations may apply for a loan on projects approved by Property Services. Assessment of loan applications is made on the missional imperatives of the project and the ability to service the loan. Terms may be varied depending on a range of factors and circumstances.

### Uniting Church SA Resources Board

The Resources Board is ultimately responsible for the financial management of the Fund.

Members of the Resources Board are:

Tony Nancarrow (Non-Executive Chairperson)  
Tom Adams (Non-Executive)  
Graham Humphris (Executive) – Remunerated by the Uniting Church SA  
Alice McCleary (Non-Executive)  
Steve Roder (Non-Executive)  
Rob Williamson (Non-Executive)  
Beth Seaman (Executive) – Remunerated by the Uniting Church SA – Appointed January 2013  
Peter Battersby (Executive) – Remunerated by the Uniting Church SA – Appointed April 2013  
Deidre Palmer (Executive) – Remunerated by the Uniting Church SA – Appointed November 2013  
Ross Honey (Non-Executive) – Appointed November 2013  
Barry Atwell (Executive) – Remunerated by the Uniting Church SA – Resigned April 2013  
Ian Price (Non-Executive) – Resigned September 2013  
John Jones (Non-Executive) – Resigned October 2013  
John Munchenberg (Non-Executive) – Resigned October 2013  
Phil Morton (Non-Executive) – Resigned October 2013

### Basis of preparation

The Resources Board has determined that the Uniting Church Loan Fund is not a reporting entity and therefore this financial report is a special purpose report intended for internal use.

The financial report has been prepared on a going concern basis in accordance with the following Australian Accounting Standards and other mandatory professional reporting requirements:

AASB 1031: Materiality  
AASB 110: Events After the Reporting Period

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



## Reporting basis and conventions

The financial report has been prepared on a historical cost basis, except for available-for-sale investments which have been measured at fair value.

The following is a summary of the material accounting policies adopted by the entity in the preparation of the financial report. The accounting policies have been consistently applied, unless otherwise stated.

### (a) Cash and cash equivalents

Cash and cash equivalents in the *Statement of Financial Position* comprise cash at bank, cash in hand and short term deposits with an original maturity of three months or less. These deposits are convertible to known amounts of cash and are subject to an insignificant risk of changes in value.

### (b) Revenue

Revenue is recognised and measured at fair value of the consideration received or receivable to the extent it is probable that economic benefits will flow to the Foundation and the revenue can be reliably measured. The following specific recognition criteria must also be met before revenue is recognised:

#### i. Interest

Interest income is recognised as it accrues using the effective interest method. This is a method of calculating the amortised cost of a financial asset and allocating the interest income over the relevant period using the effective interest rate, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the net carrying amount of the asset.

### (c) Financial instruments

#### i. Recognition and initial measurement

Financial instruments, incorporating financial assets and financial liabilities, are recognised when the entity becomes a party to the contractual provisions of the instruments. Trade date accounting is adopted for financial assets that are delivered within timeframes established by marketplace convention.

Financial instruments are initially measured at fair value plus transaction costs, where the instrument is not classified at fair value through profit and loss.

Transaction costs related to instruments classified at fair value through profit and loss are expensed to profit or loss immediately. Financial instruments are classified and measured as set out below.

#### ii. Derecognition

Financial assets are derecognised where the contractual rights to receipt of cash flows expires or the asset is transferred to another party whereby the entity no longer has any significant continuing involvement in the risks and benefits associated with the asset.

Financial liabilities are derecognised where the related obligations are either discharged, cancelled or expire. The difference between the carrying value of the financial liability extinguished or transferred to another party and the fair value of consideration paid, including the transfer of non-cash assets or liabilities assumed is recognised in profit or loss.



### iii. Classification and subsequent measurement

#### a) Held-to-maturity investments

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

#### (d) Trade and other payables

Trade and other payables are recognised when the entity becomes obliged to make future payments.

#### (e) Goods and services tax

Revenues, expenses and assets are recognised net of the amount of GST except:

- When the GST incurred on a purchase of goods and services is not recoverable from the taxation authority, in which case the GST is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable
- Receivables and payables, which are stated with the amount of GST included.

The net amount of GST recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the balance sheet.

Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the taxation authority.

#### (f) Impairment

At each reporting date the entity assesses whether there is objective evidence that a financial instrument has been impaired. In the case of available-for-sale financial instruments a prolonged decline in the value of the instrument is considered to determine whether any impairment has occurred. Impairment losses are recognised in the income statement.

#### (g) Comparative figures

When required by accounting standards, comparative figures have been adjusted to conform to changes in presentation for the current financial year.

#### (h) Income tax

The entity is exempt from income tax due to its status as a religious organisation.



2013

2012

## 2. Revenue

Interest on loans to congregations	269,158	407,671
Interest on investments	69,699	48,737
	<b>338,857</b>	<b>456,408</b>

## 3. Expenses

Finance costs	-	29,596
Administration expenses	53,200	48,488
Bad and doubtful debts	140,332	-
	<b>193,532</b>	<b>78,084</b>

*In April 2013 a dispute between the Uniting Church Presbytery and Synod of South Australia and Annesley College regarding costs incurred during 2010 and 2011 was resolved through mediation. Resulting from the mediation process, the Uniting Church Loan Fund has written off \$140,331.64 from the outstanding balance of Annesley Junior College loan during 2013.*

## 4. Auditor's remuneration

Fee in relation to audit	1,200	1,200
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## 5. Cash and cash equivalents

UC Invest 11am account	2,730,104	2,419,988
	<b>2,730,104</b>	<b>2,419,988</b>

The UC Invest 11am account is an at-call account which earns interest at floating rates based on the official Reserve Bank cash rate.

## 6. Trade and other receivables

### Current Assets

Accrued interest	1,959	2,265
	<b>1,959</b>	<b>2,265</b>

## 7. Financial assets

### Current Assets

Loans to congregations	296,007	348,001
Loans to Uniting Church schools	150,244	287,098
Loans to the Synod of SA	900,383	-
Loans to Uniting Church agencies	23,111	23,111
	<b>1,369,745</b>	<b>658,210</b>





	2013	2012
<b>Non-Current Assets</b>		
Loans to congregations	2,297,760	2,334,405
Loans to Uniting Church schools	-	-
Loans to the Synod of SA	2,000,000	2,787,470
Loans to Uniting Church agencies	35,040	86,945
	<b>4,332,800</b>	<b>5,208,820</b>

## 8. Related party transactions

The operations of the Uniting Church Loan Fund are jointly managed and administered by UC Invest and the Uniting Church SA Finance Department (Mission & Service Fund). Each party receives a quarterly management fee for services provided to the Fund.

Mission & Service Fund	26,000	23,631
UC Invest	26,000	23,631
	<b>52,000</b>	<b>47,262</b>

## 9. Events subsequent to reporting date

There have been no substantial events subsequent to the balance date.

## 10. Entity Details

The registered office and principal place of business of the entity is:

Level 2, 212 Pirie Street  
Adelaide SA 5000

# Declaration of the Board

31 December 2013



In the opinion of the board members of the Uniting Church SA Resources Board:

- a) the financial statements and notes set out on pages 1 to 8 of Uniting Church Loan Fund – Financial Report:
  - i. complies with accounting standards and other mandatory professional reporting requirements to the extent described in Note 1; and
  - ii. gives a true and fair view of the Fund's financial position as at 31 December 2013 and of its performance for the financial year ended on that date; and
- b) there are reasonable grounds to believe that the Fund will be able to pay its debts as and when they become due and payable; and

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

**Tony Nancarrow**  
Chairperson  
Uniting Church SA – Resources Board

**Peter Battersby**  
Executive Officer, Resources  
Uniting Church SA

Adelaide  
22 May 2014

**UNITING CHURCH PRESBYTERY AND SYNOD OF SOUTH AUSTRALIA  
MOTOR VEHICLE LEASE SCHEME**

**Income Statement**

<b>FOR THE YEAR ENDED 31 DECEMBER 2013</b>	<b>Note</b>	<b>2013 \$</b>	<b>2012 \$</b>
<hr/>			
Revenue	2	552,595	646,956
Expenses		(354,518)	(414,777)
Other Expenses	3	(168,903)	(187,220)
<b>Current Year Operating Surplus/(Deficit)</b>		<hr/> 29,174	<hr/> 44,959

UNITING CHURCH PRESBYTERY AND SYNOD OF SOUTH AUSTRALIA  
MOTOR VEHICLE LEASE SCHEME

## Balance Sheet

FOR THE YEAR ENDED 31 DECEMBER 2013

Note

2013  
\$

2012  
\$

### ASSETS

#### CURRENT ASSETS

Cash and Cash Equivalents	5	70,280	59,869
Trade and Other Receivables	6	918	918
<b>TOTAL CURRENT ASSETS</b>		<u>71,198</u>	<u>60,787</u>

#### NON-CURRENT ASSETS

Property, Plant and Equipment	7	208,018	248,176
<b>TOTAL NON-CURRENT ASSETS</b>		<u>208,018</u>	<u>248,176</u>

#### TOTAL ASSETS

279,216      308,963

### LIABILITIES

#### CURRENT LIABILITIES

Trade and Other Payables	8	52,813	90,823
Short-Term Provisions	9	10,032	7,457
<b>TOTAL CURRENT LIABILITIES</b>		<u>62,845</u>	<u>98,280</u>

#### TOTAL LIABILITIES

62,845      98,280

#### NET ASSETS

216,371      210,683

### EQUITY

Accumulated Funds		210,683	(192,436)
Current Year Surplus/(Deficit)		29,174	44,959
Distributions	4	(23,486)	(60,018)
Transfers from Reserves		-	418,178

#### TOTAL EQUITY

216,371      210,683

**UNITING CHURCH PRESBYTERY AND SYNOD OF SOUTH AUSTRALIA  
MOTOR VEHICLE LEASE SCHEME**

**Statement of Changes in Equity**

**FOR THE YEAR ENDED 31 DECEMBER 2013**

	Note	Accumulated Funds \$	Motor Vehicle Lease Scheme Reserves \$	Indexation Reserves \$	Total \$
Balance at 1 January 2012		(192,436)	311,545	106,633	225,742
Current Year Surplus/(Deficit)		44,959	-	-	44,959
Distributions Payable	4	(60,018)			(60,018)
Transfers from Reserves		418,178	(311,545)	(106,633)	-
Balance at 31 December 2012		<u>210,683</u>	<u>-</u>	<u>-</u>	<u>210,683</u>
Balance at 1 January 2013		210,683	-	-	210,683
Current Year Surplus/(Deficit)		29,174	-	-	29,174
Distributions Payable	4	(23,486)	-	-	(23,486)
Balance at 31 December 2013		<u>216,371</u>	<u>-</u>	<u>-</u>	<u>216,371</u>

**Motor Vehicle Lease Scheme Reserves**

**The Resources Board in 2011 agreed that** the MVLS reserves be reduced from the current levels and maintained thereafter at approximately \$200,000 (indexed for inflation) by year end adjustment.

Each lease company, from whom vehicles are leased, has a separate Ministry Centre within the MVLS Reporting Entity. This is done to facilitate reporting analysis.

Once a lease company is no longer used, accumulated funds from the associated Ministry Centre are transferred to the Motor Vehicle Lease Scheme Accumulated Funds account held within Ministry Centre 071 (Synod-owned Vehicles).

**UNITING CHURCH PRESBYTERY AND SYNOD OF SOUTH AUSTRALIA  
MOTOR VEHICLE LEASE SCHEME**

**Notes to the Financial Statements**

**FOR THE YEAR ENDED 31 DECEMBER 2013**

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The financial report of the Motor Vehicle Lease Scheme for the year ended 31st of December 2013 was adopted by the Resources Board on the 22nd May 2014.

**Operations and Principal Activities**

The Uniting Church Presbytery and Synod of South Australia Motor Vehicle Lease Scheme has been established as a separate entity in the Constitution of the Uniting Church in Australia Synod of South Australia. The Synod operates under The Uniting Church in Australia Act 1976-1977. The Uniting Church in Australia Property Trust (S.A.) is the legal entity for the Synod and therefore all assets are held by the Property Trust beneficially for specific Synod established entities.

The Synod Motor Vehicle Lease Scheme has been set up to provide benefits to congregation and the Presbytery and Synod office by supplying ministers and Synod personnel with late model vehicles whilst maximizing the financial resources of the Presbytery and Synod.

Leasing costs are divided between the minister and the congregation according to rates calculated by Property Services to reflect the private component use of the vehicle.

While vehicle lease costs are similar, approximately one fifth of the vehicles are owned by the Synod and the balance leased through various companies including Fleet Partners and Toyota Financial Services. Differences between the schemes relate to inclusions such as costs and tyre replacements.

**Note 1 : Statement of Significant Policies**

This financial report is a special purpose report prepared for use by the Motor Vehicle Lease Scheme. The Scheme has determined that it is not a reporting entity.

The financial report has been prepared in accordance with the following Australian Accounting Standards and other mandatory professional reporting requirements:

AASB 1031: Materiality

AASB 108: Events After the Balance Sheet Date

No other Australian Accounting Standards, Australian Accounting Interpretations or other authoritative pronouncements of the Australian Accounting Standards Board have been applied. However, the recognition and measurement criteria of all Australian Accounting Standards have been applied.

**Basis of Preparation**

The financial report is prepared on an accruals basis. Unless a market valuation has been specifically stated all values are based on historic cost.

The following material accounting policies which are consistent with the previous period unless otherwise stated have been adopted in the preparation of this financial report.

**(a) Cash and Cash Equivalents**

Cash and Cash Equivalents in the balance sheet comprise cash at bank and in hand and short-term deposits with an original maturity of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

**(b) Income Tax**

The Scheme is exempt from Income Tax due to its status as a charitable organisation.

## Notes to the Financial Statements

FOR THE YEAR ENDED 31 DECEMBER 2013

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### (c) Trade and Other Receivables

Trade and Other Receivables, which generally have 30-60 day terms, are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less an allowance for impairment. Collectability of Trade and Other Receivables is reviewed on an ongoing basis. Individual debts that are known to be uncollectible are written off when identified. An impairment provision is recognised when there is objective evidence that the Scheme will not be able to collect the receivable. Financial difficulties of the debtor, default payments or debts more than 60 days overdue are considered objective evidence of impairment. The amount of the impairment loss is the receivable carrying amount compared to the present value of estimated future cash flows, discounted at the original effective interest rate.

### (d) Revenue Recognition

Revenue is recognised and measured at the fair value of the consideration received or receivable to the extent it is probable that the economic benefits will flow to the Scheme and the revenue can be reliably measured. The following specific recognition criteria must also be met before revenue is recognised:

#### (i) Interest Revenue

Revenue is recognised as interest accrues using the effective interest method. This is a method of calculating the amortised cost of a financial asset and allocating the interest income over the relevant period using the effective interest rate, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the net carrying amount of the financial asset.

### (e) Plant and Equipment

Plant and equipment are measured on the cost basis less accumulated depreciation and accumulated impairment losses.

#### *Impairment*

The carrying value of plant and equipment are reviewed for impairment when events or changes in circumstances indicate the carrying value may not be recoverable.

If such indication exists and where the carrying values exceed the recoverable amount, the asset is written down to the recoverable amount.

#### *Depreciation*

The depreciation amount of all fixed assets is depreciated on a straight line basis. Vehicles in the Presbytery and Synod of South Australia Owned Lease are depreciated at a rate between 15% and 23%. The rate of depreciation is dependent on the type of vehicle and consideration for residual values.

The vehicles in the Presbytery and Synod of South Australia Owned Lease are acquired with the intention of providing three years service to the lease scheme.

### (f) Employee Benefits

Provision is made for the entity's liability for employee annual leave benefits arising from services rendered by employees to balance date. Employee Benefits expected to be settled within one year have been measured at the amounts expected to be paid. Employee Benefits payable later than one year have been measured at present value of the estimated future cash outflows to be made for those benefits. This provision is held as a current liability.

The liability for long service leave is recognised in the provision for Employee Benefits and measured as the present value of expected future payments to be made in respect of services provided by employees up to the reporting date using the projected unit credit method. Expected future payments are discounted using market yields at the reporting date on national government bonds with terms to maturity and currency that match, as closely as possible, the estimated future cash outflows.

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

## MOTOR VEHICLE LEASE SCHEME

### Notes to the Financial Statements

FOR THE YEAR ENDED 31 DECEMBER 2013

#### (g) Trade and Other Payables

Trade and Other Payables and accruals are carried at amortised cost. Due to their short term nature they are not discounted. They represent liabilities for goods and services provided to the Scheme prior to the end of the financial year that are unpaid and arise when the Scheme becomes obliged to make future payments in respect of the purchase of these goods and services. The amounts are unsecured and are usually paid within 30 days of recognition.

#### (h) Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST except when the GST incurred on a purchase of goods and services is not recoverable from the taxation authority, in which case the GST is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable.

The net amount of GST recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the balance sheet.

Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the taxation authority.

	2013 \$	2012 \$
<b>Note 2 : Revenue</b>		
Lease Charges	516,302	585,695
Interest Received	13,330	23,953
Administration Fees	15,698	17,713
Sundry Income	8,345	16,345
Profit on Sale of Motor Vehicle	(1,080)	3,250
	<u>552,595</u>	<u>646,956</u>

#### Note 3 : Other Expenses

Management/Administration Fees	19,464	21,283
Depreciation	45,271	42,758
Interest	14,429	22,103
Insurance	36,600	35,558
Employment Costs	29,524	27,726
Motor Vehicle Expenses	20,906	37,739
Sundry Expenses	2,709	53
	<u>168,903</u>	<u>187,220</u>

#### Note 4 : Distributions

Distribution to Mission & Service Fund	23,486	60,018
	<u>23,486</u>	<u>60,018</u>

**The Resources Board in 2011 agreed that** the MVLS reserves be reduced from the current levels to \$200,000 and that the reserve be maintained thereafter at approximately \$200,000 (indexed for inflation) by an adjustment at the end of each calendar year.

#### Note 5 : Cash and Cash Equivalents

Mission and Service Fund	70,280	<u>59,869</u>
	<u>70,280</u>	<u>59,869</u>



**MOTOR VEHICLE LEASE SCHEME****Notes to the Financial Statements****FOR THE YEAR ENDED 31 DECEMBER 2013**


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	<b>2013</b>		<b>2012</b>
	<b>\$</b>		<b>\$</b>
<b>Note 6: Trade and Other Receivables</b>			
Accruals	918		918
	<u>918</u>		<u>918</u>
<b>Note 7 : Property, Plant and Equipment</b>			
Vehicles - at cost	270,808		312,695
Less Accumulated Depreciation	<u>(62,790)</u>	208,018	<u>(64,519)</u>
	<u>208,018</u>		<u>248,176</u>
<b>Note 8 : Trade and Other Payables</b>			
Accrued Expenses	29,327		30,805
Distribution Payable	23,486		60,018
	<u>52,813</u>		<u>90,823</u>
<b>Note 9 : Short-term Provisions</b>			
<b>CURRENT</b>			
Provision for Annual Leave	4,208		2,176
Provision for Long Service Leave	5,824		5,281
	<u>10,032</u>		<u>7,457</u>

**Note 10 : Capital Commitments**

There were no capital commitments at 31 December 2013 relating to any future transactions.

**Note 11 : Events Subsequent To Balance Date**

The Resources Board is not aware of any event or circumstance which has arisen since the end of the financial year, which has significantly affected, or may significantly affect, the entity's operation, the results of those operations, or the entity's state of affairs in subsequent financial period.

Notes to the Financial Statements

FOR THE YEAR ENDED 31 DECEMBER 2013

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Declaration by The Resources Board

The Resources Board has determined that the Scheme is not a reporting entity. The Resources Board has determined that this special purpose financial report should be prepared in accordance with the accounting policies outlined in Note 1 to the financial statements.

The Resources Board declares that:

- 1. the financial statements and notes, as set out on pages 1 to 7, present fairly the Scheme’s financial position as at 31<sup>st</sup> December 2013 and its performance for the year ended on that date in accordance with the accounting policies in Note 1 to the financial report.
- 2. in the opinion of the Resources Board, there are reasonable grounds to believe that the Scheme will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the Resources Board by:

The Chairperson of the Resources Board

.....

Dated this                      day of                      2014

Executive Officer, Resources

.....

Dated this                      day of                      2014

THE REFUGEE SUPPORT FUND

**Income Statement**

FOR THE YEAR ENDED 31 DECEMBER 2013

Note

2013  
\$

2012  
\$

---

***Income:***

Donations

300

2,660

Interest

365

440

---

665

---

3,100

***Expenses:***

Grants - Refugee Support

-

(2,229)

Audit/Accounting

(122)

(120)

Sundry Expenses

-

(14)

---

(122)

---

(2,363)

**Current Year Surplus/(Deficit)**

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543

---

737

THE REFUGEE SUPPORT FUND

**Balance Sheet**

AS AT 31 DECEMBER 2013

	Note	2013 \$	2012 \$
<b>ASSETS</b>			
<b>CURRENT ASSETS</b>			
Cash and Cash Equivalents	2	12,045	11,502
<b>TOTAL CURRENT ASSETS</b>		<u>12,045</u>	<u>11,502</u>
<b>TOTAL ASSETS</b>		<u>12,045</u>	<u>11,502</u>
<b>LIABILITIES</b>			
<b>CURRENT LIABILITIES</b>			
<b>TOTAL CURRENT LIABILITIES</b>		<u>-</u>	<u>-</u>
<b>TOTAL LIABILITIES</b>		<u>-</u>	<u>-</u>
<b>NET ASSETS</b>		<u>12,045</u>	<u>11,502</u>
<b>EQUITY</b>			
Accumulated Funds		11,502	10,765
Current Year Surplus/(Deficit)		543	737
<b>TOTAL EQUITY</b>		<u>12,045</u>	<u>11,502</u>

## THE REFUGEE SUPPORT FUND

# Notes to the Financial Statements

FOR THE YEAR ENDED 31 DECEMBER 2013

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### Operations and Principal Activities

The Refugee Support Fund's principal purpose is to provide grants to refugees identified by Congregations to be used for:

- a) subsidising the travel and related costs of overseas people who have been granted refugee status on immigration grounds and hold a visa to gain entry to Australia under family reunion guidelines
- b) providing financial relief to these refugees as they resettle into Australia
- c) fulfilling the Church's mission in serving the community, in caring for people and in working for their welfare and in particular to facilitate the work of church congregations to support refugees who are expected by their community and their friends to raise the funds for other family members to travel to Australia under Family Reunion Guidelines, often at a time when they are:
  - (i) struggling to establish themselves financially, in a new setting in Australia;
  - (ii) supporting such families at the point of reunion.

### Note 1 : STATEMENT OF SIGNIFICANT POLICIES

This financial report is a special purpose report prepared for use by The Uniting Church SA. The Resources Board has determined that The Fund is not a reporting entity.

The financial report has been prepared in accordance with the following Australian Accounting Standards and other mandatory professional reporting requirements:

AASB 1031: Materiality

AASB 108: Events After the Balance Sheet Date

No other Australian Accounting Standards, Australian Accounting Interpretations or other authoritative pronouncements of the Australian Accounting Standards Board have been applied. However, the recognition and measurement criteria of all Australian Accounting Standards have been applied.

### Basis of Preparation

The financial report is prepared on an accruals basis. Unless a market valuation has been specifically stated all values are based on historic cost.

The following material accounting policies which are consistent with the previous period unless otherwise stated have been adopted in the preparation of this financial report.

#### (a) Cash and Cash Equivalents

Cash and Cash Equivalents in the balance sheet comprise cash at bank and in hand and short-term deposits with an original maturity of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

#### (b) Income Tax

The Fund is exempt from income tax due to its status as a charitable organisation.

## THE REFUGEE SUPPORT FUND

### Notes to the Financial Statements

FOR THE YEAR ENDED 31 DECEMBER 2013

---

#### **Note 1 : STATEMENT OF SIGNIFICANT POLICIES (continued)**

##### **(c) Revenue Recognition**

Revenue is recognised and measured at the fair value of the consideration received or receivable to the extent it is probable that the economic benefits will flow to the Fund and the revenue can be reliably measured. The following specific recognition criteria must also be met before revenue is recognised:

##### **(i) Grant revenue**

Grant revenue is recognised in the income statement when it is controlled. When there are conditions attached to grant revenue relating to the use of those grants for specific purposes it is recognised in the balance sheet as a liability until such conditions are met or services provided.

##### **(ii) Donations**

Revenue from donations is recognised when it is received by The Refugee Support Fund.

##### **(iii) Interest revenue**

Revenue is recognised as interest accrues using the effective interest method. This is a method of calculating the amortised cost of a financial asset and allocating the interest income over the relevant period using the effective interest rate, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the net carrying amount of the financial asset.

##### **(d) Trade and Other Payables**

Trade and Other Payables and accruals are carried at amortised cost. Due to their short term nature they are not discounted. They represent liabilities for goods and services provided to the Fund prior to the end of the financial year that are unpaid and arise when the Fund becomes obliged to make future payments in respect of the purchase of these goods and services. The amounts are unsecured and are usually paid within 30 days of recognition.

##### **(e) Goods and Services Tax (GST)**

Revenues, expenses and assets are recognised net of the amount of GST except when the GST incurred on a purchase of goods and services is not recoverable from the taxation authority, in which case the GST is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable.

The net amount of GST recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the balance sheet.

Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the taxation authority.

	<b>2013</b>	<b>2012</b>
<b>Note 2 : Cash and Cash Equivalents</b>	<b>\$</b>	<b>\$</b>
Bank	12,045	11,502
	<u>12,045</u>	<u>11,502</u>

## Notes to the Financial Statements

FOR THE YEAR ENDED 31 DECEMBER 2013

---

### **Note 3 : Events Subsequent To Balance Date**

The Resources Board are not aware of any event or circumstance which has arisen since the end of the financial year, which has significantly affected, or may significantly affect, the entity's operation, the results of those operations, or the entity's state of affairs in subsequent financial period.

## Notes to the Financial Statements

FOR THE YEAR ENDED 31 DECEMBER 2013

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### Declaration by The Resources Board

The Resources Board has determined that the Fund is not a reporting entity. The Resources Board has determined that this special purpose financial report should be prepared in accordance with the accounting policies outlined in Note 1 to the financial statements.

The Resources Board declares that:

1. the financial statements and notes, as set out on pages 1 to 5, present fairly the Fund's financial position as at 31<sup>st</sup> December 2013 and its performance for the year ended on that date in accordance with the accounting policies in Note 1 to the financial report.
2. in the opinion of the Resources Board, there are reasonable grounds to believe that the Fund will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the Resources Board by:

The Chairperson of the Resources Board

.....

Dated this                      day of                      2014

Executive Officer, Resources

.....

Dated this                      day of                      2014



UNITING CHURCH SOUTH AUSTRALIA RELIEF FUND

**Income Statement**

FOR THE YEAR ENDED 31 DECEMBER 2013

	Note	2013 \$	2012 \$
<hr/>			
<b>Income:</b>			
Donations	2	133,249	300
		<hr/>	<hr/>
		133,249	300
<b>Expenses:</b>			
Administration Expenses	3	(37,809)	(120)
		<hr/>	<hr/>
		(37,809)	(120)
<b>Current Year Surplus/(Deficit)</b>		<hr/> <hr/>	<hr/> <hr/>
		95,440	180

# UNITING CHURCH SOUTH AUSTRALIA RELIEF FUND

## Balance Sheet

AS AT 31 DECEMBER 2013	Note	2013 \$	2012 \$
<b>ASSETS</b>			
Cash and Cash Equivalents	4	97,118	1,556
<b>CURRENT ASSETS</b>		<u>97,118</u>	<u>1,556</u>
<b>TOTAL ASSETS</b>		<u>97,118</u>	<u>1,556</u>
<b>LIABILITIES</b>			
<b>CURRENT LIABILITIES</b>			
Accruals	5	122	
<b>TOTAL CURRENT LIABILITIES</b>		<u>122</u>	<u>-</u>
<b>TOTAL LIABILITIES</b>		<u>122</u>	<u>-</u>
<b>NET ASSETS</b>		<u>96,996</u>	<u>1,556</u>
<b>EQUITY</b>			
Accumulated Funds		1,556	1,376
Current Year Surplus/(Deficit)		95,440	180
<b>TOTAL EQUITY</b>		<u>96,996</u>	<u>1,556</u>

## Notes to the Financial Statements

FOR THE YEAR ENDED 31 DECEMBER 2013

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### Operations and Principal Activities

The Uniting Church South Australia Relief Fund, was established by The Uniting Church in Australia Property Trust (S.A.), for the purpose of assisting the Church to fulfill its mission in serving the community, in caring for people and working for their welfare.

The Fund's scope was widened in 2012 to extend beyond meeting the need of refugees, asylum seekers and those holding temporary visas. The name of the Fund was changed reflecting the decision of the Australian Government to close the Baxter Detention Centre.

This Uniting Church South Australia Relief Fund's primary purpose is to enable the appointment of a chaplain to:

- a) assist and support refugees and temporary visa holders assimilate with the community
- b) support those experiencing financial hardship, poverty, marginalisation or exclusion from the community, suffering or distress
- c) assist persons with physical, social, intellectual and mental health related disabilities or drug and alcohol dependency

### Note 1 : STATEMENT OF SIGNIFICANT POLICIES

This financial report is a special purpose report prepared for use by The Uniting Church SA. The Resources Board has determined that The Fund is not a reporting entity.

The financial report has been prepared in accordance with the following Australian Accounting Standards and other mandatory professional reporting requirements:

AASB 1031: Materiality

AASB 108: Events After the Balance Sheet Date

No other Australian Accounting Standards, Australian Accounting Interpretations or other authoritative pronouncements of the Australian Accounting Standards Board have been applied. However, the recognition and measurement criteria of all Australian Accounting Standards have been applied.

### Basis of Preparation

The financial report is prepared on an accruals basis. Unless a market valuation has been specifically stated all values are based on historic cost.

The following material accounting policies which are consistent with the previous period unless otherwise stated have been adopted in the preparation of this financial report.

#### (a) Cash and Cash Equivalents

Cash and Cash Equivalents in the balance sheet comprise cash at bank and in hand and short-term deposits with an original maturity of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

#### (b) Income Tax

The Fund is exempt from income tax due to its status as a charitable organisation.

## Notes to the Financial Statements

FOR THE YEAR ENDED 31 DECEMBER 2013

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### (c) Revenue Recognition

Revenue is recognised and measured at the fair value of the consideration received or receivable to the extent it is probable that the economic benefits will flow to the Fund and the revenue can be reliably measured. The following specific recognition criteria must also be met before revenue is recognised:

#### (i) Grant revenue

Grant revenue is recognised in the income statement when it is controlled. When there are conditions attached to grant revenue relating to the use of those grants for specific purposes it is recognised in the balance sheet as a liability until such conditions are met or services provided.

#### (ii) Donations

Revenue from donations is recognised when it is received.

### (d) Trade and Other Payables

Trade and Other Payables and accruals are carried at amortised cost. Due to their short term nature they are not discounted. They represent liabilities for goods and services provided to the Fund prior to the end of the financial year that are unpaid and arise when the Fund becomes obliged to make future payments in respect of the purchase of these goods and services. The amounts are unsecured and are usually paid within 30 days of recognition.

### (e) Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST except when the GST incurred on a purchase of goods and services is not recoverable from the taxation authority, in which case the GST is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable.

The net amount of GST recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the balance sheet.

Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the taxation authority.

	2013 \$	2012 \$
<b>Note 2 : Income</b>		
Donations		
Donations - Mental Health Chaplaincy	20,396	300
Donations - Prison Chaplaincy	112,853	-
	<u>133,249</u>	<u>300</u>

UNITING CHURCH SOUTH AUSTRALIA RELIEF FUND

## Notes to the Financial Statements

FOR THE YEAR ENDED 31 DECEMBER 2013

---

	2013	2012
Note 3 : Expenses	\$	\$
Audit/Accounting	122	120
Prison Chaplaincy	37,687	-
	<u>37,809</u>	<u>120</u>

### Note 4 : Cash and Cash Equivalents

Bank	97,118	1,556
	<u>97,118</u>	<u>1,556</u>

### Note 5 : Trade and Other Payables

Accruals	122	-
	<u>122</u>	<u>-</u>

### Note 6 : Events Subsequent to Reporting Date

The Resources Board are not aware of any event or circumstance which has arisen since the end of the financial year, which has significantly affected, or may significantly affect, the entity's operation, the results of those operations, or the entity's state of affairs in subsequent financial period.

Notes to the Financial Statements

FOR THE YEAR ENDED 31 DECEMBER 2013

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Declaration by The Resources Board

The Resources Board has determined that the Fund is not a reporting entity. The Resources Board has determined that this special purpose financial report should be prepared in accordance with the accounting policies outlined in Note 1 to the financial statements.

The Resources Board declares that:

- 1. the financial statements and notes, as set out on pages 1 to 5, present fairly the Fund's financial position as at 31<sup>st</sup> December 2013 and its performance for the year ended on that date in accordance with the accounting policies in Note 1 to the financial report.
- 2. in the opinion of the Resources Board, there are reasonable grounds to believe that the Fund will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the Resources Board by:

The Chairperson of the Resources Board

.....

Dated this                      day of                      2014

Executive Officer, Resources

.....

Dated this                      day of                      2014

PARKIN WESLEY COLLEGE LIBRARY FUND

**Income Statement**

FOR THE YEAR ENDED 31 DECEMBER 2013

	Note	2013 \$	2012 \$
<hr/>			
<i>Income:</i>	2	4,855	76
		<hr/>	<hr/>
		4,855	76
<i>Expenses:</i>	3	4,911	-
		<hr/>	<hr/>
		4,911	-
 Current Year Surplus/(Deficit)		<hr/>	<hr/>
		(56)	76
		<hr/>	<hr/>

**PARKIN WESLEY COLLEGE LIBRARY FUND**

**Balance Sheet**

<b>AS AT 31 DECEMBER 2013</b>	<b>Note</b>	<b>2013 \$</b>	<b>2012 \$</b>
<hr/>			
<b>ASSETS</b>			
<b>CURRENT ASSETS</b>			
Cash and Cash Equivalents	<b>4</b>	5,097	2,415
<b>TOTAL CURRENT ASSETS</b>		<hr/> 5,097 <hr/>	<hr/> 2,415 <hr/>
<b>TOTAL ASSETS</b>		<hr/> 5,097 <hr/>	<hr/> 2,415 <hr/>
 <b>LIABILITIES</b>			
<b>CURRENT LIABILITIES</b>			
Payables		2,738	-
<b>TOTAL CURRENT LIABILITIES</b>		<hr/> 2,738 <hr/>	<hr/> - <hr/>
<b>TOTAL LIABILITIES</b>		<hr/> 2,738 <hr/>	<hr/> - <hr/>
<b>NET ASSETS</b>		<hr/> <b>2,359</b> <hr/>	<hr/> <b>2,415</b> <hr/>
 <b>EQUITY</b>			
Accumulated Funds		2,415	2,339
Current Year Surplus/(Deficit)		(56)	76
<b>TOTAL EQUITY</b>		<hr/> <b>2,359</b> <hr/>	<hr/> <b>2,415</b> <hr/>



## **PARKIN WESLEY COLLEGE LIBRARY FUND**

### **Notes to the Financial Statements**

**FOR THE YEAR ENDED 31 DECEMBER 2013**

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#### **Operations and Principal Activities**

The fund was established in 1975 by Uniting College for Leadership and Theology (formerly Parkin Wesley College) from an initial donation of \$1,000 received from Mr E Potter in 1974.

In July 1983, enquiries into the possibility of gaining Deductible Gift Recipient status from the Australian Taxation Office were commenced. In 1984, an advertisement was placed in New Times inviting donations to the fund, which offered tax deductibility. However, the endorsement notice currently on file only dates back as far as 1 July 2000, which is the date of commencement of the presently existing DGR endorsement requirements.

David Williams was the College's treasurer for many years. The David Williams Memorial Fund was set up to provide courses and resources to be made available to educate people in the areas of church finance and management. This fund is a private ancillary fund and can only pay to another DGR fund. Therefore funds from David Williams Memorial Fund are directed to the PWC Library Fund and comprise the majority of the income for the Parkin Wesley College Library fund.

Note that library is held at Adelaide College of Divinity Brooklyn Park and shared with Catholic Theological College.

#### **Note 1 : STATEMENT OF SIGNIFICANT POLICIES**

This financial report is a special purpose report prepared for use by the Parkin Wesley College Library Fund. The Resources Board has determined that the Fund is not a reporting entity.

The financial report has been prepared in accordance with the following Australian Accounting Standards and other mandatory professional reporting requirements:

AASB 1031: Materiality

AASB 108: Events After the Balance Sheet Date

No other Australian Accounting Standards, Australian Accounting Interpretations or other authoritative pronouncements of the Australian Accounting Standards Board have been applied. However, the recognition and measurement criteria of all Australian Accounting Standards have been applied.

#### **Basis of Preparation**

The financial report is prepared on an accruals basis. Unless a market valuation has been specifically stated all values are based on historic cost.

The following material accounting policies which are consistent with the previous period unless otherwise stated have been adopted in the preparation of this financial report.

#### **(a) Cash and Cash Equivalents**

Cash and Cash Equivalents in the balance sheet comprise cash at bank and in hand and short-term deposits with an original maturity of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

#### **(b) Income Tax**

The Fund is exempt from income tax due to its status as a charitable organisation.

#### **(c) Revenue Recognition**

Revenue is recognised and measured at the fair value of the consideration received or receivable to the extent it is probable that the economic benefits will flow to the Fund and the revenue can be reliably measured.

## Notes to the Financial Statements

FOR THE YEAR ENDED 31 DECEMBER 2013

### (d) Trade and Other Payables

Trade and Other Payables and accruals are carried at amortised cost. Due to their short term nature they are not discounted. They represent liabilities for goods and services provided to the Fund prior to the end of the financial year that are unpaid and arise when the Fund becomes obliged to make future payments in respect of the purchase of these goods and services. The amounts are unsecured and are usually paid within 30 days of recognition.

### (e) Goods and Services Tax

Revenues, expenses and assets are recognised net of the amount of GST except when the GST incurred on a purchase of goods and services is not recoverable from the taxation authority, in which case the GST is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable.

The net amount of GST recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the balance sheet.

Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the taxation authority.

	2013 \$	2012 \$
<b>Note 2 : Income</b>		
Interest	69	76
Grants Received	4,786	-
	<u>4,855</u>	<u>76</u>

### Note 3 : Expenses

Audit fees	125	-
Grants to Synod	4,786	-
	<u>4,911</u>	<u>-</u>

### Note 4 : Cash and Cash Equivalents

Cash at Bank	5,097	2,415
	<u>5,097</u>	<u>2,415</u>

### Note 5 : Events Subsequent To Balance Date

The Resources Board is not aware of any event or circumstance which has arisen since the end of the financial year, which has significantly affected, or may significantly affect, the Fund's operation, the results of those operations, or the Fund's state of affairs in a subsequent financial period.

## Notes to the Financial Statements

FOR THE YEAR ENDED 31 DECEMBER 2013

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### Declaration by the Resources Board

The Resources Board has determined that the Fund is not a reporting entity. The Resources Board has determined that this special purpose financial report should be prepared in accordance with the accounting policies outlined in Note 1 to the financial statements.

The Resources Board declares that:

1. the financial statements and notes as set out on pages 1 to 4, present fairly the Fund's financial position as at 31st December 2013 and its performance for the year ended on that date in accordance with the accounting policies in Note 1 to the financial report.
2. in the opinion of the Resources Board, there are reasonable grounds to believe that the Fund will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the Resources Board by:

The Chairperson of the Resources Board

.....

Dated this                      day of                      2014

Executive Officer, Resources

.....

Dated this                      day of                      2014

UNITING CHURCH SOUTH AUSTRALIA BUILDING FUND

**Income Statement**

FOR THE YEAR ENDED 31 DECEMBER 2013

Note

2013  
\$

2012  
\$

***Income:***

**2**

5,156

7,708

5,156

7,708

***Expenses:***

**3**

(245)

-

(245)

-

**Current Year Surplus/(Deficit)**

**4,911**

**7,708**

# UNITING CHURCH SOUTH AUSTRALIA BUILDING FUND

## Balance Sheet

AS AT 31 DECEMBER 2013	Note	2013 \$	2012 \$
<b>ASSETS</b>			
<b>CURRENT ASSETS</b>			
Cash and Cash Equivalents	4	191,238	186,327
<b>TOTAL CURRENT ASSETS</b>		<u>191,238</u>	<u>186,327</u>
<b>TOTAL ASSETS</b>		<u>191,238</u>	<u>186,327</u>
<b>LIABILITIES</b>			
<b>CURRENT LIABILITIES</b>			
		-	-
<b>TOTAL CURRENT LIABILITIES</b>		<u>-</u>	<u>-</u>
<b>TOTAL LIABILITIES</b>		<u>-</u>	<u>-</u>
<b>NET ASSETS</b>		<u>191,238</u>	<u>186,327</u>
<b>EQUITY</b>			
Accumulated Funds		186,327	178,619
Current Year Surplus/(Deficit)		4,911	7,708
<b>TOTAL EQUITY</b>		<u>191,238</u>	<u>186,327</u>

## Notes to the Financial Statements

FOR THE YEAR ENDED 31 DECEMBER 2013

---

### Operations and Principal Activities

The objects and principal activities of the Building Fund are:

1. to provide money obtained from contributions from the public and Church Members exclusively for the acquisition, construction and/or maintenance of any church educational Building;
2. to promote the welfare, education and the intellectual culture of students of the Church by the provision of the facility of the Church Educational Building; and
3. subject to the provisions of the Act, any other activity incidental or necessary to achieve the above mentioned objects for the benefit of students of the Church.

### Note 1 : STATEMENT OF SIGNIFICANT POLICIES

This financial report is a special purpose report prepared for use by the Uniting Church South Australia. The Resources Board has determined that The Fund is not a reporting entity.

The financial report has been prepared in accordance with the following Australian Accounting Standards and other mandatory professional reporting requirements:

AASB 1031: Materiality

AASB 108: Events After the Balance Sheet Date

No other Australian Accounting Standards, Australian Accounting Interpretations or other authoritative pronouncements of the Australian Accounting Standards Board have been applied. However, the recognition and measurement criteria of all Australian Accounting Standards have been applied.

### Basis of Preparation

The financial report is prepared on an accruals basis. Unless a market valuation has been specifically stated all values are based on historic cost.

The following material accounting policies which are consistent with the previous period unless otherwise stated have been adopted in the preparation of this financial report.

#### (a) Cash and Cash Equivalents

Cash and Cash Equivalents in the balance sheet comprise cash at bank and in hand and short-term deposits with an original maturity of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

#### (b) Income Tax

The Fund is exempt from income tax due to its status as a charitable organisation.

#### (c) Revenue Recognition

Revenue is recognised and measured at the fair value of the consideration received or receivable to the extent it is probable that the economic benefits will flow to the Fund and the revenue can be reliably measured.

## Notes to the Financial Statements

FOR THE YEAR ENDED 31 DECEMBER 2013

### (d) Trade and Other Payables

Trade and Other Payables and accruals are carried at amortised cost. Due to their short term nature they are not discounted. They represent liabilities for goods and services provided to the Fund prior to the end of the financial year that are unpaid and arise when the Fund becomes obliged to make future payments in respect of the purchase of these goods and services. The amounts are unsecured and are usually paid within 30 days of recognition.

### (e) Goods and Services Tax

Revenues, expenses and assets are recognised net of the amount of GST except when the GST incurred on a purchase of goods and services is not recoverable from the taxation authority, in which case the GST is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable.

The net amount of GST recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the balance sheet.

Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the taxation authority.

	2013 \$	2012 \$
<b>Note 2 : Income</b>		
Donations	-	1,000
Interest	5,156	6,708
	<u>5,156</u>	<u>7,708</u>

### Note 3 : Expenses

Audit Fees	245	-
	<u>245</u>	<u>-</u>

### Note 4 : Cash and Cash Equivalents

Cash at Bank	191,238	186,327
	<u>191,238</u>	<u>186,327</u>

### Note 5 : Events Subsequent To Balance Date

The Resources Board is not aware of any event or circumstance which has arisen since the end of the financial year, which has significantly affected, or may significantly affect, the entity's operation, the results of those operations, or the entity's state of affairs in subsequent financial period.

## Notes to the Financial Statements

FOR THE YEAR ENDED 31 DECEMBER 2013

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### Declaration by the Resources Board

The Resources Board has determined that the Fund is not a reporting entity. The Resources Board has determined that this special purpose financial report should be prepared in accordance with the accounting policies outlined in Note 1 to the financial statements.

The Resources Board declares that:

1. the financial statements and notes as set out on pages 1 to 4, present fairly the Fund's financial position as at 31st December 2013 and its performance for the year ended on that date in accordance with the accounting policies in Note 1 to the financial report.
2. in the opinion of the Resources Board, there are reasonable grounds to believe that the Fund will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the Resources Board by:

The Chairperson of the Resources Board

.....

Dated this                      day of                      2014

Executive Officer, Resources

.....

Dated this                      day of                      2014



UNITING CHURCH PRESBYTERY AND SYNOD OF SOUTH AUSTRALIA  
DISASTER FUND

**Income Statement**

FOR THE YEAR ENDED 31 DECEMBER 2013

	Note	2013 \$	2012 \$
Revenue	2	15,500	16,895
Expenses	3	(21,714)	(41,793)
Operating Deficit for the Year		<u>(6,214)</u>	<u>(24,898)</u>
<b>Other Comprehensive Income</b>			
Gains/(Losses) on Revaluing Shares		38,080	26,674
<b>Total Comprehensive Surplus for the Year</b>		<u>31,866</u>	<u>1,776</u>

UNITING CHURCH PRESBYTERY AND SYNOD OF SOUTH AUSTRALIA  
DISASTER FUND

## Balance Sheet

AS AT 31 DECEMBER 2013

Note

2013  
\$

2012  
\$

### ASSETS

#### CURRENT ASSETS

Cash and Cash Equivalents

4 6,290 29,844

#### TOTAL CURRENT ASSETS

6,290 29,844

#### NON-CURRENT ASSETS

Property, Plant and Equipment

5 1,398 213

Financial Assets

6 274,238 221,254

#### TOTAL NON-CURRENT ASSETS

275,636 221,467

#### TOTAL ASSETS

281,926 251,311

### LIABILITIES

#### CURRENT LIABILITIES

Short-Term Provisions

7 4,312 5,563

#### TOTAL CURRENT LIABILITIES

4,312 5,563

#### TOTAL LIABILITIES

4,312 5,563

#### NET ASSETS

277,614 245,748

### EQUITY

Accumulated Funds

211,313 236,211

Current Year Surplus/(Deficit)

(6,214) (24,898)

Reserves

72,515 34,435

#### TOTAL EQUITY

277,614 245,748

**UNITING CHURCH PRESBYTERY AND SYNOD OF SOUTH AUSTRALIA  
DISASTER FUND**

**Statement of Changes in Equity**

**FOR THE YEAR ENDED 31 DECEMBER 2013**

	Accumulated Funds \$	Asset Fluctuation Reserves \$	Total \$
Balance at 1 January 2012	236,211	7,761	243,972
Current Year Surplus/(Deficit)	(24,898)	-	(24,898)
Revaluation of UC Invest Share Fund	-	26,674	26,674
Balance at 31 December 2012	<u>211,313</u>	<u>34,435</u>	<u>245,748</u>
Balance at 1 January 2013	211,313	34,435	245,748
Current Year Surplus/(Deficit)	(6,214)	-	(6,214)
Revaluation of UC Invest Share Fund	-	38,080	38,080
Balance at 31 December 2013	<u>205,099</u>	<u>72,515</u>	<u>277,614</u>

## Notes to the Financial Statements

FOR THE YEAR ENDED 31 DECEMBER 2013

---

### Operations and Principal Activities

The Disaster Fund was established after the 1983 Ash Wednesday Fires, the largest natural disaster South Australia has experienced. After the fires there was some money left unspent which became the basis of the Disaster Fund. The Post Disaster Pastoral Ministry was established, under the aegis of the SA Heads of Christian Churches, to provide training to volunteers and to respond to future disasters. This ministry is now a program under the Uniting Church of Australia, Synod of South Australia and is known as Disaster and Recovery Ministries. It provides support to teams across country and metropolitan South Australia which are assembled and called into Emergency Relief Centres as needed, or deployed as part of Impact Assessment Teams visiting disaster-affected properties and people.

The program operates under a Memorandum of Understanding with Housing SA, as part of the Community Services function of the State Emergency Management Plan.

The Fund provides the financial resources to conduct the program. The chief costs are the expenses of the paid Administration Officer, including wages for 11.25 hours per week, travel, telephone and incidental expenses. In major events ministerial support has been provided to affected areas, and on occasion, direct support has been provided to victims overlooked by government services.

### Note 1 : STATEMENT OF SIGNIFICANT POLICIES

This financial report is a special purpose report prepared for use by the Disaster Fund.  
The Fund has determined that it is not a reporting entity.

The financial report has been prepared in accordance with the following Australian Accounting Standards and other mandatory professional reporting requirements:

AASB 1031: Materiality

AASB 108: Events After the Balance Sheet Date

No other Australian Accounting Standards, Australian Accounting Interpretations or other authoritative pronouncements of the Australian Accounting Standards Board have been applied. However, the recognition and measurement criteria of all Australian Accounting Standards have been applied.

### Basis of Preparation

The financial report is prepared on an accruals basis. Unless a market valuation has been specifically stated all values are based on historic cost.

The following material accounting policies which are consistent with the previous period unless otherwise stated have been adopted in the preparation of this financial report.

#### (a) Cash and Cash Equivalents

Cash and Cash Equivalents in the balance sheet comprise cash at bank and in hand and short-term deposits with an original maturity of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

#### (b) Income Tax

The Fund is exempt from income tax due to its status as a charitable organisation.

## Notes to the Financial Statements

FOR THE YEAR ENDED 31 DECEMBER 2013

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### (c) Revenue Recognition

Revenue is recognised and measured at the fair value of the consideration received or receivable to the extent it is probable that the economic benefits will flow to the Fund and the revenue can be reliably measured. The following specific recognition criteria must also be met before revenue is recognised:

#### (i) Interest revenue

Revenue is recognised as interest accrues using the effective interest method. This is a method of calculating the amortised cost of a financial asset and allocating the interest income over the relevant period using the effective interest rate, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the net carrying amount of the financial asset.

#### (ii) Investment revenue

Investment income is received in the form of distributions from units invested in UC Invest Share Fund. Revenue is recognized when the entities right to receive the payment is established.

### (d) Plant and Equipment

Plant and Equipment are measured on the cost basis less accumulated depreciation and accumulated impairment losses.

#### *Impairment*

The carrying value of plant and equipment are reviewed for impairment when events or changes in circumstances indicate the carrying value may not be recoverable.

If such indication exists and where the carrying values exceed the recoverable amount, the asset is written down to the recoverable amount.

#### *Depreciation*

The depreciation amount of all fixed assets is depreciated on a straight line basis. Equipment in the Presbytery and Synod of South Australia are depreciated at 33%.

### (e) Employee Benefits

Provision is made for the entity's liability for employee annual leave benefits arising from services rendered by employees to balance date. Employee Benefits expected to be settled within one year have been measured at the amounts expected to be paid. Employee Benefits payable later than one year have been measured at present value of the estimated future cash outflows to be made for those benefits. This provision is held as a current liability.

The liability for long service leave is recognised in the provision for Employee Benefits and measured as the present value of expected future payments to be made in respect of services provided by employees up to the reporting date using the projected unit credit method. Expected future payments are discounted using market yields at the reporting date on national government bonds with terms to maturity and currency that match, as closely as possible, the estimated future cash outflows.

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

### (f) Trade and Other Payables

Trade and Other Payables and accruals are carried at amortised cost. Due to their short term nature they are not discounted. They represent liabilities for goods and services provided to the Fund prior to the end of the financial year that are unpaid and arise when the Fund becomes obliged to make future payments in respect of the purchase of these goods and services. The amounts are unsecured and are usually paid within 30 days of recognition.

## Notes to the Financial Statements

FOR THE YEAR ENDED 31 DECEMBER 2013

### (g) Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST except when the GST incurred on a purchase of goods and services is not recoverable from the taxation authority, in which case the GST is recognised as part of the cost of acquisition of the asset or as part of the expense item, as applicable.

The net amount of GST recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the balance sheet.

Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the taxation authority.

	2013 \$	2012 \$
<b>Note 2 : REVENUE</b>		
Investment Income		
UC Invest Interest	596	1,825
UC Invest Share Fund	14,904	13,132
Registrations and Deposits	-	1,938
	<u>15,500</u>	<u>16,895</u>

	2013 \$	2012 \$
<b>Note 3 : EXPENSES</b>		
Employment Costs	17,563	13,891
Audit/Accounting	517	480
Meeting Expenses	390	-
Telephone	429	781
Printing and Stationery	1,124	22,649
Depreciation	528	528
Travel	425	2,685
Conferences	660	-
Sundry Expenses	78	779
	<u>21,714</u>	<u>41,793</u>

### Note 4 : CASH AND CASH EQUIVALENTS

At Call Deposits	6,290	29,844
	<u>6,290</u>	<u>29,844</u>

	2013 \$	2013 \$	2012 \$	2012 \$
<b>Note 5 : PROPERTY, PLANT AND EQUIPMENT</b>				
Office Equipment & Computers at cost	1,714		1,582	
Less Accumulated Depreciation	<u>(316)</u>	1,398	<u>(1,370)</u>	212
		<u>1,398</u>		<u>212</u>

UNITING CHURCH PRESBYTERY AND SYNOD OF SOUTH AUSTRALIA  
DISASTER FUND

**Notes to the Financial Statements**

FOR THE YEAR ENDED 31 DECEMBER 2013

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**Note 6 : FINANCIAL ASSETS**

Available for sale		
UC Invest Share Fund - at Market Value	274,238	221,254
	<u>274,238</u>	<u>221,254</u>

**Note 7 : TRADE and OTHER PAYABLES**

Provision for Long Service Leave	11	2,491
Provision for Annual Leave	1,325	3,072
Accrued Expenses	2,976	-
	<u>4,312</u>	<u>5,563</u>

**Note 8 : CAPITAL COMMITMENTS**

There were no capital commitments at 31 December 2013 relating to any future transactions.

**Note 9 : EVENTS AFTER BALANCE SHEET DATE**

The Post-Disaster Ministry Committee is not aware of any event or circumstance which has arisen since the end of the financial year, which has significantly affected, or may significantly affect, the entity's operation, the results of those operations, or the entity's state of affairs in subsequent financial period.

UNITING CHURCH PRESBYTERY AND SYNOD OF SOUTH AUSTRALIA  
DISASTER FUND

**Declaration by The Post-Disaster Ministry Committee**

FOR THE YEAR ENDED 31 DECEMBER 2013

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The Post-Disaster Ministry Committee has determined that the fund is not a reporting entity. The Post-Disaster Ministry Committee has determined that this special purpose financial report should be prepared in accordance with the accounting policies outlined in Note 1 to the financial statements.

The Post-Disaster Ministry Committee declares that:

1. the financial statements and notes as set out on pages 1 to 7, present fairly the fund's financial position as at 31<sup>st</sup> December 2013 and its performance for the year ended on that date in accordance with the accounting policies in Note 1 to the financial report.
2. in the opinion of the Post-Disaster Ministry Committee, there are reasonable grounds to believe that the fund will be able to pay its debts as and when they become due and payable.

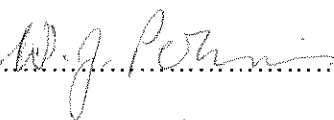
This declaration is made in accordance with a resolution of the Post-Disaster Ministry Committee by:

Executive Officer, Pastoral Relations

.....

Dated this 17<sup>th</sup> day of April 2014

Co-ordinator, Post Disaster Pastoral Ministry

.....

Dated this 17<sup>th</sup> day of April 2014



UNITING CHURCH IN AUSTRALIA  
PRESBYTERY and SYNOD  
of SOUTH AUSTRALIA

ABN 25 068 897 781

ADARE CAMP AND CARAVAN PARK  
SPECIAL PURPOSE FINANCIAL REPORT

for the year ended  
31st December 2013

## Financial Reports

FOR THE YEAR ENDED 31 DECEMBER 2013

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**UNITING CHURCH PRESBYTERY AND SYNOD OF SOUTH AUSTRALIA**  
**Adare Camp and Caravan Park**

**Income Statement**

<b>FOR THE YEAR ENDED 31 DECEMBER 2013</b>	<b>Note</b>	<b>2013 \$</b>	<b>2012 \$</b>
<hr/>			
Revenue	2	1,012,611	905,478
Other Revenue	3	2,012	1,988
Expenses	4	(934,675)	(803,890)
Other Expenses	5	(60,989)	(59,403)
Current Year Surplus/(Deficit)		<u>18,959</u>	<u>44,173</u>

**UNITING CHURCH PRESBYTERY AND SYNOD OF SOUTH AUSTRALIA**  
**Adare Camp and Caravan Park**

**Balance Sheet**

<b>FOR THE YEAR ENDED 31 DECEMBER 2013</b>	<b>Note</b>	<b>2013</b>	<b>2012</b>
		<b>\$</b>	<b>\$</b>
<hr/>			
<b>ASSETS</b>			
<b>CURRENT ASSETS</b>			
Cash and Cash Equivalents	6	14,604	79,676
Trade and Other Receivables	7	16,170	8,136
<b>TOTAL CURRENT ASSETS</b>		<u>30,774</u>	<u>87,812</u>
<b>NON CURRENT ASSETS</b>			
Property Plant and Equipment	8	844,683	773,953
<b>TOTAL NON CURRENT ASSETS</b>		<u>844,683</u>	<u>773,953</u>
<b>TOTAL ASSETS</b>		<u>875,457</u>	<u>861,765</u>
<b>LIABILITIES</b>			
<b>CURRENT LIABILITIES</b>			
Trade and Other Payables	9	111,020	83,314
Provisions	10	19,937	11,133
Loans and Borrowings	11	33,732	13,666
<b>TOTAL CURRENT LIABILITIES</b>		<u>164,689</u>	<u>108,113</u>
<b>NON CURRENT LIABILITIES</b>			
Provisions	10	10,583	8,458
Loans and Borrowings	11	1,482	65,450
<b>TOTAL NON CURRENT LIABILITIES</b>		<u>12,065</u>	<u>73,908</u>
<b>TOTAL LIABILITIES</b>		<u>176,754</u>	<u>182,021</u>
<b>NET ASSETS</b>		<u>698,703</u>	<u>679,744</u>
<b>EQUITY</b>			
Accumulated Funds		679,744	635,571
Current Year Surplus/(Deficit)		18,959	44,173
<b>TOTAL EQUITY</b>		<u>698,703</u>	<u>679,744</u>

## Statement of Changes in Equity

FOR THE YEAR ENDED 31 DECEMBER 2013

	Accumulated Funds \$
Balance at 1 January 2012	635,571
Current Years Surplus/(Deficit)	44,173
Balance at 31 December 2012	<u>679,744</u>
Balance at 1 January 2013	679,744
Current Year Surplus/(Deficit)	18,959
Balance at 31 December 2013	<u>698,703</u>

## Notes to the Financial Statements

FOR THE YEAR ENDED 31 DECEMBER 2013

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The financial report of Adare Camp and Caravan Park for the year ended 31st of December 2013 was adopted by the Resources Board on the 22nd May 2014.

### Operations and Principal Activities

Adare Camp and Caravan Park plays an important role in the life of the Uniting Church by offering members (and the broader community) a place to hold meetings, retreats and holidays. The centre has a vision that relying on God we want Adare Camp and Caravan Park to be a place where all who visit experience Christian hospitality in an environment of rest, renewal and recreation.

Adare, completed in 1893 is a landmark 'Castle' mansion in Victor Harbor. Located on the Southern Fleurieu Peninsula about one hour's drive south of Adelaide, Adare is conveniently placed to enjoy the delights of Victor Harbor and the surrounding natural attractions.

Adare provides group accommodation for school groups, family camps, church groups, day seminars and outdoor activities. Its features include well-equipped kitchens, overflow accommodation in cabins and vans, meeting facilities, and spacious grounds.

### Note 1 : STATEMENT OF SIGNIFICANT POLICIES

This financial report is a special purpose report prepared for use by Adare Camp and Caravan Park. The Resources Board has determined that it is not a reporting entity.

The financial report has been prepared in accordance with the following Australian Accounting Standards and other mandatory professional reporting requirements:

AASB 1031: Materiality

AASB 110: Events After the Balance Sheet Date

No other Australian Accounting Standards, Australian Accounting Interpretations or other authoritative pronouncements of the Australian Accounting Standards Board have been applied. However, the recognition and measurement criteria of all Australian Accounting Standards have been applied.

### Basis of Preparation

The financial report is prepared on an accruals basis. Unless a market valuation has been specifically stated all values are based on historic cost.

The following material accounting policies which are consistent with the previous period unless otherwise stated have been adopted in the preparation of this financial report.

#### (a) Cash and Cash Equivalents

Cash and Cash Equivalents in the balance sheet comprise cash at bank and in hand and short-term deposits with an original maturity of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

#### (b) Income Tax

Adare Camp and Caravan Park is exempt from Income Tax due to its status as a Charitable Institution.

#### (c) Trade and Other Receivables

Trade and Other Receivables, which generally have 30-60 day terms, are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less an allowance for impairment. Collectability of Trade and Other Receivables is reviewed on an ongoing basis. Individual debts that are known to be uncollectible are written off when identified. An impairment provision is recognised when there is objective evidence that the Centre will not be able to collect the receivable. Financial difficulties of the debtor, default payments or debts more than 60 days overdue are considered objective evidence of impairment. The amount of the impairment loss is the receivable carrying amount compared to the present value of estimated future cash flows, discounted at the original effective interest rate.

## Notes to the Financial Statements

FOR THE YEAR ENDED 31 DECEMBER 2013

---

### (d) Revenue Recognition

Revenue is recognised and measured at the fair value of the consideration received or receivable to the extent it is probable that the economic benefits will flow to the centre and the revenue can be reliably measured. The following specific recognition criteria must also be met before revenue is recognised:

#### (i) Interest revenue

Revenue is recognised as interest accrues using the effective interest method. This is a method of calculating the amortised cost of a financial asset and allocating the interest income over the relevant period using the effective interest rate, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the net carrying amount of the financial asset.

#### (ii) Grant revenue

Grant revenue is recognised in the income statement when it is controlled. When there are conditions attached to grant revenue relating to the use of those grants for specific purposes it is recognised in the balance sheet as a liability until such conditions are met or services provided.

#### (iii) Donations

Revenue from donations is recognised when it is received by Adare Camp and Caravan Park

#### (iv) Goods and Services

Revenue from the sale of goods is recognised on delivery of goods to customers. Revenue from the rendering of a service is recognised upon the delivery of the service to customers.

### (e) Plant and Equipment

Plant and equipment are measured on the cost basis less accumulated depreciation and accumulated impairment losses.

#### *Impairment*

The carrying value of plant and equipment are reviewed for impairment when events or changes in circumstances indicate the carrying value may not be recoverable.

If such indication exists and where the carrying values exceed the recoverable amount, the asset is written down to the recoverable amount.

#### *Depreciation*

The depreciation amount of all fixed assets is depreciated on a straight line basis.

The depreciation amount of Computers is depreciated on a straight line basis at a rate between 20% and 33%.

### (f) Employee Benefits

Provision is made for the entity's liability for employee annual leave benefits arising from services rendered by employees to balance date. Employee Benefits expected to be settled within one year have been measured at the amounts expected to be paid. Employee Benefits payable later than one year have been measured at present value of the estimated future cash outflows to be made for those benefits. This provision is held as a current liability.

The liability for long service leave is recognised in the provision for Employee Benefits and measured as the present value of expected future payments to be made in respect of services provided by employees up to the reporting date using the projected unit credit method. Expected future payments are discounted using market yields at the reporting date on national government bonds with terms to maturity and currency that match, as closely as possible, the estimated future cash outflows.

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

### (g) Land and Buildings

In accordance with the Act, the Uniting Church in Australia Property Trust SA is the legal entity under South Australian law that holds Land and Buildings and all other assets in trust for the Uniting Church in Australia. Although each Synod can have delegated powers on property dealings in accordance with the Constitution and Regulations of the Church, the Assembly of the Uniting Church in Australia has ultimate accountability for ensuring that all the assets are held in trust for the Uniting Church in Australia.

## Notes to the Financial Statements

FOR THE YEAR ENDED 31 DECEMBER 2013

### (g) Land and Buildings (continued)

Although Adare Camp and Caravan Park does not legally own the property, they have been included in these financial statements based on their accountability for their maintenance and operations.

### (h) Trade and Other Payables

Trade and Other Payables and accruals are carried at amortised cost. Due to their short term nature they are not discounted. They represent liabilities for goods and services provided to the Centre prior to the end of the financial year that are unpaid and arise when the centre becomes obliged to make future payments in respect of the purchase of these goods and services. The amounts are unsecured and are usually paid within 30 days of recognition.

### (i) Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST except when the GST incurred on a purchase of goods and services is not recoverable from the taxation authority, in which case the GST is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable.

The net amount of GST recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the balance sheet.

Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the taxation authority.

	2013 \$	2012 \$
<b>Note 2: REVENUE</b>		
Conference Centre Hire	719,170	586,696
Peter Wood Lodge - Holiday Unit Hire	17,706	29,757
Devona - Caravan Park Cabin Hire	30,503	39,025
Caravan Park Sites	118,233	142,678
Travel Auction Accommodation	58,677	64,377
Packaged Camps Adare	31,796	19,312
Sundry	23,513	17,018
Property Rental Income	13,013	6,615
	<u>1,012,611</u>	<u>905,478</u>
<b>Note 3: OTHER REVENUE</b>		
Profit on Sale of Asset	-	100
Interest	2,012	1,888
	<u>2,012</u>	<u>1,988</u>
<b>Note 4: EXPENSES</b>		
Admin Expenses	93,892	91,891
Publicity and Promotion	13,210	21,135
Packaged Camps	34,281	22,426
Cleaning	23,269	26,122
Power (Electricity and Fuel)	43,488	47,904
Furniture and Equipment	15,064	14,345
Catering	109,659	82,389
Insurance	8,380	7,865
Finance Costs	2,379	5,110
Rates and taxes	36,821	24,563
Maintenance	71,576	49,044
Payroll and On costs	433,447	378,898
Sundry	33,620	32,198
Gifts and Donations	15,589	-
	<u>934,675</u>	<u>803,890</u>



## Notes to the Financial Statements

FOR THE YEAR ENDED 31 DECEMBER 2013

	2013 \$	2012 \$
<b>Note 5: OTHER EXPENSES</b>		
Devona/PeterWood Lodge Trust Transfers	6,508	9,350
Depreciation	43,552	45,956
Personnel Entitlements	10,929	4,097
	<u>60,989</u>	<u>59,403</u>

### Note 6: CASH AND CASH EQUIVALENTS

Petty cash	300	300
At call deposits	14,304	79,167
Gift Vouchers	-	209
	<u>14,604</u>	<u>79,676</u>

### Note 7: TRADE AND OTHER RECEIVABLES

Sundry Debtors	16,170	8,136
	<u>16,170</u>	<u>8,136</u>

### Note 8: PROPERTY PLANT AND EQUIPMENT

Land and Buildings - at cost	950,036		933,380	
Less accumulated depreciation	<u>(258,227)</u>	691,809	<u>(230,590)</u>	702,790
Plant and Equipment - At cost				
Fixtures, Fittings and Motor Vehicles at cost	307,166		209,540	
Less Accumulated Depreciation	<u>(154,292)</u>	152,874	<u>(138,377)</u>	71,163
	<u>844,683</u>		<u>773,953</u>	

Current valuation of Land and Buildings as at 31 December 2013 per Council Valuation is \$1,500,000

### Note 9: TRADE AND OTHER PAYABLES

Deposits Collected	50,872	40,246
Sundry Creditors	60,148	43,068
	<u>111,020</u>	<u>83,314</u>

### Note 10: PROVISIONS

#### CURRENT

Provision for Annual Leave	12,058	7,183
Provision for Long Service Leave	7,879	3,950
	<u>19,937</u>	<u>11,133</u>

#### NON CURRENT

Provision for Long Service Leave	10,583	8,458
	<u>10,583</u>	<u>8,458</u>

### Note 11: LOANS and BORROWINGS

#### CURRENT

UC Invest Line of Credit	20,066	-
UC Invest Loan Fund	13,666	13,666
	<u>33,732</u>	<u>13,666</u>

#### NON CURRENT

UC Invest Loan Fund	1,482	65,450
	<u>1,482</u>	<u>65,450</u>

## Notes to the Financial Statements

FOR THE YEAR ENDED 31 DECEMBER 2013

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### **Note 12: CAPITAL COMMITMENTS**

There were no capital commitments at 31 December 2013 relating to any future transactions.

### **Note 13: EVENTS SUBSEQUENT TO BALANCE DATE**

The Resources Board and Uniting Venues SA are not aware of any event or circumstance which has arisen since the end of the financial year, which has significantly affected, or may significantly affect, the entity's operation, the results of those operations, or the entity's state of affairs in subsequent financial period.

# THE UNITING CHURCH IN AUSTRALIA PRESBYTERY AND SYNOD OF SOUTH AUSTRALIA

## Adare Camp and Caravan Park

### FINANCIAL STATEMENTS

### FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2013

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#### Declaration by the Resources Board

In the opinion of the Resources Board;

- (a) the financial statements and notes set out on pages 3 to 10 of the Adare Camp and Caravan Park Financial Report:
  - (i) comply with Accounting Standards and other mandatory professional reporting requirements; and
  - (ii) give a true and fair view of the financial position as at 31<sup>st</sup> December, 2013 and of its performance, as represented by the results of its operations, changes in equity and cash flows, for the financial year ended on that date; and
- (b) there are reasonable grounds to believe that it will be able to pay its debts as and when they become due and payable

This declaration is made in accordance with a resolution of the Resources Board:

Peter Battersby  
Executive Officer, Resources  
Uniting Church SA

Mark Lee  
General Manager - Uniting Venues SA  
Uniting Church SA

Adelaide

Adelaide

/ / 2014

/ / 2014

UNITING CHURCH IN AUSTRALIA  
PRESBYTERY and SYNOD  
of SOUTH AUSTRALIA

ABN 25 068 897 781

NUNYARA CONFERENCE CENTRE  
SPECIAL PURPOSE FINANCIAL REPORT

for the year ended  
31st December 2013

## Financial Reports

FOR THE YEAR ENDED 31 DECEMBER 2013

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**UNITING CHURCH PRESBYTERY AND SYNOD OF SOUTH AUSTRALIA**  
**Nunyarra Conference Centre**

**Income Statement**

<b>FOR THE YEAR ENDED 31 DECEMBER 2013</b>	<b>Note</b>	<b>2013</b>	<b>2012</b>
		<b>\$</b>	<b>\$</b>
<hr/>			
Revenue	2	949,777	917,749
Other Revenue	3	2,756	3,566
Expenses	4	(864,738)	(772,260)
Other Expenses	5	(63,180)	(59,825)
Current Year Surplus/(Deficit)		<u>24,615</u>	<u>89,230</u>

UNITING CHURCH PRESBYTERY AND SYNOD OF SOUTH AUSTRALIA  
Nunyarra Conference Centre

## Balance Sheet

FOR THE YEAR ENDED 31 DECEMBER 2013

Note

2013  
\$

2012  
\$

### ASSETS

#### CURRENT ASSETS

Cash and Cash Equivalents	6	152,189	71,194
Trade and Other Receivables	7	273	51,923
<b>TOTAL CURRENT ASSETS</b>		<b>152,462</b>	<b>123,116</b>

#### NON CURRENT ASSETS

Property Plant and Equipment	8	798,292	802,992
<b>TOTAL NON CURRENT ASSETS</b>		<b>798,292</b>	<b>802,992</b>

#### TOTAL ASSETS

<b>950,754</b>	<b>926,108</b>
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### LIABILITIES

#### CURRENT LIABILITIES

Trade and Other Payables	9	78,187	86,144
Provisions	10	22,343	20,173
<b>TOTAL CURRENT LIABILITIES</b>		<b>100,530</b>	<b>106,317</b>

#### NON CURRENT LIABILITIES

Provisions	10	15,591	9,774
<b>TOTAL NON CURRENT LIABILITIES</b>		<b>15,591</b>	<b>9,774</b>

#### TOTAL LIABILITIES

<b>116,121</b>	<b>116,091</b>
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#### NET ASSETS

<b>834,633</b>	<b>810,017</b>
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### EQUITY

Accumulated Funds	810,018	720,788
Current Year Surplus/(Deficit)	24,615	89,230

#### TOTAL EQUITY

<b>834,633</b>	<b>810,018</b>
----------------	----------------

## Statement of Changes in Equity

FOR THE YEAR ENDED 31 DECEMBER 2013

	Accumulated Funds \$
Balance at 1 January 2012	720,788
Current Years Surplus/(Deficit)	89,230
Balance at 31 December 2012	<u>810,018</u>
Balance at 1 January 2013	810,018
Current Year Surplus/(Deficit)	24,615
Balance at 31 December 2013	<u>834,633</u>



## Notes to the Financial Statements

FOR THE YEAR ENDED 31 DECEMBER 2013

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The financial report of Nunyarra Conference Centre for the year ended 31st of December 2013 was adopted by the Resources Board on the 22nd May 2014.

### Operations and Principal Activities

Nunyarra Conference Centre plays an important role in the life of the Uniting Church by offering members (and the broader community) a place to hold meetings, retreats and holidays. The Centre has a vision that Relying on God Nunyarra Conference Centre shall be a place where all who visit experience Christian hospitality in an environment of rest, renewal and recreation.

Located in the Adelaide Hills at Belair and only 20 minutes from the city centre, Nunyarra Conference Centre offers spacious, tree studded grounds with glorious views of Adelaide and the greater metropolitan area.

With well-equipped facilities and affordable accommodation the Centre can provide a unique day or residential conference for groups. The Centre caters for church retreats, school camps, community groups and business conferences in an elegant dining room, all while enjoying quality service and spectacular views.

### Note 1 : STATEMENT OF SIGNIFICANT POLICIES

This financial report is a special purpose report prepared for use by Nunyarra Conference Centre. The Resources Board has determined that Nunyarra Conference Centre is not a reporting entity.

The financial report has been prepared in accordance with the following Australian Accounting Standards and other mandatory professional reporting requirements:

AASB 1031: Materiality

AASB 110: Events After the Balance Sheet Date

No other Australian Accounting Standards, Australian Accounting Interpretations or other authoritative pronouncements of the Australian Accounting Standards Board have been applied. However, the recognition and measurement criteria of all Australian Accounting Standards have been applied.

### Basis of Preparation

The financial report is prepared on an accruals basis. Unless a market valuation has been specifically stated all values are based on historic cost.

The following material accounting policies which are consistent with the previous period unless otherwise stated have been adopted in the preparation of this financial report.

#### (a) Cash and Cash Equivalents

Cash and Cash Equivalents in the balance sheet comprise cash at bank and in hand and short-term deposits with an original maturity of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

#### (b) Income Tax

Nunyarra Conference Centre is exempt from income tax due to its status as a charitable institution.

#### (c) Trade and Other Receivables

Trade and Other Receivables, which generally have 30-60 day terms, are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less an allowance for impairment. Collectability of Trade and Other Receivables is reviewed on an ongoing basis. Individual debts that are known to be uncollectible are written off when identified. An impairment provision is recognised when there is objective evidence that the Centre will not be able to collect the receivable. Financial difficulties of the debtor, default payments or debts more than 60 days overdue are considered objective evidence of impairment. The amount of the impairment loss is the receivable carrying amount compared to the present value of estimated future cash flows, discounted at the original effective interest rate.

## Notes to the Financial Statements

FOR THE YEAR ENDED 31 DECEMBER 2013

---

### (d) Revenue Recognition

Revenue is recognised and measured at the fair value of the consideration received or receivable to the extent it is probable that the economic benefits will flow to the Centre and the revenue can be reliably measured. The following specific recognition criteria must also be met before revenue is recognised:

#### (i) Interest revenue

Revenue is recognised as interest accrues using the effective interest method. This is a method of calculating the amortised cost of a financial asset and allocating the interest income over the relevant period using the effective interest rate, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the net carrying amount of the financial asset.

#### (ii) Grant revenue

Grant revenue is recognised in the income statement when it is controlled. When there are conditions attached to grant revenue relating to the use of those grants for specific purposes it is recognised in the balance sheet as a liability until such conditions are met or services provided.

#### (iii) Donations

Revenue from donations is recognised when it is received by Nunyarra Conference Centre.

#### (iv) Goods and Services

Revenue from the sale of goods is recognised on delivery of goods to customers. Revenue from the rendering of a service is recognised upon the delivery of the service to customers.

### (e) Plant and Equipment

Plant and Equipment are measured on the cost basis less accumulated depreciation and accumulated impairment losses.

#### *Impairment*

The carrying value of Plant and Equipment are reviewed for impairment when events or changes in circumstances indicate the carrying value may not be recoverable.

If such indication exists and where the carrying values exceed the recoverable amount, the asset is written down to the recoverable amount.

#### *Depreciation*

The depreciation amount of all fixed assets is depreciated on a straight line basis.

Computers is depreciated on a straight line basis at a rate between 20% and 33%.

### (f) Employee Benefits

Provision is made for the entity's liability for employee annual leave benefits arising from services rendered by employees to balance date. Employee Benefits expected to be settled within one year have been measured at the amounts expected to be paid. Employee Benefits payable later than one year have been measured at present value of the estimated future cash outflows to be made for those benefits. This provision is held as a current liability.

The liability for long service leave is recognised in the provision for Employee Benefits and measured as the present value of expected future payments to be made in respect of services provided by employees up to the reporting date using the projected unit credit method. Expected future payments are discounted using market yields at the reporting date on national government bonds with terms to maturity and currency that match, as closely as possible, the estimated future cash outflows.

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

### (g) Land and Buildings

In accordance with the Act, the Uniting Church in Australia, Property Trust SA is the legal entity under South Australian law that holds Land and Buildings and all other assets in trust for the Uniting Church in Australia. Although each Synod can have delegated powers on property dealings in accordance with the Constitution and Regulations of the Church, the Assembly of the Uniting Church in Australia has ultimate accountability for ensuring that all the assets are held in trust for the Uniting Church in Australia.

Although Nunyarra Conference Centre does not legally own the Land and Buildings, they have been included in these financial statements based on their accountability for their maintenance and operations.

## Notes to the Financial Statements

FOR THE YEAR ENDED 31 DECEMBER 2013

### (h) Trade and Other Payables

Trade and Other Payables and accruals are carried at amortised cost. Due to their short term nature they are not discounted. They represent liabilities for goods and services provided to the Centre prior to the end of the financial year that are unpaid and arise when the Centre becomes obliged to make future payments in respect of the purchase of these goods and services. The amounts are unsecured and are usually paid within 30 days of recognition.

### (i) Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST except when the GST incurred on a purchase of goods and services is not recoverable from the taxation authority, in which case the GST is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable.

The net amount of GST recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the balance sheet.

Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the taxation authority.

	2013 \$	2012 \$
<b>Note 2: REVENUE</b>		
Conference Centre Hire	796,436	808,036
Holiday Unit Hire	115,540	83,018
Property Rental Income	25,834	19,905
Packaged Camps Nunyarra	3,348	-
Sundry	8,619	6,790
	<u>949,777</u>	<u>917,749</u>

### Note 3: OTHER REVENUE

Interest Income	2,606	2,966
Profit on Sale of Assets	150	600
	<u>2,756</u>	<u>3,566</u>

	2013 \$	2012 \$
<b>Note 4: EXPENSES</b>		
Admin Expenses	95,895	94,363
Publicity and Promotion	7,622	8,239
Cleaning	17,430	14,196
Power (Electricity and Fuel)	37,749	37,655
Furniture and Equipment	9,096	10,146
Catering	128,592	124,759
Packaged Camps	16,590	3,556
Insurance	9,587	8,974
Finance Costs	-	4,124
Rates and taxes	23,192	15,590
Maintenance	59,364	45,578
Payroll and On costs	431,335	388,058
Sundry	12,264	17,022
Gifts and Donations	16,022	-
	<u>864,738</u>	<u>772,260</u>

### Note 5: OTHER EXPENSES

Depreciation	55,192	57,247
Personnel Entitlements	7,988	2,578
	<u>63,180</u>	<u>59,825</u>

## Notes to the Financial Statements

FOR THE YEAR ENDED 31 DECEMBER 2013

	2013	2012
	\$	\$
<b>Note 6: CASH AND CASH EQUIVALENTS</b>		
Petty cash	700	700
At call deposits	151,489	70,494
	<u>152,189</u>	<u>71,194</u>

### Note 7: TRADE AND OTHER RECEIVABLES

Sundry Debtors	273	51,923
	<u>273</u>	<u>51,923</u>

### Note 8: PROPERTY PLANT AND EQUIPMENT

Land and Buildings - at cost	1,287,345		1,269,594	
Less accumulated depreciation	<u>(564,183)</u>	723,162	<u>(529,032)</u>	740,562
Plant and Equipment - At cost				
Fixtures and Fittings at cost	266,326		235,924	
Less Accumulated Depreciation	<u>(191,196)</u>	75,130	<u>(173,494)</u>	62,430
		<u>798,292</u>		<u>802,992</u>

Current valuation of Land and Buildings as at 31 December 2013 per Council Valuation is \$1,450,000

### Note 9: TRADE AND OTHER PAYABLES

Deposits Collected	40,950	40,170
Sundry Creditors	37,237	45,974
	<u>78,187</u>	<u>86,144</u>

### Note 10: PROVISIONS

#### CURRENT

Provision for Annual Leave	9,921	9,349
Provision for Long Service Leave	12,422	10,824
	<u>22,343</u>	<u>20,173</u>

#### NON CURRENT

Provision for Long Service Leave	15,591	9,774
	<u>15,591</u>	<u>9,774</u>

### Note 11: CAPITAL COMMITMENTS

There were no capital commitments at 31 December 2013 relating to any future transactions.

### Note 12: EVENTS SUBSEQUENT TO BALANCE DATE

The Resources Board are not aware of any event or circumstance which has arisen since the end of the financial year, which has significantly affected, or may significantly affect, the entity's operation, the results of those operations, or the entity's state of affairs in subsequent financial period.

## Nunyarra Conference Centre

### FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2013

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### Declaration by the Resources Board

The Resources Board has determined that the Centre is not a reporting entity. The Resources Board has determined that this special purpose financial report should be prepared in accordance with the accounting policies outlined in Note 1 to the financial statements.

The Resources Board declares that:

1. the financial statements and notes, as set out on pages 3 to 9, present fairly the Fund's financial position as at 31st December 2013 and its performance for the year ended on that date in accordance with the accounting policies in Note 1 to the financial report.
2. in the opinion of the Resources Board, there are reasonable grounds to believe that the Fund will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the Resources Board:

Peter Battersby  
Executive Officer, Resources  
Uniting Church SA

Mark Lee  
General Manager - Uniting Venues SA  
Uniting Church SA

Adelaide

Adelaide

/ / 2014

/ / 2014

UNITING CHURCH IN AUSTRALIA  
PRESBYTERY and SYNOD  
of SOUTH AUSTRALIA

ABN 25 068 897 781

BEYOND LIMITS OUTDOOR EDUCATION  
SPECIAL PURPOSE FINANCIAL REPORT

for the year ended  
31st December 2013

## Financial Reports

FOR THE YEAR ENDED 31 DECEMBER 2013

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**UNITING CHURCH PRESBYTERY AND SYNOD OF SOUTH AUSTRALIA**  
**Beyond Limits Outdoor Education**

**Income Statement**

<b>FOR THE YEAR ENDED 31 DECEMBER 2013</b>	<b>Note</b>	<b>2013</b>	<b>2012</b>
		<b>\$</b>	<b>\$</b>
<hr/>			
Revenue	2	46,196	-
Other Revenue	3	48	-
Expenses	4	(39,274)	-
Other Expenses	5	(62)	-
Current Year Surplus/(Deficit)		<hr/> 6,908 <hr/>	<hr/> - <hr/>



**UNITING CHURCH PRESBYTERY AND SYNOD OF SOUTH AUSTRALIA**  
**Beyond Limits Outdoor Education**

**Balance Sheet**

<b>FOR THE YEAR ENDED 31 DECEMBER 2013</b>	<b>Note</b>	<b>2013</b>	<b>2012</b>
		<b>\$</b>	<b>\$</b>
<hr/>			
<b>ASSETS</b>			
<b>CURRENT ASSETS</b>			
Cash and Cash Equivalents	6	7,515	-
Trade and Other Receivables	7	1	-
<b>TOTAL CURRENT ASSETS</b>		<u>7,516</u>	<u>-</u>
<b>NON CURRENT ASSETS</b>		-	-
<b>TOTAL NON CURRENT ASSETS</b>		<u>-</u>	<u>-</u>
<b>TOTAL ASSETS</b>		<u>7,516</u>	<u>-</u>
<b>LIABILITIES</b>			
<b>CURRENT LIABILITIES</b>			
Trade and Other Payables	8	546	-
<b>TOTAL CURRENT LIABILITIES</b>		<u>546</u>	<u>-</u>
<b>NON CURRENT LIABILITIES</b>			
Provisions	9	62	-
<b>TOTAL NON CURRENT LIABILITIES</b>		<u>62</u>	<u>-</u>
<b>TOTAL LIABILITIES</b>		<u>608</u>	<u>-</u>
<b>NET ASSETS</b>		<u>6,908</u>	<u>-</u>
<b>EQUITY</b>			
Accumulated Funds		-	-
Current Year Surplus/(Deficit)		6,908	-
<b>TOTAL EQUITY</b>		<u>6,908</u>	<u>-</u>

## Statement of Changes in Equity

FOR THE YEAR ENDED 31 DECEMBER 2013

	Accumulated Funds \$
Balance at 1 January 2012	-
Current Years Surplus/(Deficit)	-
Balance at 31 December 2012	<u>-</u>
Balance at 1 January 2013	-
Current Year Surplus/(Deficit)	6,908
Balance at 31 December 2013	<u>6,908</u>

## Notes to the Financial Statements

FOR THE YEAR ENDED 31 DECEMBER 2013

---

The financial report of Beyond Limits Outdoor Education for the year ended 31st of December 2013 was adopted by the Resources Board on the 22nd May 2014.

### Operations and Principal Activities

Beyond Limits plays an important role in the life of the Uniting Church by providing onsite activities at Adare, Nunyara and Tarooki.

Beyond Limits became a separate entity in July 2013 to meet a growing demand within Christian camping. Beyond Limits provides tailor-made programs designed to promote communication, participation, team work, initiative and leadership within a curriculum framework.

Beyond Limits' primary audience is school groups concentrating on year levels five to eight. Beyond Limits plans to develop further markets including school years nine to twelve as well as corporate groups.

### Note 1 : STATEMENT OF SIGNIFICANT POLICIES

This financial report is a special purpose report prepared for use by Beyond Limits Outdoor Education. The Resources Board has determined that it is not a reporting entity.

The financial report has been prepared in accordance with the following Australian Accounting Standards and other mandatory professional reporting requirements:

AASB 1031: Materiality

AASB 110: Events After the Balance Sheet Date

No other Australian Accounting Standards, Australian Accounting Interpretations or other authoritative pronouncements of the Australian Accounting Standards Board have been applied. However, the recognition and measurement criteria of all Australian Accounting Standards have been applied.

### Basis of Preparation

The financial report is prepared on an accruals basis. Unless a market valuation has been specifically stated all values are based on historic cost.

The following material accounting policies which are consistent with the previous period unless otherwise stated have been adopted in the preparation of this financial report.

#### (a) Cash and Cash Equivalents

Cash and Cash Equivalents in the balance sheet comprise cash at bank and in hand and short-term deposits with an original maturity of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

#### (b) Income Tax

Beyond Limits Outdoor Education is exempt from Income Tax due to its status as a Charitable Institution.

#### (c) Trade and Other Receivables

Trade and Other Receivables, which generally have 30-60 day terms, are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less an allowance for impairment. Collectability of Trade and Other Receivables is reviewed on an ongoing basis. Individual debts that are known to be uncollectible are written off when identified. An impairment provision is recognised when there is objective evidence that the Centre will not be able to collect the receivable. Financial difficulties of the debtor, default payments or debts more than 60 days overdue are considered objective evidence of impairment. The amount of the impairment loss is the receivable carrying amount compared to the present value of estimated future cash flows, discounted at the original effective interest rate.

## Notes to the Financial Statements

FOR THE YEAR ENDED 31 DECEMBER 2013

---

### (d) Revenue Recognition

Revenue is recognised and measured at the fair value of the consideration received or receivable to the extent it is probable that the economic benefits will flow to the centre and the revenue can be reliably measured. The following specific recognition criteria must also be met before revenue is recognised:

#### (i) Interest revenue

Revenue is recognised as interest accrues using the effective interest method. This is a method of calculating the amortised cost of a financial asset and allocating the interest income over the relevant period using the effective interest rate, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the net carrying amount of the financial asset.

#### (ii) Grant revenue

Grant revenue is recognised in the income statement when it is controlled. When there are conditions attached to grant revenue relating to the use of those grants for specific purposes it is recognised in the balance sheet as a liability until such conditions are met or services provided.

#### (iii) Donations

Revenue from donations is recognised when it is received by Beyond Limits Outdoor Education.

#### (iv) Goods and Services

Revenue from the sale of goods is recognised on delivery of goods to customers. Revenue from the rendering of a service is recognised upon the delivery of the service to customers.

### (e) Employee Benefits

Provision is made for the entity's liability for employee annual leave benefits arising from services rendered by employees to balance date. Employee Benefits expected to be settled within one year have been measured at the amounts expected to be paid. Employee Benefits payable later than one year have been measured at present value of the estimated future cash outflows to be made for those benefits. This provision is held as a current liability.

The liability for long service leave is recognised in the provision for Employee Benefits and measured as the present value of expected future payments to be made in respect of services provided by employees up to the reporting date using the projected unit credit method. Expected future payments are discounted using market yields at the reporting date on national government bonds with terms to maturity and currency that match, as closely as possible, the estimated future cash outflows.

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

### (f) Trade and Other Payables

Trade and Other Payables and accruals are carried at amortised cost. Due to their short term nature they are not discounted. They represent liabilities for goods and services provided to the Centre prior to the end of the financial year that are unpaid and arise when the centre becomes obliged to make future payments in respect of the purchase of these goods and services. The amounts are unsecured and are usually paid within 30 days of recognition.

### (g) Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST except when the GST incurred on a purchase of goods and services is not recoverable from the taxation authority, in which case the GST is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable.

The net amount of GST recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the balance sheet.

Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the taxation authority.

## Notes to the Financial Statements

FOR THE YEAR ENDED 31 DECEMBER 2013

	2013 \$	2012 \$
<b>Note 2: REVENUE</b>		
Camp Programs	22,632	-
Donations	20,000	-
Sundry	3,564	-
	<u>46,196</u>	<u>-</u>
<b>Note 3: OTHER REVENUE</b>		
Interest	48	-
	<u>48</u>	<u>-</u>
<b>Note 4: EXPENSES</b>		
Admin Expenses	1,642	-
Publicity and Promotion	99	-
Packaged Camps	5,182	-
Maintenance	244	-
Payroll and On costs	31,622	-
Sundry	485	-
	<u>39,274</u>	<u>-</u>
<b>Note 5: OTHER EXPENSES</b>		
Personnel Entitlements	62	-
	<u>62</u>	<u>-</u>
<b>Note 6: CASH AND CASH EQUIVALENTS</b>		
At call deposits	7,515	-
	<u>7,515</u>	<u>-</u>
<b>Note 7: TRADE AND OTHER RECEIVABLES</b>		
Sundry Debtors	1	-
	<u>1</u>	<u>-</u>
<b>Note 8: TRADE AND OTHER PAYABLES</b>		
Sundry Creditors	546	-
	<u>546</u>	<u>-</u>
<b>Note 9: PROVISIONS</b>		
<b>NON CURRENT</b>		
Provision for Long Service Leave	62	-
	<u>62</u>	<u>-</u>

### Note 10: CAPITAL COMMITMENTS

There were no capital commitments at 31 December 2013 relating to any future transactions.

### Note 11: EVENTS SUBSEQUENT TO BALANCE DATE

The Resources Board and Uniting Venues SA are not aware of any event or circumstance which has arisen since the end of the financial year, which has significantly affected, or may significantly affect, the entity's operation, the results of those operations, or the entity's state of affairs in subsequent financial period.

# THE UNITING CHURCH IN AUSTRALIA PRESBYTERY AND SYNOD OF SOUTH AUSTRALIA

## Beyond Limits Outdoor Education

### FINANCIAL STATEMENTS

### FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2013

---

#### Declaration by the Resources Board

In the opinion of the Resources Board;

- (a) the financial statements and notes set out on pages 3 to 8 of the Beyond Limits Outdoor Education Financial Report:
  - (i) comply with Accounting Standards and other mandatory professional reporting requirements; and
  - (ii) give a true and fair view of the financial position as at 31<sup>st</sup> December, 2013 and of its performance, as represented by the results of its operations, changes in equity and cash flows, for the financial year ended on that date; and
- (b) there are reasonable grounds to believe that it will be able to pay its debts as and when they become due and payable

This declaration is made in accordance with a resolution of the Resources Board:

Peter Battersby  
Executive Officer, Resources  
Uniting Church SA

Mark Lee  
General Manager - Uniting Venues SA  
Uniting Church SA

Adelaide

Adelaide

/ / 2014

/ / 2014

Attention Mark Lee

COPY

**ID & A J Hall**  
**12 Morialta Drive**  
**TUMBY BAY SA 5605**

**Telephone: 86882628**  
**Mobile: 0427 880031**  
**Email: idajhall@bigpond.com**

1 May 2014

**Mr G Pugsley**  
**Chairperson**  
**Thuruna Uniting Church Management Committee.**  
**UNGARRA SA 5607**

Dear Graham

I am pleased to advise that the presented documentation to me, for Thuruna Campsite for the period 1.1.2013 to 31.12.13 is verified with the following notations.

Noted:

1. Cheque No 115628 dated 5 May 2013 to value of \$337.18 made out in the name of Robs Water System. No account presented, no cheque leaf and same not presented for payment.
2. Two receipts written out to Stuart High School, both to the value of \$220.00. Receipt No 78 dated 28.11.13 and Receipt No 85 dated 2.12.13. \$220 banked on 2.12.13.

I once again wish to record the well presented financial statements by the Treasurer. It is not an easy process with bookings, deposits and final payments made. I would be pleased if you could acknowledge Peter Prime's commitment to the position of Treasurer.

- 2 -

Thank you for the opportunity to verify and report on the financial statements of  
Thuruna Campsite for the above noted period.

Yours sincerely

---

ANNETTE J HALL AM (MRS)

ah/ah

cc Mr Peter Prime – Treasurer: Thuruna Campsite



# Thuruna Uniting Church Camp

Attention Mark Lee

## Cash Trial Balance - Totals

Period: 01 Jan 2013 to 31 Dec 2013  
Banks: Society Cheque Accou  
Basis: Cash Book Date

	Debit	Credit
<b>INCOME</b>		
<b>CAMP FEES</b>		
Church		2,456.73
Schools		4,595.63
Family		20,150.91
Other		3,600.00
Hamilton Cottage		6,190.89
Deposits		9,620.00
<b>CAMP FEES</b>		<b>46,614.16</b>
<b>OTHER INCOME</b>		
Grants		1,000.00
Interest		57.05
Sales		808.17
Sundries		599.00
<b>OTHER INCOME</b>		<b>2,464.22</b>
<b>TOTAL INCOME</b>		<b>49,078.38</b>
<b>GST IN</b>		
Gst Collected		3,780.26
Gst Refunded		95.00
<b>TOTAL GST IN</b>		<b>3,875.26</b>
<b>GST OUT</b>		
Gst Paid	3,439.68	
Gst Remitted	1,231.00	
<b>TOTAL GST OUT</b>	<b>4,670.68</b>	
<b>EXPENDITURE</b>		
<b>UTILITIES</b>		
Emergency Services L	87.00	
Water Rates	1,052.25	
Gas	3,579.55	
Electricity	3,521.98	
Administration	408.19	
Advertising	610.00	
<b>UTILITIES</b>	<b>9,258.97</b>	
<b>EXPENSES</b>		
Loan Payment	2,674.16	
Council Rates	1,211.74	
Insurance	4,520.87	
Deposit Return	5,550.70	
Caretaker	700.00	
Repairs / Maintenance	9,999.41	
Web Updates	400.00	
Website Maintenance	177.27	
Sundry	271.55	
<b>EXPENSES</b>	<b>25,505.70</b>	



## Cash Trial Balance - Totals (January 2013 to December 2013)

	Debit	Credit
<b>MAJOR PURCHASES</b>		
New Equipment / Work	15,828.50	
<b>MAJOR PURCHASES</b>	<b>15,828.50</b>	
<b>TOTAL EXPENDITURE</b>	<b>50,593.17</b>	
<b>TOTALS</b>	<b>55,263.85</b>	<b>52,953.64</b>



## Cash Trial Balance - Totals (January 2013 to December 2013)

### Cash Book Balance Summary

Opening Cash Balance		7,680.94
Payments	55,263.85	
Transfers Out		
Total Debits	55,263.85	
Receipts	52,953.64	
Transfers In		
Total Credits		52,953.64
Closing Cash Balance	5,370.73	
	60,634.58	60,634.58
Closing Cash Balance		5,370.73
UnCleared Payments		594.35
UnCleared Receipts		
Closing Statement Balance	5,965.08	
	5,965.08	5,965.08

### Cash Book Reconciliation

	Opening Cashbook	Cashbook Payments	Cashbook Receipts	Closing Cashbook	UnCleared Payments	UnCleared Receipts	Closing Statement
Society Cheque Accou	7,680.94	55,263.85	52,953.64	5,370.73	594.35	0.00	5,965.08

#### Important Information

It is important to note that amounts proportionally allocated to codes for personal use are not reflected here.



# Cash Trial Balance - Totals (January 2013 to December 2013)

Debit Credit GST

## Transactions outstanding as at end of 31 Dec 2013

These transactions ARE included in the above trial balance report based on cash book dates.

2186	18-Dec-2013	115661	B M R Electrical	594.35	Dr		
	Repairs / Maintenanc		Exit Lights	540.32			54.03
<b>Totals outstanding as at end of 31 Dec 2013</b>				<b>\$ 540.32</b>		<b>\$ 0.00</b>	<b>\$ 54.03</b>
<b>GST Included Totals</b>				<b>\$ 594.35</b>		<b>\$ 0.00</b>	



UNITING CHURCH PRESBYTERY AND SYNOD OF SOUTH AUSTRALIA  
PETER WOOD DEVONA TRUST

**Income Statement**

FOR THE YEAR ENDED 31 DECEMBER 2013	Note	2013 \$	2012 \$
<hr/>			
Revenue	2	7,216	10,483
Expenses	3	(12,837)	(13,679)
Current Year Surplus/(Deficit)		<u>(5,621)</u>	<u>(3,196)</u>

UNITING CHURCH PRESBYTERY AND SYNOD OF SOUTH AUSTRALIA  
PETER WOOD DEVONA TRUST

## Balance Sheet

AS AT 31 DECEMBER 2013	Note	2013 \$	2012 \$
<b>ASSETS</b>			
<b>CURRENT ASSETS</b>			
Cash and Cash Equivalents	4	26,650	25,005
Trade and Other Receivables	5	-	1,949
<b>TOTAL CURRENT ASSETS</b>		<u>26,650</u>	<u>26,954</u>
<b>NON-CURRENT ASSETS</b>			
Property Plant and Equipment	6	561,816	561,026
<b>TOTAL NON-CURRENT ASSETS</b>		<u>561,816</u>	<u>561,026</u>
<b>TOTAL ASSETS</b>		<u>588,466</u>	<u>587,980</u>
<b>LIABILITIES</b>			
<b>CURRENT LIABILITIES</b>			
Trade and Other Payables	7	8,246	2,139
<b>TOTAL CURRENT LIABILITIES</b>		<u>8,246</u>	<u>2,139</u>
<b>NON-CURRENT LIABILITIES</b>			
<b>TOTAL NON-CURRENT LIABILITIES</b>		<u>-</u>	<u>-</u>
<b>TOTAL LIABILITIES</b>		<u>8,246</u>	<u>2,139</u>
<b>NET ASSETS</b>		<u>580,220</u>	<u>585,841</u>
<b>EQUITY</b>			
Accumulated Funds		585,841	589,037
Current Year Surplus/(Deficit)		(5,621)	(3,196)
<b>TOTAL EQUITY</b>		<u>580,220</u>	<u>585,841</u>

UNITING CHURCH PRESBYTERY AND SYNOD OF SOUTH AUSTRALIA  
PETER WOOD DEVONA TRUST

## Statement of Changes in Equity

FOR THE YEAR ENDED 31 DECEMBER 2013

---

	Accumulated Funds \$
Balance at 1 January 2012	589,037
Current Year Surplus/(Deficit)	(3,196)
Balance at 31 December 2012	<u>585,841</u>
Balance at 1 January 2013	585,841
Current Year Surplus/(Deficit)	(5,621)
Balance at 31 December 2013	<u>580,220</u>

## Notes to the Financial Statements

FOR THE YEAR ENDED 31 DECEMBER 2013

---

The financial report of Peter Wood Devona Trust for the year ended 31st of December 2013 was adopted by the Resources Board on the 22nd of May 2014.

### Operations and Principal Activities

The Devona Trust Deed was dated 1901. The bequest left two units at Port Elliot to be used for Ministers requiring rest and recreation. In May 2007, a resolution was passed by Synod setting out new terms to the Devona Trust allowing the property to be sold and relocated elsewhere. The Port Elliot property was sold in 2007 and proceeds used to purchase land and four units at Adare Camp and Caravan Park.

The Peter Wood Lodge Trust Deed was dated 1914. The bequest left two units at Encounter Bay for Ministers requiring rest and recreation. The Peter Wood Lodge Trust Deed stated that the property and furniture could be sold at anytime and proceeds used to purchase another property. In 1981, the Peter Wood Lodge Trust property was sold and two units built at Adare Camp and Caravan Park known as Peter Wood Lodge.

In March 2009 a resolution was passed by Synod merging both these Trusts. The merged Trust is the Peter Wood Devona Trust.

The purpose of the properties owned by this Trust is to permit the premises to be used and occupied for the rest and recreation of Ministers at a discounted rate. Ministers are to have preference in the occupancy of the units.

Adare Camp and Caravan Park manages and maintains these units, on behalf of the Trust.

### Note 1: Statement of Significant Policies

This financial report is a special purpose report prepared for use by Peter Wood Devona Trust. The Trust has determined that it is not a reporting entity.

The financial report has been prepared in accordance with the following Australian Accounting Standards and other mandatory professional reporting requirements:

AASB 1031: Materiality

AASB 108: Events After the Balance Sheet Date

No other Australian Accounting Standards, Australian Accounting Interpretations or other authoritative pronouncements of the Australian Accounting Standards Board have been applied. However, the recognition and measurement criteria of all Australian Accounting Standards have been applied.

### Basis of Preparation

The financial report is prepared on an accruals basis. Unless a market valuation has been specifically stated all values are based on historic cost.

The following material accounting policies which are consistent with the previous period unless otherwise stated have been adopted in the preparation of this financial report.

#### (a) Cash and Cash Equivalents

Cash and Cash Equivalents in the balance sheet comprise cash at bank and in hand and short-term deposits with an original maturity of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

#### (b) Income Tax

The Trust is exempt from income tax due to its status as a charitable organisation.

#### (c) Trade and Other Receivables

Trade and Other Receivables, which generally have 30-60 day terms, are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less an allowance for impairment. Collectability of Trade and Other Receivables is reviewed on an ongoing basis. Individual debts that are known to be uncollectable are written off when identified. An impairment provision is recognised when there is objective evidence that the scheme will not be able to collect the Receivable. Financial difficulties of the debtor, default payments or debts more than 60 days overdue are considered objective evidence of impairment. The amount of the impairment loss is the receivable carrying amount compared to the present value of estimated future cash flows, discounted at the original effective interest rate.



## Notes to the Financial Statements

FOR THE YEAR ENDED 31 DECEMBER 2013

### (d) Revenue Recognition

Revenue is recognised and measured at the fair value of the consideration received or receivable to the extent it is probable that the economic benefits will flow to the Trust and the revenue can be reliably measured. The following specific recognition criteria must also be met before revenue is recognised:

#### (i) Interest revenue

Revenue is recognised as interest accrues using the effective interest method. This is a method of calculating the amortised cost of a financial asset and allocating the interest income over the relevant period using the effective interest rate, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the net carrying amount of the financial asset.

### (e) Trade and Other Payables

Trade and Other Payables and accruals are carried at amortised cost. Due to their short term nature they are not discounted. They represent liabilities for goods and services provided to the Trust prior to the end of the financial year that are unpaid and arise when the Trust becomes obliged to make future payments in respect of the purchase of these goods and services. The amounts are unsecured and are usually paid within 30 days of recognition.

### (f) Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST except when the GST incurred on a purchase of goods and services is not recoverable from the taxation authority, in which case the GST is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable.

The net amount of GST recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the balance sheet.

Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the taxation authority.

	2013		2012	
	\$	\$	\$	\$
<b>Note 2: Revenue</b>				
Investment Income				
UC Invest Interest		708		1,133
Distribution Adare Camps and Conference Centre		6,508		9,350
		<u>7,216</u>		<u>10,483</u>
<b>Note 3: Expenses</b>				
Audit Fees		400		480
Depreciation		10,523		10,715
Furniture and Fittings		392		779
Repairs and Maintenance		1,522		1,705
		<u>12,837</u>		<u>13,679</u>
<b>Note 4: Cash and Cash Equivalents</b>				
At Call Deposits		26,650		25,005
		<u>26,650</u>		<u>25,005</u>
<b>Note 5: Trade and Other Receivables</b>				
Accrued Income		-		1,949
		<u>-</u>		<u>1,949</u>

## Notes to the Financial Statements

FOR THE YEAR ENDED 31 DECEMBER 2013

	2013		2012	
	\$	\$	\$	\$
<b>Note 6: Property Plant and Equipment</b>				
<b>Devona</b>				
Land		300,000		300,000
Buildings	218,106		206,793	
Less Provision for Depreciation Buildings	<u>(21,077)</u>	197,029	<u>(14,873)</u>	191,920
Furniture and Fittings	11,455		11,455	
Less Provision for Depreciation Furniture and Fittings	<u>(8,590)</u>	2,865	<u>(8,235)</u>	3,220
<b>Peter Wood Lodge</b>				
Land		10,000		10,000
Buildings	85,979		85,979	
Less Provision for Depreciation Buildings	<u>(38,687)</u>	47,292	<u>(36,108)</u>	49,871
Furniture and Fittings	16,390		16,390	
Less Provision for Depreciation Furniture and Fittings	<u>(11,760)</u>	4,630	<u>(10,375)</u>	6,015
		<u>561,816</u>		<u>561,026</u>
<b>Note 7: Trade and Other Payables</b>				
Accrued Expenses		-		2,139
Sundry Creditors		8,246		-
		<u>8,246</u>		<u>2,139</u>

### Note 8: Capital Commitments

There were no capital commitments at 31 December 2013 relating to any future transactions.

### Note 9: Events Subsequent To Balance Date

The Resources Board are not aware of any event or circumstance which has arisen since the end of the financial year, which has significantly affected, or may significantly affect, the entity's operation, the results of those operations, or the entity's state of affairs in subsequent financial period.

# Notes to the Financial Statements

FOR THE YEAR ENDED 31 DECEMBER 2013

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## Declaration by The Resources Board

The Resources Board has determined that the Trust is not a reporting entity. The Resources Board has determined that this special purpose financial report should be prepared in accordance with the accounting policies outlined in Note 1 to the financial statements.

The Resources Board declares that:

1. the financial statements and notes, as set out on pages 1 to 6, present fairly the Trust's financial position as at 31st December 2013 and its performance for the year ended on that date in accordance with the accounting policies in Note 1 to the financial report.
2. in the opinion of the Resources Board, there are reasonable grounds to believe that the Trust will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the Resources Board by:

The Chairperson of the Resources Board

.....

Dated this                      day of                      2014

Executive Officer, Resources

.....

Dated this                      day of                      2014

**UNITING CHURCH PRESBYTERY AND SYNOD OF SOUTH AUSTRALIA  
UNITING ABORIGINAL AND ISLANDER CHRISTIAN CONGRESS**

**Income Statement**

<b>FOR THE YEAR ENDED 31 DECEMBER 2013</b>	<b>Note</b>	<b>2013 \$</b>	<b>2012 \$</b>
<hr/>			
Revenue	2	139,872	99,206
Grants and Other Income	3	483,129	489,061
Expenses	4	(600,828)	(677,119)
<b>OPERATING PROFIT/(LOSS) FOR THE YEAR</b>		<u>22,173</u>	<u>(88,852)</u>
<b>TOTAL PROFIT/(LOSS) FOR THE YEAR</b>		<u>22,173</u>	<u>(88,852)</u>
<b>Other Comprehensive Income/(Losses)</b>			
Gains/(Losses) on Revaluation of Investments		(7,991)	12,420
<b>TOTAL COMPREHENSIVE INCOME/(LOSS) FOR THE YEAR</b>		<u>14,182</u>	<u>(76,432)</u>

UNITING CHURCH PRESBYTERY AND SYNOD OF SOUTH AUSTRALIA  
UNITING ABORIGINAL AND ISLANDER CHRISTIAN CONGRESS

## Balance Sheet

FOR THE YEAR ENDED 31 DECEMBER 2013	Note	2013	2012
			\$
<b>ASSETS</b>			
<b>CURRENT ASSETS</b>			
Cash and Cash Equivalents	6	424,224	511,543
Trade and Other Receivables	7	28,806	10,889
<b>TOTAL CURRENT ASSETS</b>		<b>453,030</b>	<b>522,432</b>
<b>NON CURRENT ASSETS</b>			
Property Plant and Equipment	8	1,941,616	1,945,000
Financial Assets	9	230,509	185,973
<b>TOTAL NON CURRENT ASSETS</b>		<b>2,172,125</b>	<b>2,130,973</b>
<b>TOTAL ASSETS</b>		<b>2,625,155</b>	<b>2,653,405</b>
<b>LIABILITIES</b>			
<b>CURRENT LIABILITIES</b>			
Trade and Other Payables	10	182,602	225,767
<b>TOTAL CURRENT LIABILITIES</b>		<b>182,602</b>	<b>225,767</b>
<b>NON CURRENT LIABILITIES</b>			
Long Term Provisions	11	1,011	278
<b>TOTAL NON CURRENT LIABILITIES</b>		<b>1,011</b>	<b>278</b>
<b>TOTAL LIABILITIES</b>		<b>183,613</b>	<b>226,045</b>
<b>NET ASSETS</b>		<b>2,441,542</b>	<b>2,427,360</b>
<b>EQUITY</b>			
Accumulated Funds		636,354	560,104
Reserves:			
Asset Revaluation Reserves		1,127,667	1,167,667
General Reserves		26,072	25,370
Grants Reserves		19,579	51,046
Gift Funding Reserves		-	-
Tjinatjunanyi Reserves		-	-
Capital Reserves		631,870	623,173
<b>TOTAL EQUITY</b>		<b>2,441,542</b>	<b>2,427,360</b>

## Statement of Changes in Equity

FOR THE YEAR ENDED 31 DECEMBER 2013

	Accumulated Funds \$	Asset Revaluation Reserve \$	General Reserves \$	Grants Reserves \$	Gift Funding Reserves \$	Tjinatjunanyi Reserves \$	Capital Reserves \$	Total \$
Balance at 1 January 2012	666,691	1,177,667	64,339	57,546	3,595	8,614	525,340	2,503,792
Current Years Surplus/(Deficit)	(88,852)	-	-	-	-	-	-	(88,852)
Transfer to/(from) Reserves	(17,735)	-	(38,969)	(6,500)	(3,595)	(8,614)	75,413	
Asset Revaluation	-	(10,000)	-	-	-	-	22,420	12,420
Balance at 31 December 2012	560,104	1,167,667	25,370	51,046	-	-	623,173	2,427,360
Balance at 1 January 2013	560,104	1,167,667	25,370	51,046	-	-	623,173	2,427,360
Current Years Surplus/(Deficit)	22,173	-	-	-	-	-	-	22,173
Transfers to/(from) Reserves	54,077	-	702	(31,467)			(23,312)	-
Asset Revaluation	-	(40,000)	-	-	-	-	32,009	(7,991)
Balance at 31 December 2013	636,354	1,127,667	26,072	19,579	-	-	631,870	2,441,542

	Note	Balance 1/1/13 \$	Funds In \$	Funds Out \$	Revaluations \$	Balance 31/12/13 \$
<b>Grants Reserves</b>						
Forsyth Foundation Kalparrin Arts & Crafts		5,314	147	-	-	5,461
Kalparrin Community Lenten Appeal		11,295	376	(3,771)	-	7,900
Forsyth Oodnadatta Kids		2,136	57	(1,645)	-	548
Oodnadatta Lenten Appeal 2009		863	10,797	(8,897)	-	2,763
UAICC National Youth Conference		3,876	92	(3,968)	-	-
UAICC Youth Ministry		19,166	9,040	(25,937)	-	2,269
Congress State Elders Meeting		1,336	47	(1,120)	-	263
Pt Augusta Renewal (Fire Ins)		7,060	170	(6,855)	-	375
<b>Total Grants Reserve</b>		51,046	20,726	(52,193)	-	19,579
<b>Asset Revaluation Reserve</b>						
Salisbury North Church, 15-17 Horton Avenue Salisbury North		450,000	-	-	(40,000)	410,000
Salisbury Manse - 6 Sandalwood Court Salisbury		25,000	-	-		25,000
Port Augusta Manse, Cobbin Street Port Augusta		475,000	-	-	-	475,000
Willsden Church 63 Elizabeth Street Port Augusta		217,667	-	-		217,667
46 Kilkara Terrace, Oodnadatta		-	-			-
<b>Total Asset Revaluation Reserve</b>		1,167,667	-	-	(40,000)	1,127,667
<b>General Reserves</b>						
Cox Bequest		25,370	702	-	-	26,072
<b>Total General Reserve</b>		25,370	702	-	-	26,072
<b>Capital Reserves</b>						
Capital Reserve		601,518	130,484	(132,712)	32,009	631,299
Earth Wind and Fire		21,655	552	(21,636)	-	571
<b>Total Capital Reserve</b>		623,173	131,036	(154,348)	32,009	631,870

## Notes to the Financial Statements

FOR THE YEAR ENDED 31 DECEMBER 2013

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### Operations and Principal Activities

The Uniting Aboriginal and Islander Christian Congress (UAICC) was established by resolution of the Uniting Church Assembly in 1985 and is a part of the Uniting Church. The UAICC determines its own goals and objectives, decides its policies and priorities and desires to share in the struggles of its people, not for gain but because obedience to God demands nothing less.

Congress seeks to unite in one fellowship all Aboriginal and Islander Christians who accept Jesus Christ as Lord, accept the authority of the Scriptures and desire to follow and serve Christ as his disciples.

The Uniting Church and the UAICC are bound together by a Covenant.

The UAICC is the largest non-government indigenous agency in Australia and operates in all States and the Northern Territory. The SA Regional Council oversees the communities and congregations which are part of the UAICC of which these statements report.

### Note 1 : STATEMENT OF SIGNIFICANT POLICIES

This financial report is a special purpose report prepared for use by The Uniting Aboriginal and Islander Christian Congress. The Congress has determined that it is not a reporting entity.

The financial report has been prepared in accordance with the following Australian Accounting Standards and other mandatory professional reporting requirements:

AASB 1031: Materiality

AASB 108: Events After the Balance Sheet Date

No other Australian Accounting Standards, Australian Accounting Interpretations or other authoritative pronouncements of the Australian Accounting Standards Board have been applied. However, the recognition and measurement criteria of all Australian Accounting Standards have been applied.

### Basis of Preparation

The financial report is prepared on an accruals basis. Unless a market valuation has been specifically stated all values are based on historic cost.

The following material accounting policies which are consistent with the previous period unless otherwise stated have been adopted in the preparation of this financial report.

#### (a) Cash and Cash Equivalents

Cash and Cash Equivalents in the balance sheet comprise cash at bank and in hand and short-term deposits with an original maturity of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

#### (b) Income Tax

The Congress is exempt from Income Tax due to its status as a charitable institution.

#### (c) Trade and Other Receivables

Trade and Other Receivables, which generally have 30-60 day terms, are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less an allowance for impairment. Collectability of Trade Receivables is reviewed on an ongoing basis. Individual debts that are known to be uncollectible are written off when identified. An impairment provision is recognised when there is objective evidence that the Congress will not be able to collect the receivable. Financial difficulties of the debtor, default payments or debts more than 60 days overdue are considered objective evidence of impairment. The amount of the impairment loss is the receivable carrying amount compared to the present value of estimated future cash flows, discounted at the original effective interest rate.

#### (d) Revenue Recognition

Revenue is recognised and measured at the fair value of the consideration received or receivable to the extent it is probable that the economic benefits will flow to the Congress and the revenue can be reliably measured. The following specific recognition criteria must also be met before revenue is recognised:

## Notes to the Financial Statements

FOR THE YEAR ENDED 31 DECEMBER 2013

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### (d) Revenue Recognition - continued

#### (i) Interest revenue

Revenue is recognised as interest accrues using the effective interest method. This is a method of calculating the amortised cost of a financial asset and allocating the interest income over the relevant period using the effective interest rate, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the net carrying amount of the financial asset.

#### (ii) Grant revenue

Grant revenue is recognised in the income statement when it is controlled. When there are conditions attached to grant revenue relating to the use of those grants for specific purposes it is recognised in the balance sheet as a liability until such conditions are met or services provided.

#### (iii) Donations

Revenue from donations is recognised when it is received by The Uniting Aboriginal and Islander Christian Congress.

#### (iv) Investment revenue

Investment income is received in the form of distributions from units invested in UC Invest Share and Property Sales Proceeds Funds. Revenue is recognized when the Congress's right to receive the payment is established.

### (e) Plant and Equipment

Plant and equipment are measured on the cost basis less accumulated depreciation and accumulated impairment losses.

#### *Land and Buildings*

During the current year freehold land and buildings were revalued to their fair value (being the amount for which an asset could be exchanged between knowledgeable willing parties in an arm's length transaction).

Increases in the carrying amount arising on revaluation of land and buildings are credited to an asset revaluation reserve in equity. Decreases that offset previous increases of the same asset are charged against fair value reserves directly in equity; all other decreases are charged to the Statement of Comprehensive Income.

#### *Impairment*

The carrying value of plant and equipment are reviewed for impairment when events or changes in circumstances indicate the carrying value may not be recoverable.

If such indication exists and where the carrying values exceed the recoverable amount, the asset is written down to the recoverable amount.

#### *Depreciation*

The depreciation amount of all fixed assets is depreciated on a straight line basis. Vehicles in The Uniting Aboriginal and Islander Christian Congress are depreciated at a rate between 15% and 23%. The rate of depreciation is dependent on the type of vehicle.

Computers in The Uniting Aboriginal and Islander Christian Congress are depreciated on a straight line basis at a rate between 20% and 33%.

### (f) Employee Benefits

Provision is made for the entity's liability for employee annual leave benefits arising from services rendered by employees to balance date. Employee Benefits expected to be settled within one year have been measured at the amounts expected to be paid. Employee Benefits payable later than one year have been measured at present value of the estimated future cash outflows to be made for those benefits. This provision is held as a current liability.



## Notes to the Financial Statements

FOR THE YEAR ENDED 31 DECEMBER 2013

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### (f) Employee Benefits - continued

The liability for long service leave is recognised in the provision for Employee Benefits and measured as the present value of expected future payments to be made in respect of services provided by employees up to the reporting date using the projected unit credit method. Expected future payments are discounted using market yields at the reporting date on national government bonds with terms to maturity and currency that match, as closely as possible, the estimated future cash outflows.

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

### (g) Trade and Other Payables

Trade and Other Payables and accruals are carried at amortised cost. Due to their short term nature they are not discounted. They represent liabilities for goods and services provided to the Congress prior to the end of the financial year that are unpaid and arise when the Congress becomes obliged to make future payments in respect of the purchase of these goods and services. The amounts are unsecured and are usually paid within 30 days of recognition.

### (h) Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST except when the GST incurred on a purchase of goods and services is not recoverable from the taxation authority, in which case the GST is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable.

The net amount of GST recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the balance sheet.

Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the taxation authority.

### (i) Reserves

#### *Asset Revaluation Reserve*

The Asset Revaluation Reserve records the revaluation of financial assets to market value.

#### *General Reserves*

General Reserves represents funds held on behalf of Adelaide Congress Ministry and the Cox Bequest. Monies received or expensed are shown through the Income Statement and subsequently recorded against this reserve.

As at January 2012 the Adelaide Congress Ministry (Salisbury Congregation) established itself as a distinct entity.

All balances associated with the Adelaide Congress Ministry were transferred to this new entity.

#### *Grants Reserves*

Grants Reserves hold funds from external grants received for specific purposes.

Monies received or expensed are shown through the Income Statement and subsequently recorded against this reserve.

#### *Gift Funding Reserves*

Gift Funding Reserves hold funds received from UC Invest grants for specific purposes.

Monies received or expensed are shown through the Income Statement and subsequently recorded against this reserve.

#### *Capital Reserves*

As per the Property Sales Proceeds Policy a distribution of 5.2% of the net sale proceeds is received on sale of all congregational properties deemed surplus by the policy.

Monies received or expensed are shown through the Income Statement and subsequently recorded against this reserve.

UNITING CHURCH PRESBYTERY AND SYNOD OF SOUTH AUSTRALIA  
THE UNITING ABORIGINAL and ISLANDER CHRISTIAN CONGRESS

## Notes to the Financial Statements

FOR THE YEAR ENDED 31 DECEMBER 2013

<b>Note 2 : REVENUE</b>	<b>2013 \$</b>	<b>2012 \$</b>
Interest Received	14,267	17,810
Distribution - UC Invest Share Fund	12,527	11,038
Distribution - Property Sales Proceeds	77,477	26,528
Donation	10,765	32,880
Sundry Income	11,143	10,950
UAICC Youth Ministry	8,620	-
Registrations/Deposits	5,073	-
	<u>139,872</u>	<u>99,206</u>

### Note 3 : GRANTS and OTHER INCOME

UCA Presbytery and Synod of SA Grant:		
Grant for current year	454,323	441,090
Uniting Foundation Grant	28,806	29,148
Insurance Claim	-	18,823
	<u>483,129</u>	<u>489,061</u>

### Note 4 : EXPENSES

Grant - Adelaide Congress Ministry	122,000	127,000
Employment Costs	137,092	172,864
Motor Vehicle Expenses	99,145	103,680
Insurance Premiums	5,674	4,768
Administration Expenses	12,323	11,903
Travel	51,414	63,604
Property Maintenance	34,428	25,043
UAICC Ministry and Outback Patrol	31,337	28,966
UAICC Youth Ministry	25,937	-
Other Expenses	10,578	20,969
Expenses - Reserves	40,620	89,977
Depreciation	1,487	9,243
Approved Project Expenditure	14,933	6,266
Gift Funding Expenses	-	3,596
Rent	13,860	9,240
	<u>600,828</u>	<u>677,119</u>

### Note 5 : FUNDS TRANSFERRED TO ADELAIDE CONGRESS MINISTRY

Salisbury Congregation	-	39,890
Salisbury Reconciliation Sunday	-	12,548
	<u>-</u>	<u>52,438</u>

As at January 2012 the Adelaide Congress Ministry (Salisbury Congregation) established itself as a distinct entity. Balances in the former Ministry Centre 012 associated with the Adelaide Congress Ministry were transferred to this new entity.

### Note 6 : CASH AND CASH EQUIVALENTS

At Call Deposits	424,224	511,543
	<u>424,224</u>	<u>511,543</u>

## Notes to the Financial Statements

FOR THE YEAR ENDED 31 DECEMBER 2013

	2013 \$	2012 \$
<b>Note 7 : TRADE AND OTHER RECEIVABLES</b>		
Accrued Income	28,806	10,889
Clearing Accounts	-	-
	<u>28,806</u>	<u>10,889</u>

### Note 8 : PROPERTY PLANT AND EQUIPMENT

#### Non Income Producing Land and Buildings

Salisbury North Church - 15-17 Horton Avenue Salisbury	510,000	550,000
Salisbury Manse - 6 Sandalwood Court Salisbury	420,000	420,000
Port Augusta Manse, Cobbin Street Port Augusta	710,000	710,000
Willsden Church, 63 Elizabeth Street Port Augusta	265,000	265,000
Oodnadatta	6,616	-

#### Plant and Equipment - At cost

Buses	45,455	91,964
TROOPER	30,000	-
Less Accumulated Depreciation	<u>(45,455)</u>	<u>(91,964)</u>
	<u>30,000</u>	<u>-</u>
	<u>1,941,616</u>	<u>1,945,000</u>

This valuation has been adopted by Congress based on the estimated capital value by the Valuer General's Office on the 1st July 2013

### Note 9 : FINANCIAL ASSETS

Available for sale		
UC Invest Share Fund - at Market Value	230,509	185,973
	<u>230,509</u>	<u>185,973</u>

### Note 10 : TRADE AND OTHER PAYABLES

Provision for annual leave	26,997	28,175
Provision for long service leave	15,842	14,321
Accrued expense	29,724	36,377
Contra Bank	110,040	146,894
	<u>182,602</u>	<u>225,767</u>

### Note 11 : LONG TERM PROVISIONS

#### NON CURRENT

Long Service Leave - Lay Staff	1,011	278
	<u>1,011</u>	<u>278</u>

### Note 12 : CAPITAL COMMITMENTS

There were no capital commitments at 31 December 2013 relating to any future transactions.

### Note 13 : EVENTS SUBSEQUENT TO BALANCE DATE

The Regional Council are not aware of any event or circumstance which has arisen since the end of the financial year, which has significantly affected, or may significantly affect, the entity's operation, the results of those operations or the entity's state of affairs in subsequent financial period.

Notes to the Financial Statements

FOR THE YEAR ENDED 31 DECEMBER 2013

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Declaration by the Uniting Aboriginal and Islander  
Christian Congress Regional Council

The Regional Council has determined that the organisation is not a reporting entity. The Regional Council has determined that this special purpose financial report should be prepared in accordance with the accounting policies outlined in Note 1 to the financial statements.

The Regional Council declares that:

- 1. the financial statements and notes, as set out on pages 1 to 8, present fairly the organisation's financial position as at 31<sup>st</sup> December 2013 and its performance for the year ended on that date in accordance with the accounting policies in Note 1 to the financial report.
- 2. in the opinion of the Regional Council, there are reasonable grounds to believe that the organisation will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the Regional Council by:

The Chairperson of the Regional Council

.....

Dated this                      day of                      2014

State Elder of the Regional Council

.....

Dated this                      day of                      2014

PANCAKE DAY APPEAL

**Income Statement**

FOR THE YEAR ENDED 31 DECEMBER 2013

	Note	2013 \$	2012 \$
<hr/>			
<b>Income:</b>			
Funds Raised		41,722	50,000
		<hr/>	<hr/>
		41,722	50,000
<hr/>			
<b>Expenses:</b>			
Administration Expenses		(4,172)	(4,328)
Promotional/Communication Expenses		(2,500)	(2,500)
		<hr/>	<hr/>
		(6,672)	(6,828)
<hr/>			
<b>Funds available for Distribution</b>		<b>35,050</b>	<b>43,172</b>
<hr/>			
<b>Funds Distributed:</b>			
Distribution of Funds		(41,518)	(38,612)
Distribution of Funds Directed		(2,155)	(3,659)
		<hr/>	<hr/>
		(43,673)	(42,271)
<hr/>			
<b>Transfer to Funds Available for Distribution</b>		<b>(8,623)</b>	<b>901</b>
<hr/>			

PANCAKE DAY APPEAL

**Balance Sheet**

FOR THE YEAR ENDED 31 DECEMBER 2013

	Note	2013 \$	2012 \$
<b>ASSETS</b>			
<b>CURRENT ASSETS</b>			
Cash and Cash Equivalents	2	11,236	22,559
<b>TOTAL CURRENT ASSETS</b>		<u>11,236</u>	<u>22,559</u>
<b>LIABILITIES</b>			
<b>CURRENT LIABILITIES</b>			
Trade and Other Payables	3	-	2,700
<b>TOTAL CURRENT LIABILITIES</b>		<u>-</u>	<u>2,700</u>
<b>NET ASSETS</b>		<u><b>11,236</b></u>	<u><b>19,859</b></u>
<b>EQUITY</b>			
Funds Available for Distribution		19,859	18,958
Current Year Funds Available for Distribution		(8,623)	901
<b>TOTAL EQUITY</b>		<u><b>11,236</b></u>	<u><b>19,859</b></u>

## PANCAKE DAY APPEAL

# Notes to the Financial Statements

FOR THE YEAR ENDED 31 DECEMBER 2013

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### Operations and Principal Activities

The Uniting Church has a long history of involvement with educational and community services. The UnitingCare Agencies, Schools and Colleges are a family of 26 organisations, seeking to provide services at the highest standards and deliver programs that are congruent with the values of the Uniting Church. The Pancake Day Appeal is the only fundraiser for UnitingCare South Australia. The Pancake Day Appeal is held each year on Shrove Tuesday to raise much needed funds for programs that would otherwise not be funded through grants or government funds. These programs fund UnitingCare's work with some of the most vulnerable and disadvantaged members of our community.

### Note 1 : STATEMENT OF SIGNIFICANT POLICIES

This financial report is a special purpose report prepared for use by the Pancake Day Appeal. The Appeal has determined that it is not a reporting entity.

The financial report has been prepared in accordance with the following Australian Accounting Standards and other mandatory professional reporting requirements:

AASB 1031: Materiality

AASB 108: Events After the Balance Sheet Date

No other Australian Accounting Standards, Australian Accounting Interpretations or other authoritative pronouncements of the Australian Accounting Standards Board have been applied. However, the recognition and measurement criteria of all Australian Accounting Standards have been applied.

### Basis of Preparation

The financial report is prepared on an accruals basis. Unless a market valuation has been specifically stated all values are based on historic cost.

The following material accounting policies which are consistent with the previous period unless otherwise stated have been adopted in the preparation of this financial report.

#### (a) Cash and Cash Equivalents

Cash and Cash Equivalents in the balance sheet comprise cash at bank and in hand and short-term deposits with an original maturity of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

#### (b) Income Tax

The Appeal is exempt from Income Tax due to its status as a charitable organisation.

## PANCAKE DAY APPEAL

### Notes to the Financial Statements

FOR THE YEAR ENDED 31 DECEMBER 2013

#### (c) Trade and Other Receivables

Trade and Other Receivables, which generally have 30-60 day terms, are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less an allowance for impairment. Collectability of trade receivables is reviewed on an ongoing basis. Individual debts that are known to be uncollectible are written off when identified. An impairment provision is recognised when there is objective evidence that the Appeal will not be able to collect the receivable. Financial difficulties of the debtor, default payments or debts more than 60 days overdue are considered objective evidence of impairment. The amount of the impairment loss is the receivable carrying amount compared to the present value of estimated future cash flows, discounted at the original effective interest rate.

#### (d) Revenue Recognition

Revenue is recognised and measured at the fair value of the consideration received or receivable to the extent it is probable that the economic benefits will flow to the Appeal and the revenue can be reliably measured. The following specific recognition criteria must also be met before revenue is recognised:

##### (i) Funds Raised

Revenue for Funds Raised is recognised when it is received by the Pancake Day Appeal.

#### (e) Goods and Services Tax (GST)

Pancake Day Appeal is an unregistered sub-entity of The Uniting Church Property Trust SA and as such does not account for GST.

#### Note 2 : CASH AND CASH EQUIVALENTS

	2013	2012
	\$	\$
Bank	11,236	22,559
	<u>11,236</u>	<u>22,559</u>

#### Note 3 : TRADE AND OTHER PAYABLES

Accrued Expenses	-	2,700
	<u>-</u>	<u>2,700</u>

#### Note 4 : EVENTS SUBSEQUENT TO BALANCE DATE

The UnitingCare Commission is not aware of any event or circumstance which has arisen since the end of the financial year which has significantly affected, or may significantly affect, the entity's operation, the results of those operations or the entity's state of affairs in subsequent financial period.



## Notes to the Financial Statements

FOR THE YEAR ENDED 31 DECEMBER 2013

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### Declaration by UnitingCare – Pancake Day Appeal

UnitingCare has determined that the appeal is not a reporting entity. UnitingCare has determined that this special purpose financial report should be prepared in accordance with the accounting policies outlined in Note 1 to the financial statements.

UnitingCare declares that:

1. the Financial Statements and Notes as set out on pages 1 to 4, present fairly the Appeal's financial position as at 31<sup>st</sup> December 2013 and its performance for the year ended on that date in accordance with the accounting policies in Note 1 to the financial report.
2. in the opinion of UnitingCare, there are reasonable grounds to believe that the appeal will be able to pay its debts as and when they become due and payable.

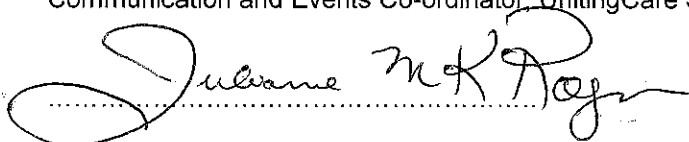
This declaration is made in accordance with a resolution of UnitingCare by:

The Executive Officer, UnitingCare South Australia

  
.....

Dated this 16<sup>th</sup> day of April 2014

Communication and Events Co-ordinator, UnitingCare South Australia

  
.....

Dated this 16 day of April 2014

**STILLPOINT COMMUNITY**

**Income Statement**

**FOR THE YEAR ENDED 31 DECEMBER 2013**

	<b>Note</b>	<b>2013</b>	<b>2012</b>
		<b>\$</b>	<b>\$</b>
<hr/>			
<b>Income:</b>			
Grant Uniting Foundation		-	30,000
Grant Mission and Service Fund		87,164	87,164
Offerings		3,753	4,064
Sundry Income		2,148	1,445
Donations		3,188	5,061
Events Income		6,202	10,332
Recovered Costs		5,244	5,294
Resources/Merchandise/Promotional Income		1,744	776
Subscriptions Income		1,863	1,648
		<hr/>	<hr/>
		111,306	145,784
<b>Expenses:</b>			
Administration Costs		(2,520)	(2,555)
Employment Costs		(103,184)	(94,326)
Events Expenses		(5,819)	(7,075)
Electricity		(1,200)	(1,200)
Rent		(12,495)	(12,250)
Resources/Merchandise/Promotional Expense		(396)	(2,058)
Sundry Expenses		(1,728)	(3,123)
		<hr/>	<hr/>
		(127,342)	(122,587)
<b>Current Year Surplus/(Deficit)</b>		<hr/>	<hr/>
		<b>(16,036)</b>	<b>23,197</b>

**STILLPOINT COMMUNITY**

**Balance Sheet**

**FOR THE YEAR ENDED 31 DECEMBER 2013**

	<b>Note</b>	<b>2013</b>	<b>2012</b>
		<b>\$</b>	<b>\$</b>
<hr/>			
<b>ASSETS</b>			
<b>CURRENT ASSETS</b>			
Cash and Cash Equivalents	<b>2</b>	88,782	104,984
<b>TOTAL CURRENT ASSETS</b>		<u>88,782</u>	<u>104,984</u>
<b>TOTAL ASSETS</b>		<u>88,782</u>	<u>104,984</u>
<b>LIABILITIES</b>			
<b>CURRENT LIABILITIES</b>			
Trade and Other Payables	<b>3</b>	735	923
Short Term Provisions	<b>4</b>	59	37
<b>TOTAL CURRENT LIABILITIES</b>		<u>794</u>	<u>960</u>
<b>TOTAL LIABILITIES</b>		<u>794</u>	<u>960</u>
<b>NET ASSETS</b>		<u><u>87,988</u></u>	<u><u>104,024</u></u>
<b>EQUITY</b>			
Accumulated Funds		104,024	80,827
Current Year Surplus/(Deficit)		(16,036)	23,197
Reserves		-	-
<b>TOTAL EQUITY</b>		<u><u>87,988</u></u>	<u><u>104,024</u></u>

**STILLPOINT COMMUNITY**

**Statement of Changes in Equity**

**FOR THE YEAR ENDED 31 DECEMBER 2013**

	<b>Accumulated Funds \$</b>	<b>Reserves \$</b>	<b>Total \$</b>
Balance at 1 January 2012	70,204	10,623	80,827
Current Year Surplus/(Deficit)	23,197	-	23,197
Transfers from/to Reserves	10,623	(10,623)	-
Balance at 31 December 2012	<u>104,024</u>	<u>-</u>	<u>104,024</u>
Balance at 1 January 2013	104,024	-	104,024
Current Year Surplus/(Deficit)	(16,036)	-	(16,036)
Transfers from/to to Reserves	-	-	-
Balance at 31 December 2013	<u>87,988</u>	<u>-</u>	<u>87,988</u>

## STILLPOINT COMMUNITY

# Notes to the Financial Statements

FOR THE YEAR ENDED 31 DECEMBER 2013

---

### Operations and Principal Activities

Stillpoint is a Spirituality Centre and a Faith Community of the Uniting Church in Australia, located in a house in the grounds of the Nunyara Conference Centre at Belair, in the Adelaide Hills.

Stillpoint offer a house of prayer, a venue for retreats, spiritual direction, leadership and resources for congregations, and prayer support for congregations.

Stillpoint is also a Faith Community of the Uniting Church, holding regular worship services in a contemplative style in the beautiful Nunyara Chapel, and a community that meets for reflection and is creating a Rule of Life.

### Note 1 : STATEMENT OF SIGNIFICANT POLICIES

This financial report is a special purpose report prepared for use by the Stillpoint Community. The Community has determined that it is not a reporting entity.

The financial report has been prepared in accordance with the following Australian Accounting Standards and other mandatory professional reporting requirements:

AASB 1031: Materiality

AASB 108: Events After the Balance Sheet Date

No other Australian Accounting Standards, Australian Accounting Interpretations or other authoritative pronouncements of the Australian Accounting Standards Board have been applied. However, the recognition and measurement criteria of all Australian Accounting Standards have been applied.

### Basis of Preparation

The financial report is prepared on an accruals basis. Unless a market valuation has been specifically stated all values are based on historic cost.

The following material accounting policies which are consistent with the previous period unless otherwise stated have been adopted in the preparation of this financial report.

#### (a) Cash and Cash Equivalents

Cash and Cash Equivalents in the balance sheet comprise cash at bank and in hand and short-term deposits with an original maturity of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

#### (b) Income Tax

The Community is exempt from Income Tax due to its status as a charitable organisation.

## Notes to the Financial Statements

FOR THE YEAR ENDED 31 DECEMBER 2013

---

### (c) Trade and Other Receivables

Trade and Other Receivables, which generally have 30-60 day terms, are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less an allowance for impairment. Collectability of trade receivables is reviewed on an ongoing basis. Individual debts that are known to be uncollectible are written off when identified. An impairment provision is recognised when there is objective evidence that the Community will not be able to collect the receivable. Financial difficulties of the debtor, default payments or debts more than 60 days overdue are considered objective evidence of impairment. The amount of the impairment loss is the receivable carrying amount compared to the present value of estimated future cash flows, discounted at the original effective interest rate.

### (d) Revenue Recognition

Revenue is recognised and measured at the fair value of the consideration received or receivable to the extent it is probable that the economic benefits will flow to the Community and the revenue can be reliably measured. The following specific recognition criteria must also be met before revenue is recognised:

#### (i) Interest revenue

Revenue is recognised as interest accrues using the effective interest method. This is a method of calculating the amortised cost of a financial asset and allocating the interest income over the relevant period using the effective interest rate, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the net carrying amount of the financial asset.

#### (ii) Grant revenue

Grant revenue is recognised in the income statement when it is controlled. When there are conditions attached to grant revenue relating to the use of those grants for specific purposes it is recognised in the balance sheet as a liability until such conditions are met or services provided.

#### (iii) Donations and Offerings

Revenue from donations and offerings is recognised when it is received by Stillpoint Community.

### (e) Employee Benefits

Provision is made for the entity's liability for employee annual leave benefits arising from services rendered by employees to balance date. Employee Benefits expected to be settled within one year have been measured at the amounts expected to be paid. Employee Benefits payable later than one year have been measured at present value of the estimated future cash outflows to be made for those benefits. This provision is held as a current liability.

The liability for long service leave is recognised in the provision for Employee Benefits and measured as the present value of expected future payments to be made in respect of services provided by employees up to the reporting date using the projected unit credit method. Expected future payments are discounted using market yields at the reporting date on national government bonds with terms to maturity and currency that match, as closely as possible, the estimated future cash outflows.

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

## Notes to the Financial Statements

FOR THE YEAR ENDED 31 DECEMBER 2013

### (f) Trade and other payables

Trade and Other Payables and accruals are carried at amortised cost. Due to their short term nature they are not discounted. They represent liabilities for goods and services provided to the Community prior to the end of the financial year that are unpaid and arise when the Community becomes obliged to make future payments in respect of the purchase of these goods and services. The amounts are unsecured and are usually paid within 30 days of recognition.

### (g) Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST except when the GST incurred on a purchase of goods and services is not recoverable from the taxation authority, in which case the GST is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable.

The net amount of GST recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the balance sheet.

Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the taxation authority.

	2013 \$	2012 \$
<b>Note 2 : CASH AND CASH EQUIVALENT</b>		
Bank	88,782	104,984
	<u>88,782</u>	<u>104,984</u>
<b>Note 3 : TRADE AND OTHER PAYABLES</b>		
Accrued Expenses	735	923
	<u>735</u>	<u>923</u>
<b>Note 4 : SHORT TERM PROVISIONS</b>		
Provision for Long Service Leave	9	-
Provision for Annual Leave	50	37
	<u>59</u>	<u>37</u>

### Note 6 : EVENTS AFTER THE BALANCE SHEET DATE

Stillpoint Community is not aware of any event or circumstance which has arisen since the end of the financial year, which has significantly affected, or may significantly affect, the entity's operation, the results of those operations, or the entity's state of affairs in subsequent financial period.

STILLPOINT COMMUNITY

## Notes to the Financial Statements

FOR THE YEAR ENDED 31 DECEMBER 2013

---

### Declaration by Stillpoint Community

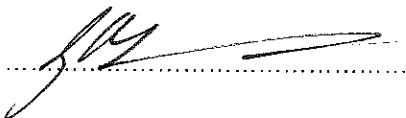
Stillpoint Community has determined that the organisation is not a reporting entity. Stillpoint Community has determined that this special purpose financial report should be prepared in accordance with the accounting policies outlined in Note 1 to the financial statements.

Stillpoint Community declares that:

1. the financial statements and notes as set out on pages 1 to 6, present fairly Stillpoint Community's financial position as at 31<sup>st</sup> December 2013 and its performance for the year ended on that date in accordance with the accounting policies in Note 1 to the financial report.
2. in the opinion of Stillpoint Community, there are reasonable grounds to believe that it will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of Stillpoint Community by:

The Facilitator, Stillpoint Community

 (GARY STUCKEY)

Dated this 1<sup>st</sup> day of MAY 2014

The Chairperson of Stillpoint Community Board



Dated this 2<sup>nd</sup> day of May 2014



# COMMUNITY OUTREACH MISSION NETWORK

## Income Statement

FOR THE YEAR ENDED 31 DECEMBER 2013

Note

2013  
\$

2012  
\$

### **Income:**

Contributions - Congregations

41,926

43,337

41,926

43,337

### **Expenses:**

Administration

2

(794)

(1,026)

Salaries

(23,120)

(24,066)

Grants

(6,606)

(8,619)

Travel

(2,315)

(1,905)

Refunds to Congregations

-

(12,135)

Sundry

3

(53,570)

(1,046)

(86,405)

(48,797)

**Current Year Surplus/(Deficit)**

**(44,479)**

**(5,460)**

# COMMUNITY OUTREACH MISSION NETWORK

## Balance Sheet

FOR THE YEAR ENDED 31 DECEMBER 2013

	Note	2013 \$	2012 \$
<b>ASSETS</b>			
<b>CURRENT ASSETS</b>			
Cash and Cash Equivalents	4	67,092	111,562
Trade and Other Receivables	5	2,100	1,332
<b>TOTAL CURRENT ASSETS</b>		<b>69,192</b>	<b>112,894</b>
<b>TOTAL ASSETS</b>		<b>69,192</b>	<b>112,894</b>
<b>LIABILITIES</b>			
<b>CURRENT LIABILITIES</b>			
Trade and Other Payables	6	3,772	2,995
<b>TOTAL CURRENT LIABILITIES</b>		<b>3,772</b>	<b>2,995</b>
<b>TOTAL LIABILITIES</b>		<b>3,772</b>	<b>2,995</b>
<b>NET ASSETS</b>		<b>65,420</b>	<b>109,899</b>
<b>EQUITY</b>			
Accumulated Funds		109,899	115,359
Current Year Surplus/(Deficit)		(44,479)	(5,460)
<b>TOTAL EQUITY</b>		<b>65,420</b>	<b>109,899</b>

## COMMUNITY OUTREACH MISSION NETWORK

### Notes to the Financial Statements

FOR THE YEAR ENDED 31 DECEMBER 2013

---

#### Operations and Principal Activities

The Community Outreach Mission Network is a group of congregations which have joined together for the purposes of resourcing one another in mission, providing pastoral care to one another and other related purposes, and is recognised as such by the Presbytery and Synod of South Australia.

#### Note 1 : STATEMENT OF SIGNIFICANT POLICIES

This financial report is a special purpose report prepared for use by the Community Outreach Mission Network. The Network has determined that it is not a reporting entity.

The financial report has been prepared in accordance with the following Australian Accounting Standards and other mandatory professional reporting requirements:

AASB 1031: Materiality

AASB 108: Events After the Balance Sheet Date

No other Australian Accounting Standards, Australian Accounting Interpretations or other authoritative pronouncements of the Australian Accounting Standards Board have been applied. However, the recognition and measurement criteria of all Australian Accounting Standards have been applied.

#### Basis of Preparation

The financial report is prepared on an accruals basis. Unless a market valuation has been specifically stated all values are based on historic cost.

The following material accounting policies which are consistent with the previous period unless otherwise stated have been adopted in the preparation of this financial report.

#### (a) Cash and Cash Equivalents

Cash and Cash Equivalents in the balance sheet comprise cash at bank and in hand and short-term deposits with an original maturity of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

#### (b) Income Tax

The Network is exempt from income tax due to its status as a charitable organisation.

#### (c) Revenue Recognition

Revenue is recognised and measured at the fair value of the consideration received or receivable to the extent it is probable that the economic benefits will flow to the Network and the revenue can be reliably measured. The following specific recognition criteria must also be met before revenue is recognised:

## COMMUNITY OUTREACH MISSION NETWORK

### Notes to the Financial Statements

FOR THE YEAR ENDED 31 DECEMBER 2013

---

#### (c) Revenue Recognition - continued

##### (i) Contributions - Congregations

Revenue for congregational contributions is recognised when it is received by the Community Outreach Mission Network. Each year Congregations are required to submit to the Network a contribution to the wider mission of the church which is a percentage of their previous year's income. If a congregation is unable to contribute the designated amount then the Church Council is required to write to the Network applying for an exemption or variation for that year.

#### (d) Trade and Other Payables

Trade and Other Payables and accruals are carried at amortised cost. Due to their short term nature they are not discounted. They represent liabilities for goods and services provided to the Network prior to the end of the financial year that are unpaid and arise when the Network becomes obliged to make future payments in respect of the purchase of these goods and services. The amounts are unsecured and are usually paid within 30 days of recognition.

#### (e) Goods and Services Tax

Revenues, expenses and assets are recognised net of the amount of GST except when the GST incurred on a purchase of goods and services is not recoverable from the taxation authority, in which case the GST is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable.

The net amount of GST recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the balance sheet.

Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the taxation authority.

	2013	2012
	\$	\$
<b>Note 2 : Administration Expenses</b>		
Audit/Accounting	100	300
Administration	180	521
Postage	87	146
Printing and Stationery	67	59
Telephone	360	-
	<u>794</u>	<u>1,026</u>

#### **Note 3 : Sundry Expenses**

Sundry	276	471
Mission Outreach	53,294	575
	<u>53,570</u>	<u>1,046</u>

COMMUNITY OUTREACH MISSION NETWORK

**Notes to the Financial Statements**

FOR THE YEAR ENDED 31 DECEMBER 2013

---

	2013	2012
<b>Note 4 : Cash and Cash Equivalents</b>	\$	\$
Cash at Bank	67,092	111,562
	<u>67,092</u>	<u>111,562</u>

**Note 5 : Trade and Other Receivables**

Accrued Income	2,100	1,332
	<u>2,100</u>	<u>1,332</u>

**Note 6 : Trade and Other Payables**

Accrued Expenses	61	-
Provision for Annual Leave	1,871	1,439
Provision for Long Service Leave	1,840	1,556
	<u>3,772</u>	<u>2,995</u>

**Note 7 : Events Subsequent to Balance Date**

The Network is not aware of any event or circumstance which has arisen since the end of the financial year, which has significantly affected, or may significantly affect, the entity's operation, the results of those operations, or the entity's state of affairs in subsequent financial period.

COMMUNITY OUTREACH MISSION NETWORK

**Notes to the Financial Statements**

FOR THE YEAR ENDED 31 DECEMBER 2013

---

**Declaration by the Community Outreach Mission Network**

The Mission Network has determined that the Network is not a reporting entity. The Mission Network has determined that this special purpose financial report should be prepared in accordance with the accounting policies outlined in Note 1 to the financial statements.

The Mission Network declares that:

1. the financial statements and notes as set out on pages 1 to 5, present fairly the Mission Network's financial position as at 31st December 2013 and its performance for the year ended on that date in accordance with the accounting policies in Note 1 to the financial report.
2. in the opinion of the Mission Network, there are reasonable grounds to believe that the Mission Network will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the Mission Network by:

Mission Liaison Officer, Community Outreach Mission Network



Dated this 10 day of April 2014

Representative, Community Outreach Mission Network



Dated this 9th day of April 2014

## **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE COMMUNITY OUTREACH MISSION NETWORK**

### **Scope:**

I have audited the accompanying financial report, being a Special Purpose Financial Report of the Community Outreach Mission Network ('the Network'), comprising the Balance Sheet, Income Statement, Notes comprising a summary of significant accounting policies and other explanatory information, and the Network's declaration for the year ended December 31, 2013.

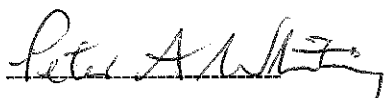
The financial report has been prepared for distribution to the members of the Network. I disclaim any assumption of responsibility for any reliance on this report, or on the financial report to which it relates, to any persons other than the members of the Network, or for any purpose other than that for which it is prepared.

The audit has been conducted in accordance with Australian Auditing Standards. The audit procedures included examination, on a test basis, of evidence supporting the amounts and other disclosures in the financial report and significant accounting estimates. These procedures have been undertaken to form an opinion as to whether, in all material respects, the financial report is presented fairly so as to present a view which is consistent with my understanding of the Network's financial position.

### **Audit Opinion:**

In my opinion, the financial report presents fairly, in all material aspects, the financial position of the Network as at December 31, 2013, and the results of its operations for the year then ended.

PETER A WHITING CPA



Port Willunga, South Australia

Date 17/3/14

GRACE CONNECTIONS MISSION NETWORK

**Income Statement**

FOR THE YEAR ENDED 31 DECEMBER 2013

Note

2013  
\$

2012  
\$

---

**Income:**

Contributions - Congregations

800

2,900

---

800

---

2,900

**Expenses:**

Administration Expenses

2

-

(120)

---

-

---

(120)

**Current Year Surplus/(Deficit)**

---

**800**

---

**2,780**



GRACE CONNECTIONS MISSION NETWORK

**Balance Sheet**

FOR THE YEAR ENDED 31 DECEMBER 2013

Note

2013  
\$

2012  
\$

**ASSETS**

**CURRENT ASSETS**

Cash and Cash Equivalents

3 7,146 6,346

**TOTAL CURRENT ASSETS**

7,146 6,346

**TOTAL ASSETS**

7,146 6,346

**LIABILITIES**

**CURRENT LIABILITIES**

Trade and Other Payables

- -

**TOTAL CURRENT LIABILITIES**

- -

**TOTAL LIABILITIES**

- -

**NET ASSETS**

7,146 6,346

**EQUITY**

Accumulated Funds

6,346 3,566

Current Year Surplus/(Deficit)

800 2,780

**TOTAL EQUITY**

7,146 6,346

## Notes to the Financial Statements

FOR THE YEAR ENDED 31 DECEMBER 2013

---

### Operations and Principal Activities

The Grace Connections Mission Network is a group of congregations which have joined together for the purposes of resourcing one another in mission, providing pastoral care to one another and other related purposes, and is recognised as such by the Presbytery and Synod of South Australia.

### Note 1 : STATEMENT OF SIGNIFICANT POLICIES

This financial report is a special purpose report prepared for use by the Grace Connections Mission Network. The Network has determined that it is not a reporting entity.

The financial report has been prepared in accordance with the following Australian Accounting Standards and other mandatory professional reporting requirements:

AASB 1031: Materiality

AASB 108: Events After the Balance Sheet Date

No other Australian Accounting Standards, Australian Accounting Interpretations or other authoritative pronouncements of the Australian Accounting Standards Board have been applied. However, the recognition and measurement criteria of all Australian Accounting Standards have been applied.

### Basis of Preparation

The financial report is prepared on an accruals basis. Unless a market valuation has been specifically stated all values are based on historic cost.

The following material accounting policies which are consistent with the previous period unless otherwise stated have been adopted in the preparation of this financial report.

#### (a) Cash and Cash Equivalents

Cash and Cash Equivalents in the balance sheet comprise cash at bank and in hand and short-term deposits with an original maturity of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

#### (b) Income Tax

The Network is exempt from income tax due to its status as a charitable organisation.

#### (c) Revenue Recognition

Revenue is recognised and measured at the fair value of the consideration received or receivable to the extent it is probable that the economic benefits will flow to the Network and the revenue can be reliably measured. The following specific recognition criteria must also be met before revenue is recognised:

## Notes to the Financial Statements

FOR THE YEAR ENDED 31 DECEMBER 2013

**(c) Revenue Recognition - continued****(i) Contributions - Congregations**

Revenue for congregational contributions is recognised when it is received by the Grace Connections Mission Network. Each year Congregations are required to submit to the Network a contribution to the wider mission of the church which is a percentage of their previous year's income. If a congregation is unable to contribute the designated amount then the Church Council is required to write to the Network applying for an exemption or variation for that year.

**(d) Trade and Other Payables**

Trade and Other Payables and accruals are carried at amortised cost. Due to their short term nature they are not discounted. They represent liabilities for goods and services provided to the Network prior to the end of the financial year that are unpaid and arise when the Network becomes obliged to make future payments in respect of the purchase of these goods and services. The amounts are unsecured and are usually paid within 30 days of recognition.

**(e) Goods and Services Tax**

Revenues, expenses and assets are recognised net of the amount of GST except when the GST incurred on a purchase of goods and services is not recoverable from the taxation authority, in which case the GST is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable.

The net amount of GST recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the balance sheet.

Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the taxation authority.

	2013	2012
	\$	\$
<b>Note 2 : Administration Expenses</b>		
Audit/Accounting	-	120
	<u>-</u>	<u>120</u>
<b>Note 3 : Cash and Cash Equivalents</b>		
	\$	\$
Cash at Bank	7,146	6,346
	<u>7,146</u>	<u>6,346</u>

**Note 4 : Events Subsequent To Balance Date**

The Network is not aware of any event or circumstance which has arisen since the end of the financial year, which has significantly affected, or may significantly affect, the entity's operation, the results of those operations, or the entity's state of affairs in subsequent financial period.

GRACE CONNECTIONS MISSION NETWORK

Notes to the Financial Statements

FOR THE YEAR ENDED 31 DECEMBER 2013

---

Declaration by the Grace Connections Mission Network

The Mission Network has determined that the Network is not a reporting entity. The Mission Network has determined that this special purpose financial report should be prepared in accordance with the accounting policies outlined in Note 1 to the financial statements.

The Mission Network declares that:

1. the financial statements and notes as set out on pages 1 to 5, present fairly the Mission Network's financial position as at 31st December 2013 and its performance for the year ended on that date in accordance with the accounting policies in the notes to the financial report.
2. in the opinion of the Mission Network, there are reasonable grounds to believe that the Mission Network will be able to pay its debts as and when they become due and payable.

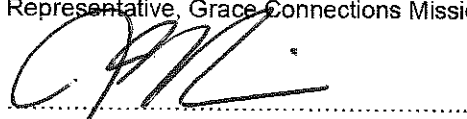
This declaration is made in accordance with a resolution of the Mission Network by:

Key Liaison Person, Grace Connections Mission Network



Dated this 29 day of 04 2014

Representative, Grace Connections Mission Network



Dated this 10<sup>th</sup> day of April 2014

## **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE GRACE CONNECTIONS MISSION NETWORK**

### **Scope:**

I have audited the accompanying financial report, being a Special Purpose Financial Report of the Grace Connections Mission Network ('the Network'), comprising the Balance Sheet, Income Statement, Notes comprising a summary of significant accounting policies and other explanatory information, and the Network's declaration for the year ended December 31, 2013.

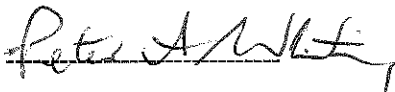
The financial report has been prepared for distribution to the members of the Network. I disclaim any assumption of responsibility for any reliance on this report, or on the financial report to which it relates, to any persons other than the members of the Network, or for any purpose other than that for which it is prepared.

The audit has been conducted in accordance with Australian Auditing Standards. The audit procedures included examination, on a test basis, of evidence supporting the amounts and other disclosures in the financial report and significant accounting estimates. These procedures have been undertaken to form an opinion as to whether, in all material respects, the financial report is presented fairly so as to present a view which is consistent with my understanding of the Network's financial position.

### **Audit Opinion:**

In my opinion, the financial report presents fairly, in all material aspects, the financial position of the Network as at December 31, 2013, and the results of its operations for the year then ended.

PETER A WHITING CPA



Port Willunga, South Australia

Date 17/3/14

GULF MISSION NETWORK

**Income Statement**

FOR THE YEAR ENDED 31 DECEMBER 2013

Note

2013  
\$

2012  
\$

---

**Income:**

Contributions - Congregations  
Sundry Income

3,250  
-

2,637  
362

---

3,250

---

2,999

**Expenses:**

Administration  
Travel  
Sundry

2  
  
3

(178)  
(233)  
(2,300)

(284)  
(77)  
(700)

---

(2,711)

---

(1,061)

**Current Year Surplus/(Deficit)**

---

539

---

1,938

GULF MISSION NETWORK

**Balance Sheet**

FOR THE YEAR ENDED 31 DECEMBER 2013

Note

2013

2012

\$

\$

**ASSETS**

**CURRENT ASSETS**

Cash and Cash Equivalents

4

14,577

14,038

**TOTAL CURRENT ASSETS**

14,577

14,038

**TOTAL ASSETS**

14,577

14,038

**LIABILITIES**

**CURRENT LIABILITIES**

-

-

**TOTAL CURRENT LIABILITIES**

-

-

**TOTAL LIABILITIES**

-

-

**NET ASSETS**

14,577

14,038

**EQUITY**

Accumulated Funds

14,038

12,100

Current Year Surplus/(Deficit)

539

1,938

**TOTAL EQUITY**

14,577

14,038

## Notes to the Financial Statements

FOR THE YEAR ENDED 31 DECEMBER 2013

### (d) Trade and Other Payables

Trade and Other Payables and accruals are carried at amortised cost. Due to their short term nature they are not discounted. They represent liabilities for goods and services provided to the Network prior to the end of the financial year that are unpaid and arise when the Network becomes obliged to make future payments in respect of the purchase of these goods and services. The amounts are unsecured and are usually paid within 30 days of recognition.

### (e) Goods and Services Tax

Revenues, expenses and assets are recognised net of the amount of GST except when the GST incurred on a purchase of goods and services is not recoverable from the taxation authority, in which case the GST is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable.

The net amount of GST recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the balance sheet.

Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the taxation authority.

	2013 \$	2012 \$
<b>Note 2 : Administration Expenses</b>		
Audit/Accounting	-	120
Postage & Courier	148	122
Printing & Stationery	30	42
	<u>178</u>	<u>284</u>

### Note 3 : Sundry Expenses

Sundry Expenses	300	700
Mission Outreach	2,000	-
	<u>2,300</u>	<u>700</u>

### Note 4 : Cash and Cash Equivalents

Petty Cash	200	200
Cash at Bank	14,377	13,838
	<u>14,577</u>	<u>14,038</u>

### Note 5 : Events Subsequent To Balance Date

The Network is not aware of any event or circumstance which has arisen since the end of the financial year, which has significantly affected, or may significantly affect, the entity's operation, the results of those operations, or the entity's state of affairs in subsequent financial period.



## GULF MISSION NETWORK

# Notes to the Financial Statements

FOR THE YEAR ENDED 31 DECEMBER 2013

---

### Operations and Principal Activities

The Gulf Mission Network is a group of congregations which have joined together for the purposes of resourcing one another in mission, providing pastoral care to one another and other related purposes, and is recognised as such by the Presbytery and Synod of South Australia.

### Note 1 : STATEMENT OF SIGNIFICANT POLICIES

This financial report is a special purpose report prepared for use by the Gulf Mission Network. The Network has determined that it is not a reporting entity.

The financial report has been prepared in accordance with the following Australian Accounting Standards and other mandatory professional reporting requirements:

AASB 1031: Materiality

AASB 108: Events After the Balance Sheet Date

No other Australian Accounting Standards, Australian Accounting Interpretations or other authoritative pronouncements of the Australian Accounting Standards Board have been applied. However, the recognition and measurement criteria of all Australian Accounting Standards have been applied.

### Basis of Preparation

The financial report is prepared on an accruals basis. Unless a market valuation has been specifically stated all values are based on historic cost.

The following material accounting policies which are consistent with the previous period unless otherwise stated have been adopted in the preparation of this financial report.

#### (a) Cash and Cash Equivalents

Cash and Cash Equivalents in the balance sheet comprise cash at bank and in hand and short-term deposits with an original maturity of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

#### (b) Income Tax

The Network is exempt from income tax due to its status as a charitable organisation.

#### (c) Revenue Recognition

Revenue is recognised and measured at the fair value of the consideration received or receivable to the extent it is probable that the economic benefits will flow to the Network and the revenue can be reliably measured. The following specific recognition criteria must also be met before revenue is recognised:

##### (i) Contributions - Congregations

Revenue for congregational contributions is recognised when it is received by the Gulf Mission Network. Each year Congregations are required to submit to the Network a contribution to the wider mission of the church which is a percentage of their previous year's income. If a congregation is unable to contribute the designated amount then the Church Council is required to write to the Network applying for an exemption or variation for that year.

GULF MISSION NETWORK

Notes to the Financial Statements

FOR THE YEAR ENDED 31 DECEMBER 2013

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Declaration by the Gulf Mission Network

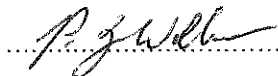
The Mission Network has determined that the Network is not a reporting entity. The Mission Network has determined that this special purpose financial report should be prepared in accordance with the accounting policies outlined in Note 1 to the financial statements.

The Mission Network declares that:

1. the financial statements and notes as set out on pages 1 to 4, present fairly the Mission Network's financial position as at 31st December 2013 and its performance for the year ended on that date in accordance with the accounting policies in Note 1 to the financial report.
2. in the opinion of the Mission Network, there are reasonable grounds to believe that the Mission Network will be able to pay its debts as and when they become due and payable.


This declaration is made in accordance with a resolution of the Mission Network by:

Mission Liaison Officer, Gulf Mission Network

  
.....

Dated this 30<sup>th</sup> day of April 2014

Representative, Gulf Mission Network

  
.....  
Heather Miller (Secretary)

Dated this 10<sup>th</sup> day of April 2014

## INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE GULF MISSION NETWORK

### Scope:

I have audited the accompanying financial report, being a Special Purpose Financial Report of the Gulf Mission Network ('the Network'), comprising the Balance Sheet, Income Statement, Notes comprising a summary of significant accounting policies and other explanatory information, and the Network's declaration for the year ended December 31, 2013.

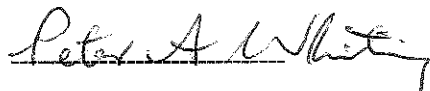
The financial report has been prepared for distribution to the members of the Network. I disclaim any assumption of responsibility for any reliance on this report, or on the financial report to which it relates, to any persons other than the members of the Network, or for any purpose other than that for which it is prepared.

The audit has been conducted in accordance with Australian Auditing Standards. The audit procedures included examination, on a test basis, of evidence supporting the amounts and other disclosures in the financial report and significant accounting estimates. These procedures have been undertaken to form an opinion as to whether, in all material respects, the financial report is presented fairly so as to present a view which is consistent with my understanding of the Network's financial position.

### Audit Opinion:

In my opinion, the financial report presents fairly, in all material aspects, the financial position of the Network as at December 31, 2013, and the results of its operations for the year then ended.

PETER A WHITING CPA



Port Willunga, South Australia

Date 17/3/14

**SOUTH EAST MISSION NETWORK**

**Income Statement**

**FOR THE YEAR ENDED 31 DECEMBER 2013**

**Note**

**2013  
\$**

**2012  
\$**

---

***Income:***

Contributions - Congregations

2,460

2,370

---

2,460

---

2,370

***Expenses:***

Administration

**2**

-

(383)

Events

(727)

(1,200)

---

(727)

---

(1,583)

**Current Year Surplus/(Deficit)**

---

**1,733**

---

**787**

**SOUTH EAST MISSION NETWORK**

**Balance Sheet**

**FOR THE YEAR ENDED 31 DECEMBER 2013**

**Note**                      **2013**                      **2012**  
    **\$**                                      **\$**

**ASSETS**

**CURRENT ASSETS**

Cash and Cash Equivalents

**3**                      19,848                      18,115

**TOTAL CURRENT ASSETS**

19,848                      18,115

**TOTAL ASSETS**

19,848                      18,115

**LIABILITIES**

**CURRENT LIABILITIES**

-                      -

**TOTAL CURRENT LIABILITIES**

-                      -

**TOTAL LIABILITIES**

-                      -

**NET ASSETS**

19,848                      18,115

**EQUITY**

Accumulated Funds

18,115                      17,328

Current Year Surplus/(Deficit)

1,733                      787

**TOTAL EQUITY**

19,848                      18,115

## **Notes to the Financial Statements**

**FOR THE YEAR ENDED 31 DECEMBER 2013**

---

### **Operations and Principal Activities**

The South East Mission Network is a group of congregations which have joined together for the purposes of resourcing one another in mission, providing pastoral care to one another and other related purposes, and is recognised as such by the Presbytery and Synod of South Australia.

### **Note 1 : STATEMENT OF SIGNIFICANT POLICIES**

This financial report is a special purpose report prepared for use by the South East Mission Network. The Network has determined that it is not a reporting entity.

The financial report has been prepared in accordance with the following Australian Accounting Standards and other mandatory professional reporting requirements:

AASB 1031: Materiality

AASB 108: Events After the Balance Sheet Date

No other Australian Accounting Standards, Australian Accounting Interpretations or other authoritative pronouncements of the Australian Accounting Standards Board have been applied. However, the recognition and measurement criteria of all Australian Accounting Standards have been applied.

### **Basis of Preparation**

The financial report is prepared on an accruals basis. Unless a market valuation has been specifically stated all values are based on historic cost.

The following material accounting policies which are consistent with the previous period unless otherwise stated have been adopted in the preparation of this financial report.

#### **(a) Cash and Cash Equivalents**

Cash and Cash Equivalents in the balance sheet comprise cash at bank and in hand and short-term deposits with an original maturity of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

#### **(b) Income Tax**

The Network is exempt from income tax due to its status as a charitable organisation.

#### **(c) Revenue Recognition**

Revenue is recognised and measured at the fair value of the consideration received or receivable to the extent it is probable that the economic benefits will flow to the Network and the revenue can be reliably measured. The following specific recognition criteria must also be met before revenue is recognised:

##### **(i) Contributions - Congregations**

Revenue for congregational contributions is recognised when it is received by the South East Mission Network. Each year Congregations are required to submit to the Network a contribution to the wider mission of the church which is a percentage of their previous year's income. If a congregation is unable to contribute the designated amount then the Church Council is required to write to the Network applying for an exemption or variation for that year.

## Notes to the Financial Statements

FOR THE YEAR ENDED 31 DECEMBER 2013

---

### (d) Trade and Other Payables

Trade and Other Payables and accruals are carried at amortised cost. Due to their short term nature they are not discounted. They represent liabilities for goods and services provided to the Network prior to the end of the financial year that are unpaid and arise when the Network becomes obliged to make future payments in respect of the purchase of these goods and services. The amounts are unsecured and are usually paid within 30 days of recognition.

### (e) Goods and Services Tax

Revenues, expenses and assets are recognised net of the amount of GST except when the GST incurred on a purchase of goods and services is not recoverable from the taxation authority, in which case the GST is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable.

The net amount of GST recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the balance sheet.

Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the taxation authority.

	2013	2012
	\$	\$
<b>Note 2 : Administration Expenses</b>		
Travel	-	263
Audit/Accounting	-	120
	<u>-</u>	<u>383</u>

### Note 3 : Cash and Cash Equivalents

Cash at Bank	19,848	18,115
	<u>19,848</u>	<u>18,115</u>

### Note 4 : Events Subsequent To Balance Date

The Network is not aware of any event or circumstance which has arisen since the end of the financial year, which has significantly affected, or may significantly affect, the entity's operation, the results of those operations, or the entity's state of affairs in subsequent financial period.

**SOUTH EAST MISSION NETWORK**

**Notes to the Financial Statements**

**FOR THE YEAR ENDED 31 DECEMBER 2013**

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**Declaration by the South East Mission Network**

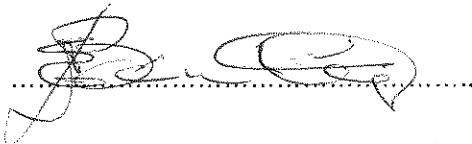
The Mission Network has determined that the Network is not a reporting entity. The Mission Network has determined that this special purpose financial report should be prepared in accordance with the accounting policies outlined in Note 1 to the financial statements.

The Mission Network declares that:

1. the financial statements and notes as set out on pages 1 to 4, present fairly the Mission Network's financial position as at 31st December 2013 and its performance for the year ended on that date in accordance with the accounting policies in Note 1 to the financial report.
2. in the opinion of the Mission Network, there are reasonable grounds to believe that the Mission Network will be able to pay its debts as and when they become due and payable.

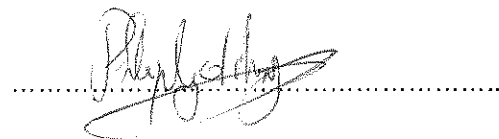
This declaration is made in accordance with a resolution of the Mission Network by:

Mission Liaison Officer, South East Mission Network



Dated this 4<sup>th</sup> day of May 2014

Representative, South East Mission Network



Dated this 4<sup>th</sup> day of May 2014



## **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE SOUTH EAST MISSION NETWORK**

### **Scope:**

I have audited the accompanying financial report, being a Special Purpose Financial Report of the South East Mission Network ('the Network'), comprising the Balance Sheet, Income Statement, Notes comprising a summary of significant accounting policies and other explanatory information, and the Network's declaration for the year ended December 31, 2013.

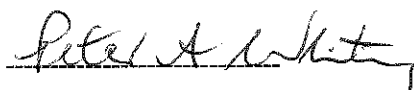
The financial report has been prepared for distribution to the members of the Network. I disclaim any assumption of responsibility for any reliance on this report, or on the financial report to which it relates, to any persons other than the members of the Network, or for any purpose other than that for which it is prepared.

The audit has been conducted in accordance with Australian Auditing Standards. The audit procedures included examination, on a test basis, of evidence supporting the amounts and other disclosures in the financial report and significant accounting estimates. These procedures have been undertaken to form an opinion as to whether, in all material respects, the financial report is presented fairly so as to present a view which is consistent with my understanding of the Network's financial position.

### **Audit Opinion:**

In my opinion, the financial report presents fairly, in all material aspects, the financial position of the Network as at December 31, 2013, and the results of its operations for the year then ended.

PETER A WHITING CPA



Port Willunga, South Australia

Date 17/3/14

URBAN MISSION NETWORK

**Income Statement**

FOR THE YEAR ENDED 31 DECEMBER 2013

	Note	2013 \$	2012 \$
<hr/>			
<b>Income:</b>			
Contributions - Congregations		34,611	37,407
Events		3,146	1,507
Sundry Income	2	3,331	132
		<hr/>	<hr/>
		41,088	39,046
<b>Expenses:</b>			
Administration	3	(5,408)	(3,631)
Employment	4	(25,674)	(25,451)
Sundry		(4,978)	(3,668)
Travel		(6,435)	(2,583)
		<hr/>	<hr/>
		(42,495)	(35,333)
<b>Current Year Surplus/(Deficit)</b>		<hr/>	<hr/>
		<b>(1,407)</b>	<b>3,713</b>

URBAN MISSION NETWORK

**Balance Sheet**

FOR THE YEAR ENDED 31 DECEMBER 2013

	Note	2013 \$	2012 \$
<b>ASSETS:</b>			
<b>CURRENT ASSETS</b>			
Cash and Cash Equivalents	5	39,661	40,283
Trade and Other Receivables	6	179	-
<b>TOTAL CURRENT ASSETS</b>		<b>39,840</b>	<b>40,283</b>
<b>TOTAL ASSETS</b>		<b>39,840</b>	<b>40,283</b>
<b>LIABILITIES:</b>			
<b>CURRENT LIABILITIES</b>			
Trade and Other Payables	7	3,149	2,185
<b>TOTAL CURRENT LIABILITIES</b>		<b>3,149</b>	<b>2,185</b>
<b>TOTAL LIABILITIES</b>		<b>3,149</b>	<b>2,185</b>
<b>NET ASSETS</b>		<b>36,691</b>	<b>38,098</b>
<b>EQUITY</b>			
Accumulated Funds		38,098	34,385
Current Year Surplus/(Deficit)		(1,407)	3,713
<b>TOTAL EQUITY</b>		<b>36,691</b>	<b>38,098</b>

## Notes to the Financial Statements

FOR THE YEAR ENDED 31 DECEMBER 2013

---

### Operations and Principal Activities

The Urban Mission Network is a group of congregations which have joined together for the purposes of resourcing one another in mission, providing pastoral care to one another and other related purposes, and is recognised as such by the Presbytery and Synod of South Australia.

### Note 1 : STATEMENT OF SIGNIFICANT POLICIES

This financial report is a special purpose report prepared for use by the Urban Mission Network. The Network has determined that it is not a reporting entity.

The financial report has been prepared in accordance with the following Australian Accounting Standards and other mandatory professional reporting requirements:

AASB 1031: Materiality

AASB 108: Events After the Balance Sheet Date

No other Australian Accounting Standards, Australian Accounting Interpretations or other authoritative pronouncements of the Australian Accounting Standards Board have been applied. However, the recognition and measurement criteria of all Australian Accounting Standards have been applied.

### Basis of Preparation

The financial report is prepared on an accruals basis. Unless a market valuation has been specifically stated all values are based on historic cost.

The following material accounting policies which are consistent with the previous period unless otherwise stated have been adopted in the preparation of this financial report.

#### (a) Cash and Cash Equivalents

Cash and Cash Equivalents in the balance sheet comprise cash at bank and in hand and short-term deposits with an original maturity of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

#### (b) Income Tax

The Network is exempt from income tax due to its status as a charitable organisation.

#### (c) Revenue Recognition

Revenue is recognised and measured at the fair value of the consideration received or receivable to the extent it is probable that the economic benefits will flow to the Network and the revenue can be reliably measured. The following specific recognition criteria must also be met before revenue is recognised:

## URBAN MISSION NETWORK

### Notes to the Financial Statements

FOR THE YEAR ENDED 31 DECEMBER 2013

---

#### (c) Revenue Recognition - continued

##### (i) Contributions - Congregations

Revenue for congregational contributions is recognised when it is received by the Urban Mission Network. Each year Congregations are required to submit to the Network a contribution to the wider mission of the church which is a percentage of their previous year's income. If a congregation is unable to contribute the designated amount then the Church Council is required to write to the Network applying for an exemption or variation for that year.

#### (d) Trade and Other Payables

Trade and Other Payables and accruals are carried at amortised cost. Due to their short term nature they are not discounted. They represent liabilities for goods and services provided to the Network prior to the end of the financial year that are unpaid and arise when the Network becomes obliged to make future payments in respect of the purchase of these goods and services. The amounts are unsecured and are usually paid within 30 days of recognition.

#### (e) Goods and Services Tax

Revenues, expenses and assets are recognised net of the amount of GST except:

When the GST incurred on a purchase of goods and services is not recoverable from the taxation authority, in which case the GST is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable.

The net amount of GST recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the balance sheet.

Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the taxation authority.

	2013	2012
	\$	\$
<b>Note 2 : Sundry Income</b>		
Sundry Income	2,198	132
Donations	1,133	-
	<u>3,331</u>	<u>132</u>

#### **Note 3 : Administration Expenses**

Audit/Accounting	100	240
Postage	351	432
Telephone	333	248
Printing and Stationery	1,502	1,228
Hospitality	3,122	1,483
	<u>5,408</u>	<u>3,631</u>

URBAN MISSION NETWORK

# Notes to the Financial Statements

FOR THE YEAR ENDED 31 DECEMBER 2013

	2013	2012
	\$	\$
<b>Note 4 : Employment Costs</b>		
Consulting	2,400	4,478
Staff Training	76	60
Salaries	23,198	20,913
	<u>25,674</u>	<u>25,451</u>
<b>Note 5 : Cash and Cash Equivalents</b>		
Cash at Bank	39,661	40,283
	<u>39,661</u>	<u>40,283</u>
<b>Note 6 : Trade and Other Receivables</b>		
Accrued Income	179	-
	<u>179</u>	<u>-</u>
<b>Note 7 : Trade and Other Payables</b>		
Accruals	552	108
Provision for Annual Leave	693	467
Provision for Long Service Leave	1,904	1,610
	<u>3,149</u>	<u>2,185</u>

## Note 8 : Events Subsequent To Balance Date

The Network is not aware of any event or circumstance which has arisen since the end of the financial year, which has significantly affected, or may significantly affect, the entity's operation, the results of those operations, or the entity's state of affairs in subsequent financial period.

URBAN MISSION NETWORK

**Notes to the Financial Statements**

FOR THE YEAR ENDED 31 DECEMBER 2013

---

**Declaration by the Urban Mission Network**

The Mission Network has determined that the Network is not a reporting entity. The Mission Network has determined that this special purpose financial report should be prepared in accordance with the accounting policies outlined in the financial statements.

The Mission Network declares that:

1. the financial statements and notes as set out on pages 1 to 5 present fairly the Mission Network's financial position as at 31st December 2013 and its performance for the year ended on that date in accordance with the accounting policies in the financial report.
2. in the opinion of the Mission Network, there are reasonable grounds to believe that the Mission Network will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the Mission Network by:

Mission Liaison Officer, Urban Mission Network

*Perouse*  
.....

Dated this 13 day of April 2014

Representative, Urban Mission Network

*[Signature]*  
.....  
Dated this 13 day of APRIL 2014

## INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE URBAN MISSION NETWORK

### Scope:

I have audited the accompanying financial report, being a Special Purpose Financial Report of the Urban Mission Network ('the Network'), comprising the Balance Sheet, Income Statement, Notes comprising a summary of significant accounting policies and other explanatory information, and the Network's declaration for the year ended December 31, 2013.

The financial report has been prepared for distribution to the members of the Network. I disclaim any assumption of responsibility for any reliance on this report, or on the financial report to which it relates, to any persons other than the members of the Network, or for any purpose other than that for which it is prepared.

The audit has been conducted in accordance with Australian Auditing Standards. The audit procedures included examination, on a test basis, of evidence supporting the amounts and other disclosures in the financial report and significant accounting estimates. These procedures have been undertaken to form an opinion as to whether, in all material respects, the financial report is presented fairly so as to present a view which is consistent with my understanding of the Network's financial position.

### Qualification:

#### Donations/Fundraising Activities:

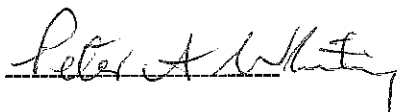
It is not practical for the Network to maintain an effective system of internal control over the collection of donations and other fundraising activities prior to their entry in the accounting records. Accordingly, the audit in relation to collection of donations and other fundraising activities was limited to the amounts recorded in the accounting records.

The audit opinion expressed in this report has been formed on the above basis.

### Audit Opinion:

In my opinion, the financial report presents fairly, in all material aspects, the financial position of the Network as at December 31, 2013, and the results of its operations for the year then ended.

PETER A WHITING CPA



Port Willunga, South Australia

Date 17/3/14



WESTERN MISSION NETWORK

**Income Statement**

FOR THE YEAR ENDED 31 DECEMBER 2013

Note

2013  
\$

2012  
\$

---

**Income:**

Contributions - Congregations

1,744

1,995

---

1,744

---

1,995

**Expenses:**

Administration

2

(70)

(267)

Mission Outreach

(2,281)

(2,392)

---

(2,351)

---

(2,659)

**Current Year Surplus/(Deficit)**

---

**(607)**

---

**(664)**

WESTERN MISSION NETWORK

**Balance Sheet**

FOR THE YEAR ENDED 31 DECEMBER 2013

Note

2013  
\$

2012  
\$

**ASSETS**

**CURRENT ASSETS**

Cash and Cash Equivalents

3

9,657

10,264

**TOTAL CURRENT ASSETS**

9,657

10,264

**TOTAL ASSETS**

9,657

10,264

**LIABILITIES**

**CURRENT LIABILITIES**

-

-

**TOTAL CURRENT LIABILITIES**

-

-

**TOTAL LIABILITIES**

-

-

**NET ASSETS**

9,657

10,264

**EQUITY**

Accumulated Funds

10,264

10,928

Current Year Surplus/(Deficit)

(607)

(664)

**TOTAL EQUITY**

9,657

10,264

## Notes to the Financial Statements

FOR THE YEAR ENDED 31 DECEMBER 2013

---

### Operations and Principal Activities

The Western Mission Network is a group of congregations which have joined together for the purposes of resourcing one another in mission, providing pastoral care to one another and other related purposes, and is recognised as such by the Presbytery and Synod of South Australia.

### Note 1 : STATEMENT OF SIGNIFICANT POLICIES

This financial report is a special purpose report prepared for use by the Western Mission Network. The Network has determined that it is not a reporting entity.

The financial report has been prepared in accordance with the following Australian Accounting Standards and other mandatory professional reporting requirements:

AASB 1031: Materiality

AASB 108: Events After the Balance Sheet Date

No other Australian Accounting Standards, Australian Accounting Interpretations or other authoritative pronouncements of the Australian Accounting Standards Board have been applied. However, the recognition and measurement criteria of all Australian Accounting Standards have been applied.

### Basis of Preparation

The financial report is prepared on an accruals basis. Unless a market valuation has been specifically stated all values are based on historic cost.

The following material accounting policies which are consistent with the previous period unless otherwise stated have been adopted in the preparation of this financial report.

#### (a) Cash and Cash Equivalents

Cash and Cash Equivalents in the balance sheet comprise cash at bank and in hand and short-term deposits with an original maturity of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

#### (b) Income Tax

The Network is exempt from income tax due to its status as a charitable organisation.

#### (c) Revenue Recognition

Revenue is recognised and measured at the fair value of the consideration received or receivable to the extent it is probable that the economic benefits will flow to the Network and the revenue can be reliably measured. The following specific recognition criteria must also be met before revenue is recognised:

##### (i) Contributions - Congregations

Revenue for congregational contributions is recognised when it is received by the Western Mission Network. Each year Congregations are required to submit to the Network a contribution to the wider mission of the church which is a percentage of their previous year's income. If a congregation is unable to contribute the designated amount then the Church Council is required to write to the Network applying for an exemption or variation for that year.

## Notes to the Financial Statements

FOR THE YEAR ENDED 31 DECEMBER 2013

### (d) Trade and Other Payables

Trade and Other Payables and accruals are carried at amortised cost. Due to their short term nature they are not discounted. They represent liabilities for goods and services provided to the Network prior to the end of the financial year that are unpaid and arise when the Network becomes obliged to make future payments in respect of the purchase of these goods and services. The amounts are unsecured and are usually paid within 30 days of recognition.

### (e) Goods and Services Tax

Revenues, expenses and assets are recognised net of the amount of GST except when the GST incurred on a purchase of goods and services is not recoverable from the taxation authority, in which case the GST is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable.

The net amount of GST recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the balance sheet.

Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the taxation authority.

	2013 \$	2012 \$
<b>Note 2 : Administration Expenses</b>		
Auditing	-	120
Travel	70	147
	<u>70</u>	<u>267</u>

### Note 3 : Cash and Cash Equivalents

Cash at Bank	9,657	10,264
	<u>9,657</u>	<u>10,264</u>

### Note 4 : Events Subsequent To Balance Date

The Network is not aware of any event or circumstance which has arisen since the end of the financial year, which has significantly affected, or may significantly affect, the entity's operation, the results of those operations, or the entity's state of affairs in subsequent financial period.

## Notes to the Financial Statements

FOR THE YEAR ENDED 31 DECEMBER 2013

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### Declaration by the Western Mission Network

The Mission Network has determined that the Network is not a reporting entity. The Mission Network has determined that this special purpose financial report should be prepared in accordance with the accounting policies outlined in Note 1 to the financial statements.

The Mission Network declares that:

1. the financial statements and notes as set out on pages 1 to 4, present fairly the Mission Network's financial position as at 31st December 2013 and its performance for the year ended on that date in accordance with the accounting policies in Note 1 to the financial report.
2. in the opinion of the Mission Network, there are reasonable grounds to believe that the Mission Network will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the Mission Network by:

Mission Liaison Officer, Western Mission Network

*adl Barnett* .....

Dated this *First* day of *March* 2014

Representative, Western Mission Network

*Grah Lyn* .....

Dated this *First* day of *March* 2014

## INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE WESTERN MISSION NETWORK

### Scope:

I have audited the accompanying financial report, being a Special Purpose Financial Report of the Western Mission Network ('the Network'), comprising the Balance Sheet, Income Statement, Notes comprising a summary of significant accounting policies and other explanatory information, and the Network's declaration for the year ended December 31, 2013.

The financial report has been prepared for distribution to the members of the Network. I disclaim any assumption of responsibility for any reliance on this report, or on the financial report to which it relates, to any persons other than the members of the Network, or for any purpose other than that for which it is prepared.

The audit has been conducted in accordance with Australian Auditing Standards. The audit procedures included examination, on a test basis, of evidence supporting the amounts and other disclosures in the financial report and significant accounting estimates. These procedures have been undertaken to form an opinion as to whether, in all material respects, the financial report is presented fairly so as to present a view which is consistent with my understanding of the Network's financial position.

### Audit Opinion:

In my opinion, the financial report presents fairly, in all material aspects, the financial position of the Network as at December 31, 2013, and the results of its operations for the year then ended.

PETER A WHITING CPA



Port Willunga, South Australia

Date 17/3/14

**HOPE MISSION NETWORK**  
**ABN: 82 417 700 324**

**AUDITED FINANCIAL REPORTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2013**

**Hope Mission Network**  
**Profit and Loss Statement**  
**For the Year ended 31 December 2013**

	2013	2012
	\$	\$
<b>Income</b>		
Congregation Contributions	40,962.29	40,483.60
Interest Received	2,654.08	3,509.67
Conference Fees	355.00	1,620.00
Donations Received	4,201.65	-
Minister's Retreat	2,230.00	2,000.00
Preaching Donation - Ian	460.00	870.00
Other Income	254.00	260.00
	<u>51,117.02</u>	<u>48,743.27</u>
<b>Expenditure</b>		
Bank Charges	-	38.21
Catering & Workshops	454.58	1,220.32
Computer Costs	-	724.50
Donations	2,506.65	-
Facility Hire	1,210.00	-
Honorariums	3,900.00	2,200.00
Minister's Retreat	2,464.00	5,690.00
Office Expenses	-	48.42
Salary Package – Rev. Ian Clarkson	42,678.19	38,869.26
Telephone	1,391.09	1,397.02
Travel Costs	4,203.00	5,994.07
Website Development Costs	-	60.00
	<u>58,807.51</u>	<u>56,241.80</u>
<b>Net Profit / (Loss) for year</b>	<u>(7,690.49)</u>	<u>(7,498.53)</u>



**Hope Mission Network  
Bank Accounts  
As at 31 December 2013**

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	\$
<b>Opening Balance 1.1.13</b>	
ANZ Bank A/c 4957-55594	10,533.72
UC Invest A/c 182046	10,000.00
UC Invest A/c 189913	10,000.00
UC Invest A/c 182037	30,000.00
UC Invest A/c 171762	1,657.82
	<u>62,191.54</u>
Net Loss for the year	(7,690.49)
	<u><u>\$54,501.05</u></u>
 <b>Closing Balance 31.12.13</b>	
ANZ Bank A/c 4957-55594	10,208.26
UC Invest A/c 189913	10,000.00
UC Invest A/c 182037	30,000.00
UC Invest A/c 171762	4,292.79
	<u><u>\$54,501.05</u></u>

**Hope Mission Network  
Independent Auditor's Report  
to the Members of  
Hope Mission Network**

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I have audited the accompanying financial reports, being a special purpose financial report, of Hope Mission Network, which comprises the profit and loss statement and bank accounts for the year ended 31<sup>st</sup> December, 2013.

Member's Responsibility for the Financial Report

The members of Hope Mission Network are responsible for the preparation of the financial report, and have determined that the report meets the needs of the members. The member's responsibility also includes such internal control as the members determine are necessary to enable the preparation of a financial report that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

My responsibility is to express an opinion on the financial report based on the audit. I have conducted the audit in accordance with Australian Auditing Standards. Those standards require that I comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement.

Opinion

In my opinion, the financial reports present fairly, in all material respects, the financial performance of Hope Mission Network as at 31 December, 2013.



Suzanne M Elflett CPA

1 Cork Street  
ATHELSTONE SA 5076

Dated this 9<sup>th</sup> day of May 2014

## 3Dnet Mission Network

### FINANCIAL STATEMENT

Period 1.01.2013 to 31.12.2013

Budget

#### Income

Contributions from congregations	\$	101,559.05		92,000
Interest	\$	3,599.76		3,000
2013 Pastor's Retreat	\$	6,440.00		
<b>Total</b>	<b>\$</b>	<b>111,598.81</b>	<b>\$</b>	<b>111,598.81</b>

#### EXPENSES

##### Leadership

##### G Walker

Stipend	46975.23			51,000
Accommodation Allow	12840.00			12,800
Prof. Devt	1664.04			1,700
Beneficiary Fund	9792.00			9,800
Prov PAYG	1446.00			
	72717.27	\$	72,717.27	75,300

##### Motor Vehicle

Standing Charge	3000.00			3,000
Depreciation Allowanc	5890.08			5,900
Mileage	2341.11			3,000
	11231.19	\$	11,231.19	

Other Expenses	3216.89	\$	3,216.89	2,000
				13,900

##### Payments to Synod

Long Service Leave	1656.65			1,500
Ministers' Benefit Fun	1501.40			1,500
Travel Equalisation	120.00			120
	3278.05	\$	3,278.05	3,120

<b>G Walker Total</b>		<b>\$</b>	<b>90,443.40</b>	<b>\$</b>	<b>90,443.40</b>
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Exec Travel etc	187.71		\$	187.71	500
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#### Development

Network Gatherings and

Regional Gatherings (net)		1,000
Pastors' Retreat 2013	\$ 6,869.96	3500net
Pastors' Retreat 2014 deposit	\$ 2,411.75	
Scholarship Grants	\$ 10,000.00	10,000
Conferences Subsidies	\$ 100.00	500
Travel subsidies	\$ 237.90	1,000
Contingency Fund		2,500

#### Administration

Audit Fee	\$ 160.00	200
Treasurer	\$ 1,600.00	1,600
Sundries	\$ 0.80	500

**Total** \$ 112,011.52

**Deficit for current year** -\$ 412.71

Funds brought forward 1.1.2013 \$ 77,672.44

**Total** \$ 77,259.73

#### Reconciliation

Bank Statement Balance 31.12.13	\$ 16,245.04	
Plus Net GST owed	\$ 1,100.87	
Less Prov for PAYG	-\$ 1,446.00	
	\$ 15,899.91	\$ 15,899.91

#### Investments UCInvest

180716	\$ 59,260.80	
189334	\$ 2,099.02	
	\$ 61,359.82	\$ 61,359.82

less FB account balance

**Total** \$ 77,259.73

# **Ford Topham CPA**

Certified Practising Accountant

Email Address: fandjtopham@bigpond.com

## **INDEPENDENT AUDITOR'S REPORT** **TO THE LEADERSHIP TEAM OF** **3DNET MISSION NETWORK**

### **Scope**

I have audited the attached special purpose Treasurer's Report of the 2Dnet Mission Network for the 12 months ended 31 December, 2013 as summarised in the attached Financial Statement and accompanying notes. The Leadership Team is responsible for the financial report and have determined that the accounting policies used are consistent with the financial reporting requirements of the Uniting Church of Australia regulations and are appropriate to meet the needs of the members. I have conducted an audit of these financial statements in order to express an opinion on them. No opinion is expressed as to whether the accounting policies used are appropriate ..

The financial reports have been prepared at regular intervals for the purpose of fulfilling the Leadership Team's financial reporting requirements. I disclaim any assumption of responsibility for any reliance on these reports to which they relate to any person other than the members, or for any purpose other than that for which it was prepared.

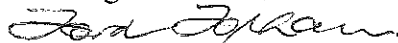
My audit has been planned and performed in accordance with Australian Auditing Standards to provide a reasonable level of assurance as to whether the financial statements are free of material misstatement. My procedures included examination, on a test basis, of evidence supporting the amounts and other disclosures in the financial statements, and the evaluation of accounting reporting on a regular monthly basis. These procedures have been undertaken to form an opinion as to whether, in all material respects, the financial statements are presented fairly in accordance with regulations of the Uniting Church of Australia.

### **Income & Expenses**

The amounts recognised in the general operating accounts of the 3Dnet Mission Network comprise a blend of both electronic transfers and deposits capable of generating summary reporting at monthly intervals. Appropriate support is forthcoming for all expense items including notation of prepayments made during the year.

### **Qualified Audit Opinion**

In my opinion, the Financial Statement and notes present fairly the cash position and transactions of the 3Dnet Mission Network for the 2013 year in accordance with regulations of the Uniting Church in Australia.



**FORD TOPHAM CPA**

24 February, 2014

CPA\A-Z\Audit





UNITING CHURCH IN AUSTRALIA  
PRESBYTERY AND SYNOD OF SOUTH AUSTRALIA  
NORTHERN RURAL MISSION NETWORK

STATEMENT OF INCOME AND EXPENDITURE FOR THE YEAR ENDING 31ST DECEMBER 2013

Income		Expenses	
Balance brought forward from 2012	43216.63		
Congregations 1%	312.68		1000.00
		Training expenses	44774.34
Interest	2245.03	Balance carried forward to 2014	
<b>Total Income</b>	<b>45774.34</b>	<b>Total Expenses</b>	<b>45774.34</b>
<b>BANK RECONCILIATION</b>			
Balance as per statement 31/12/13	9774.34		
UC Invest 202293	5000.00		
UC Invest 202284	20000.00		
UC Invest 202300	10000.00		
less cheques not presented	0.00		
plus cash not banked	0.00		
<b>Balance as per cash book</b>	<b>44774.34</b>	<b>Balance carried forward to 2014</b>	<b>44774.34</b>

The accounts of the Northern Rural Mission Network have been checked and found correct by M. J. Wilbrock in a personal honorary capacity.  
M. J. Wilbrock  
19.2.2014

Checked & found correct with the documents produced. Alison Keech 8/3/14  
ALISON KEECH





Uniting  
Foundation

December 31

2013

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The Uniting Foundation is an activity of The Uniting Church in Australia Property Trust (S.A.) ABN 25 068 897 781, the legal entity of the Uniting Church SA.

Financial  
Report



# Statement of Comprehensive Income

For the year to 31 December 2013

	Note	2013 \$	2012 \$
Revenue	2	646,250	462,117
Expenses	3	(261,883)	(274,902)
<b>OPERATING PROFIT / (LOSS) FOR THE YEAR</b>		<b>384,367</b>	<b>187,215</b>
Profit / (Loss) on the sale of financial assets		-	(18,532)
<b>PROFIT / (LOSS) FOR THE YEAR</b>		<b>384,367</b>	<b>168,683</b>
Gains / (Losses) on revaluation of available for sale financial assets		366,087	300,414
<b>TOTAL COMPREHENSIVE INCOME FOR THE YEAR</b>		<b>750,454</b>	<b>469,097</b>





# Statement of Financial Position

As at 31 December 2013

	Note	2013 \$	2012 \$
<b>Assets</b>			
<b>Current Assets</b>			
Cash & Cash Equivalents	5	412,451	219,078
Trade & Other Receivables	6	121,672	65,881
Financial Assets	7	1,140,036	1,131,871
<b>Total Current Assets</b>		<b>1,674,159</b>	<b>1,416,830</b>
<b>Non-Current Assets</b>			
Financial Assets	7	3,630,876	3,187,156
<b>Total Non-Current Assets</b>		<b>3,630,876</b>	<b>3,187,156</b>
<b>Total Assets</b>		<b>5,305,035</b>	<b>4,603,986</b>
<b>Liabilities</b>			
<b>Current Liabilities</b>			
Trade & Other Payables	8	576,879	631,978
<b>Total Current Liabilities</b>		<b>576,879</b>	<b>631,978</b>
<b>Non-Current Liabilities</b>			
Trade & Other Payables	8	106,213	100,519
<b>Total Non-Current Liabilities</b>		<b>106,213</b>	<b>100,519</b>
<b>Total Liabilities</b>		<b>683,092</b>	<b>732,497</b>
<b>Net Assets</b>		<b>4,621,943</b>	<b>3,871,489</b>
<b>Equity</b>			
Accumulated Funds		4,005,910	3,621,543
Revaluation Reserve		616,033	249,946
<b>Total Equity</b>	9	<b>4,621,943</b>	<b>3,871,489</b>



## Statement of Changes in Equity

For the year to 31 December 2013

	Accumulated Funds	Revaluation Reserve	Total
Balance at 1 January 2012	3,382,774	19,618	3,402,392
Total comprehensive income	168,683	300,414	469,097
Reversal of revaluation reserve on sale	70,086	(70,086)	-
<b>Balance at 31 December 2012</b>	<b>3,621,543</b>	<b>249,946</b>	<b>3,871,489</b>
Balance at 1 January 2013	3,621,543	249,946	3,871,489
Total comprehensive income	384,367	366,087	750,454
Reversal of revaluation reserve on sale	-	-	-
<b>Balance at 31 December 2013</b>	<b>4,005,910</b>	<b>616,033</b>	<b>4,621,943</b>



# Statement of Cash Flows

For the year to 31 December 2013

	Note	2013 \$	2012 \$
<b>Cash Flows from Operating Activities</b>			
Receipts from distributions, grants & donations		443,921	235,288
Interest received		34,579	103,658
Payments for administration & project expenses		(289,898)	(421,243)
<b>Net cash flows provided by / (used in) operating activities</b>	10	<b>188,602</b>	<b>(82,297)</b>
<b>Cash Flows from Investing Activities</b>			
Sale of investments		4,771	1,523,417
Purchase of investments		-	(1,306,739)
<b>Net cash flows provided by / (used in) investing activities</b>		<b>4,771</b>	<b>216,678</b>
<b>Cash Flows from Financing Activities</b>			
<b>Net cash flows provided by / (used in) financing activities</b>		<b>-</b>	<b>-</b>
Net increase / (decrease) in cash held		193,373	134,381
Cash at beginning of year		219,078	84,697
<b>Cash at End of Year</b>	5	<b>412,451</b>	<b>219,078</b>



## 1. Statement of significant accounting policies

The financial report of the Uniting Foundation (*"the Foundation"*) for the year ended 31 December 2013 was adopted by the Uniting Church SA – Resources Board on 22 May 2014.

### Operations and principal activities

This financial report covers the Uniting Foundation as an individual entity. The Foundation is an activity of The Uniting Church in Australia Property Trust (S.A.), which was established by an Act of the South Australian Parliament in 1977. All assets of the Foundation are held in the name of The Uniting Church in Australia Property Trust (S.A.).

The Foundation accepts bequests, donations and grants from individuals, congregations and organisations. The proceeds of these funds, together with general investment income, are used to make gifts and grants to further the work of the Uniting Church in South Australia.

### Uniting Church SA Resources Board

The Resources Board is responsible for the financial management and growth of the Foundation. This includes setting asset allocations and periodically approving capital amounts for project funding rounds.

Members of the Resources Board are:

- Tony Nancarrow (Non-Executive Chairperson)
- Tom Adams (Non-Executive)
- Graham Humphris (Executive) – Remunerated by the Uniting Church SA
- Alice McCleary (Non-Executive)
- Steve Roder (Non-Executive)
- Rob Williamson (Non-Executive)
- Beth Seaman (Executive) – Remunerated by the Uniting Church SA – Appointed January 2013
- Peter Battersby (Executive) – Remunerated by the Uniting Church SA – Appointed April 2013
- Deidre Palmer (Executive) – Remunerated by the Uniting Church SA – Appointed November 2013
- Ross Honey (Non-Executive) – Appointed November 2013
- Barry Atwell (Executive) – Remunerated by the Uniting Church SA – Resigned April 2013
- Ian Price (Non-Executive) – Resigned September 2013
- John Jones (Non-Executive) – Resigned October 2013
- John Munchenberg (Non-Executive) – Resigned October 2013
- Phil Morton (Non-Executive) – Resigned October 2013

### Uniting Foundation Grants Committee

The Grants Committee is responsible for assessing project applications and allocating available capital from a particular funding round to any approved projects.

Members of the Grants Committee are:

- Graham Humphris (Executive) – Remunerated by the Uniting Church SA
- Malcolm Wilson (Executive) – Remunerated by the Uniting Church SA
- Margaret Brown (Non-Executive)
- Diane Bury (Executive) – Remunerated by the Uniting Church SA – Appointed June 2013
- Beth Seaman (Executive) – Remunerated by the Uniting Church SA
- Ashley Davis (Executive) – Remunerated by the Uniting Church SA
- David Buxton (Executive) – Remunerated by the Uniting Church SA – Appointed March 2013
- Robyn Caldicott (Non-Executive) – Appointed July 2013
- Phil Pynor (Non-Executive) – Resigned October 2013
- Alan Dutton (Executive) – Remunerated by the Uniting Church SA – Resigned August 2013



## Basis of preparation

The Resources Board has determined that the Foundation is not a reporting entity and therefore this financial report is a special purpose report intended for internal use.

The financial report has been prepared on a going concern basis in accordance with the following Australian Accounting Standards and other mandatory professional reporting requirements:

AASB 1031: Materiality

AASB 110: Events After the Reporting Period

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

## Reporting basis and conventions

The financial report has been prepared on a historical cost basis, except for available-for-sale investments which have been measured at fair value.

The following is a summary of the material accounting policies adopted by the entity in the preparation of the financial report. The accounting policies have been consistently applied, unless otherwise stated.

### (a) Cash and cash equivalents

Cash and cash equivalents in the *Statement of Financial Position* comprise cash at bank, cash in hand and short term deposits with an original maturity of three months or less. These deposits are convertible to known amounts of cash and are subject to an insignificant risk of changes in value.

For the purposes of the *Statement of Cash Flows*, cash and cash equivalents consist of cash and cash equivalents as defined above and are net of outstanding bank overdrafts. Bank overdrafts are included within interest-bearing loans and borrowings in current liabilities on the balance sheet.

### (b) Revenue

Revenue is recognised and measured at fair value of the consideration received or receivable to the extent it is probable that economic benefits will flow to the Foundation and the revenue can be reliably measured. The following specific recognition criteria must also be met before revenue is recognised:

#### i. Interest

Interest income is recognised as it accrues using the effective interest method. This is a method of calculating the amortised cost of a financial asset and allocating the interest income over the relevant period using the effective interest rate, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the net carrying amount of the asset.

#### ii. Distributions from managed funds

Distribution income is received in the form of distributions from units invested via UC Invest managed funds. Revenue is recognised when the Foundation's right to receive the payment is established.

#### iii. Grants and donations

Grants and donations are received from both individuals and organisations. Revenue is recognised when the Foundation receives the payment from the donor.



## (c) Financial instruments

### i. Recognition and initial measurement

Financial instruments, incorporating financial assets and financial liabilities, are recognised when the entity becomes a party to the contractual provisions of the instruments. Trade date accounting is adopted for financial assets that are delivered within timeframes established by marketplace convention.

Financial instruments are initially measured at fair value plus transaction costs, where the instrument is not classified at fair value through profit and loss.

Transaction costs related to instruments classified at fair value through profit and loss are expensed to profit or loss immediately. Financial instruments are classified and measured as set out below.

### ii. Derecognition

Financial assets are derecognised where the contractual rights to receipt of cash flows expires or the asset is transferred to another party whereby the entity no longer has any significant continuing involvement in the risks and benefits associated with the asset.

Financial liabilities are derecognised where the related obligations are either discharged, cancelled or expire. The difference between the carrying value of the financial liability extinguished or transferred to another party and the fair value of consideration paid, including the transfer of non-cash assets or liabilities assumed is recognised in profit or loss.

### iii. Classification and subsequent measurement

#### a) Financial assets at fair value through profit or loss

Financial assets are classified at fair value through profit or loss when they are held for trading purposes or short term profit taking, where they are derivatives not held for hedging purposes, or designated as such to avoid an accounting mismatch or to enable performance evaluation where a group of financial assets is managed by key management personnel on a fair value basis in accordance with a documented risk management or investment strategy. Realised and unrealised gains and losses arising from changes in fair value are included in profit or loss in the period in which they arise.

#### b) Held-to-maturity investments

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

#### c) Available-for-sale financial assets

Available-for-sale financial assets are non-derivative financial assets that are either designated as such or are not classified in any of the other categories. They comprise of investments in the equity of other entities where there is neither a fixed maturity nor fixed or determinable payments. After initial recognition available for sale financial assets are measured at fair value with gains or losses being recognised as a separate component of equity until the investment is derecognised or until it is determined to be impaired, at which time the cumulative gain or loss previously reported in equity is recognised in profit or loss.

## (d) Trade and other payables

Trade and other payables are recognised when the entity becomes obliged to make future payments.



## **(e) Goods and services tax**

Revenues, expenses and assets are recognised net of the amount of GST except:

- When the GST incurred on a purchase of goods and services is not recoverable from the taxation authority, in which case the GST is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable
- Receivables and payables, which are stated with the amount of GST included.

The net amount of GST recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the balance sheet.

Cash flows are included in the *Statement of Cash Flows* on a gross basis and the GST component of cash flows arising from investing and financing activities, which is recoverable from, or payable to, the taxation authority is classified as part of operating cash flows.

Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the taxation authority.

## **(f) Impairment**

At each reporting date the entity assesses whether there is objective evidence that a financial instrument has been impaired. In the case of available-for-sale financial instruments a prolonged decline in the value of the instrument is considered to determine whether any impairment has occurred. Impairment losses are recognised in the income statement.

## **(g) Comparative figures**

When required by accounting standards, comparative figures have been adjusted to conform to changes in presentation for the current financial year.

## **(h) Income tax**

The entity is exempt from income tax due to its status as a religious organisation.

## **(i) Reserves**

The investment revaluation reserve arises on the revaluation of available-for-sale financial assets to fair value. Where a financial asset is sold or impaired, that portion of the reserve which relates to that asset is recognised in profit or loss.



2013

2012

## 2. Revenue

Dividends and distributions	236,831	200,538
Interest received	61,496	93,731
Property sales proceeds	295,009	101,010
Donations, bequests and other grants	52,914	66,838
	<b>646,250</b>	<b>462,117</b>

## 3. Expenses

Grants approved	238,662	252,813
Administration expenses	23,221	22,089
	<b>261,883</b>	<b>274,902</b>

## 4. Auditor's remuneration

Fee in relation to audit	2,416	2,380
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## 5. Cash and cash equivalents

Cash at the end of the financial year as shown in the *Statement of Cash Flows* is reconciled to the related items in the balance sheet as follows:

UC Invest 11am account	412,451	219,078
	<b>412,451</b>	<b>219,078</b>

The UC Invest 11am account is an at-call account which earns interest at floating rates based on the official Reserve Bank cash rate.

## 6. Trade and other receivables

### Current Assets

Interest	20,993	12,469
Other receivables	100,679	53,412
	<b>121,672</b>	<b>65,881</b>

## 7. Financial assets

### Current Assets

Held to maturity	<b>1,140,036</b>	<b>1,131,871</b>
------------------	------------------	------------------

All held to maturity financial assets owned by the Uniting Foundation are fixed term investments issued by UC Invest.





	2013	2012
<b>Non-Current Assets</b>		
Available for sale	3,630,876	3,187,156

Available-for-sale financial assets consist of unit holdings in the UC Invest Share Fund, UC Invest Property Fund, UC Invest Dividend Income Fund and the UC Invest Direct Property Fund. The value of these holdings has been determined following each fund revaluing its assets to fair value as at 31 December 2013.

## 8. Trade and other payables

<b>Current Liabilities</b>		
Grants payable	575,879	616,318
Other creditors	1,000	15,660
	<b>576,879</b>	<b>631,978</b>
<b>Non-Current Liabilities</b>		
Grants payable	106,213	100,519

## 9. Equity

As per the conditions of grants and bequests received by the Uniting Foundation, the following amounts are to be retained within the corpus:

Epworth Parkside	948,871
Maylands Uniting Church	938,652
Cockrell Bequest	594,974
Missionary & Doctors Trust	71,966
GB Turner Bequest	99,900
The Margaret Davey Trust Fund	107,562
	<b>2,761,925</b>

Total equity held by the Uniting Foundation as at 31 December 2013 was \$4,621,943.

## 10. Cash flow information

Reconciliation of cash flow from operations with profit

<b>Profit / (Loss) from ordinary operations before the revaluation of assets</b>	<b>384,367</b>	<b>168,683</b>
<b>Non-cash items in profit</b>		
Investment income accrued and reinvested	(90,569)	(131,686)
(Profit) / Loss on sale of assets	-	18,532
<b>Changes in assets and liabilities</b>		
(Increase) / Decrease in receivables	(55,791)	26,160
Increase / (Decrease) in payables	(49,405)	(163,986)
<b>Cash flow from operating activities</b>	<b>188,602</b>	<b>(82,297)</b>



## 11. Contingent liabilities and contingent assets

Resources Board members are not aware of any contingencies requiring disclosure in the financial statements.

## 12. Related party transactions

The accounts of the Uniting Foundation are administered by UC Invest on behalf of The Uniting Church in Australia Property Trust (S.A.). UC Invest receives an annual management fee of \$7,200.

All projects and grants approved by the Grants Committee are administered by the Uniting Foundation Manager, an employee of the Uniting Church SA. The Uniting Church SA receives an annual payment of \$12,000 from the Foundation for services rendered by the Manager.

## 13. Financial risk management

### Financial Risk Management Policies

The Uniting Foundation invests solely with UC Invest and in unit trusts managed by UC Invest. The Foundation has investments with UC Invest (*cash management and fixed term investments*), UC Invest Share Fund, UC Invest Dividend Income Fund, UC Invest Property Fund and UC Invest Direct Property Fund.

The entity is committed to having the capacity to payout all approved grants in a timely manner, while protecting future financial security and corpus amounts set by bodies making grants to the entity.

The Uniting Church SA Resources Board is responsible for the financial management of the Uniting Foundation. The Resources Board periodically approves funding amounts, based on available capital, which the Uniting Foundation Grants Committee can use to provide project grants.

The Resources Board is not obliged to approve any funding amounts if it does not believe the Uniting Foundation has the capacity to meet additional commitments as well as all previously approved commitments.

### Financial Risk Exposures and Management

The main risks the entity is exposed to through its financial instruments are liquidity risk, market risk, revenue risk and interest rate risk.

#### i. Liquidity risk

The Uniting Foundation only requires sufficient liquidity to ensure all previously approved grant payments are able to be paid as and when requested.

Grant payments for an approved project are normally made in multiple payments over many months or years, after receiving documentary evidence that the grantee has actually incurred the expense and has met the conditions of the grant.

In order to satisfy its liquidity requirements, the Foundation seeks to carry sufficient cash to meet all short term commitments as well maintain the ability to redeem funds from other investments if required. Redemptions from the UC Invest Share Fund, UC Invest Dividend Income Fund and UC Invest Property Fund can normally be paid within one week of requesting repayment.

At balance date the entity had the capacity to immediately cover 60% of all current grants payable from its cash assets and 100% of all outstanding liabilities within one week.



The Foundation only holds 10% of its assets in the UC Invest Direct Property Fund which is an illiquid asset. The majority of underlying assets in the Direct Property Fund are in unlisted property trust units and direct property investments.

**ii. Market risk**

The financial assets held via the UC Invest Share Fund, UC Invest Dividend Income Fund, UC Invest Property Fund and UC Invest Direct Property Fund are by definition fluctuating assets, both in terms of revenue received and the market value of underlying assets.

The value of these investments fluctuates as economic, market and company specific conditions vary.

Given the limited liabilities and significant equity buffer carried by the Foundation, the Resources Board is satisfied with the current risk exposure to market movements.

**iii. Revenue risk**

Revenue received from equity and property investments, through the payment of dividends, distributions and franking credits, may fluctuate due to changes in market or company specific conditions.

The Foundation receives equity and property investment revenue via distribution payments received from its investments in unit trusts managed by UC Invest.

Distributions received from UC Invest managed funds are the aggregate of dividends, distributions and franking credits paid by the underlying companies held within those funds. Individual companies may vary the value of their dividend payments at any stage depending on a range of factors including economic conditions, cash flow, lending covenants, investor appetite for risk or peer distributions.

No scheme is in place to smooth out the value of distribution payments over time through the part distribution of capital.

The board accepts that income received via the payment of distributions may result in irregular income patterns.

**iv. Interest rate risk**

With approximately 21% of the Foundation's assets invested in interest bearing accounts, a significant movement in market interest rates will have a moderate impact on the revenue expected by the fund.

All fixed term assets of the Foundation have an expiry date of less than 12 months from balance date and all have similar maturity profiles. These investments will reset at rates determined by the market, which may be significantly higher or lower than current levels.

A movement of market interest rates by 2% in either direction could potentially impact revenue by up to \$22,800.

During 2013 interest revenue accounted for 9.5% of total revenue received and 20% of investment income.



## Sensitivity Analysis

### i. Market risk

The entity has performed a sensitivity analysis relating to its exposure to price risk at balance date. This analysis demonstrates the effect on the current year results and equity which could result from a change in market value.

While not totally correlated with the ASX200 index, the Foundation's equity investments are expected to perform similarly.

Change in profit	2013	2012
Decrease in ASX200 index by 20%	(621,540)	(537,857)
Decrease in commercial property values by 20%	(104,635)	(99,574)
Increase in ASX200 index by 20%	621,540	537,857
Increase in commercial property values by 20%	104,635	99,574
<b>Change in equity</b>		
Decrease in ASX200 index by 20%	(621,540)	(537,857)
Decrease in commercial property values by 20%	(104,635)	(99,574)
Increase in ASX200 index by 20%	621,540	537,857
Increase in commercial property values by 20%	104,635	99,574

### ii. Revenue risk

The entity has performed a sensitivity analysis relating to its exposure to revenue risk at balance date. This analysis demonstrates the effect on the current year results and equity which could result from a change in revenue received.

Change in profit	2013	2012
Decrease in distributions from UC Invest managed funds by 20%	(40,333)	(32,698)
Decrease in distributions from UC Invest Direct Property Fund by 20%	(7,032)	(7,409)
Increase in distributions from UC Invest managed funds by 20%	40,333	32,698
Increase in distributions from UC Invest Direct Property Fund by 20%	7,032	7,409
<b>Change in equity</b>		
Decrease in distributions from UC Invest managed funds by 20%	(40,333)	(32,698)
Decrease in distributions from UC Invest Direct Property Fund by 20%	(7,032)	(7,409)
Increase in distributions from UC Invest managed funds by 20%	40,333	32,698
Increase in distributions from UC Invest Direct Property Fund by 20%	7,032	7,409



## **Derivative Financial Instruments**

The entity does not use derivative financial instruments

## **14. Segment reporting**

The entity operates predominantly in one business and geographical segment being the provision of grants for the enhancement of Uniting Church property, leadership and ministry development.

## **15. Events subsequent to reporting date**

There have been no substantial events subsequent to the balance date.

## **16. Economic dependency**

The Foundation is not dependent on other entities of the Uniting Church SA, however the value of grants made by the entity in future years would decrease if either investments held in the UC Invest Share Fund, UC Invest Property Fund, UC Invest Dividend Income Fund or UC Invest Direct Property Fund were to decrease, or the amount of grants made to it from related Uniting Church SA bodies were to decrease.

## **17. Entity details**

The registered office and principal place of business of the entity is:

Level 2, 212 Pirie Street  
Adelaide SA 5000



In the opinion of the board members of the Uniting Church SA Resources Board:

- a) the financial statements and notes set out on pages 1 to 14 of Uniting Foundation – Financial Report:
  - i. complies with accounting standards and other mandatory professional reporting requirements to the extent described in Note 1; and
  - ii. gives a true and fair view of the Fund's financial position as at 31 December 2013 and of its performance, as represented by the results of its operations, changes in equity and cash flows, for the financial year ended on that date; and
- b) there are reasonable grounds to believe that the Fund will be able to pay its debts as and when they become due and payable; and

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

**Tony Nancarrow**  
Chairperson  
Uniting Church SA – Resources Board

**Peter Battersby**  
Executive Officer, Resources  
Uniting Church SA

Adelaide  
22 May 2014

UNITING CHURCH PRESBYTERY AND SYNOD OF SOUTH AUSTRALIA  
EPWORTH SA FUND

## Statement of Comprehensive Income

FOR THE PERIOD FROM 19 DECEMBER 2013 TO 31 DECEMBER 2013	Note	2013 \$
Revenue	2	170,616
Expenses	3	(101,350)
Impairment of Financial Assets		-
<b>OPERATING INCOME/(LOSS) FOR THE PERIOD</b>		<b>69,266</b>
<b>Other Comprehensive Income/(Losses)</b>		
Gains/(Losses) on Revaluing Investments	4	220,740
<b>TOTAL COMPREHENSIVE INCOME/(LOSS) FOR THE PERIOD</b>		<b><u>290,006</u></b>

UNITING CHURCH PRESBYTERY AND SYNOD OF SOUTH AUSTRALIA  
EPWORTH SA FUND

## Balance Sheet

AS AT 31 DECEMBER 2013

Note

2013

\$

### ASSETS

#### CURRENT ASSETS

Cash and Cash Equivalents	5	34,147
Trade and Other Receivables	6	166,385
<b>TOTAL CURRENT ASSETS</b>		<u>200,532</u>

#### NON-CURRENT ASSETS

Financial Assets	7	10,186,911
<b>TOTAL NON-CURRENT ASSETS</b>		<u>10,186,911</u>

#### TOTAL ASSETS

10,387,443

### LIABILITIES

#### CURRENT LIABILITIES

Trade and Other Payables	8	1,350
<b>TOTAL CURRENT LIABILITIES</b>		<u>1,350</u>

#### NON-CURRENT LIABILITIES

<b>TOTAL NON-CURRENT LIABILITIES</b>		<u>-</u>
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#### TOTAL LIABILITIES

1,350

#### NET ASSETS

10,386,093

### EQUITY

Accumulated Funds	10,096,087
Current Years Surplus	69,266
Reserves	220,740

#### TOTAL EQUITY

10,386,093



**UNITING CHURCH PRESBYTERY AND SYNOD OF SOUTH AUSTRALIA  
EPWORTH SA FUND**

**Statement of Changes in Equity**

**FOR THE PERIOD FROM 19 DECEMBER 2013  
TO 31 DECEMBER 2013**

	<b>Accumulated Funds \$</b>	<b>Financial Asset Revaluation Reserve \$</b>	<b>Funds For Distribution \$</b>	<b>Total \$</b>
Capital Contribution	10,096,087	-	-	10,096,087
Gain/(Loss) on revaluation of investment:	-	220,740	-	220,740
Current Years Surplus	69,266	-	-	69,266
Balance at 31 December 2013	<u>10,165,353</u>	<u>220,740</u>	<u>-</u>	<u>10,386,093</u>

This Fund was established on 19th December 2013, with an initial capital contribution of \$10,096,087 coming from incorporated body Epworth SA Incorporated which was liquidated during December 2013.

The results for the period represent the profit earned from the transfer of funds on the 19th December 2013 until 31st December 2013.

**UNITING CHURCH PRESBYTERY AND SYNOD OF SOUTH AUSTRALIA  
EPWORTH SA FUND**

**Notes to the Financial Statements**

**FOR THE PERIOD FROM 19 DECEMBER 2013  
TO 31 DECEMBER 2013**

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The financial report of Epworth SA Fund for the period ended 31st of December 2013 was adopted by the Resources Board on the 22nd May 2014.

**Operations and Principal Activities**

The Objects of the Fund are charitable objects and purposes only, namely the promotion or advancement of religion through financial support for activities of the Church in South Australia which in all instances shall be for the benefit of the public.

**NOTE 1 : STATEMENT OF SIGNIFICANT POLICIES**

This financial report is a special purpose report prepared for use by the Uniting Church Resources Board. The Board has determined that Epworth SA Fund is not a reporting entity.

The financial report has been prepared in accordance with the following Australia Accounting Standards and other mandatory professional reporting requirements:  
professional reporting requirements:

AASB 1031: Materiality

AASB 108: Events After the Balance Sheet Date

No other Australian Accounting Standards, Australian Accounting Interpretations or other authoritative pronouncements of the Australian Accounting Standards Board have been applied. However, the recognition and measurement criteria of all Accounting Standards have been applied.

**Basis of Preparation**

The financial report has been prepared on a historical cost basis, except for available for sale investments, which have been measured at fair value.

The following material accounting policies which are consistent with the previous period unless otherwise stated have been adopted in the preparation of this financial report.

**(a) Cash and Cash Equivalents**

Cash and Cash Equivalents in the balance sheet comprise cash at bank and in hand and short-term deposits with an original maturity of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

**(b) Income Tax**

The Association is exempt from income tax due to its status as a charitable organisation.

## Notes to the Financial Statements

FOR THE PERIOD FROM 19 DECEMBER 2013  
TO 31 DECEMBER 2013

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### NOTE 1 : STATEMENT OF SIGNIFICANT POLICIES (continued)

#### (c) Trade and Other Receivables

Trade and Other Receivables, which generally have 30-60 day terms, are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less an allowance for impairment. Collectability of trade receivables is reviewed on an ongoing basis. Individual debts that are known to be uncollectible are written off when identified. An impairment provision is recognised when there is objective evidence that the Fund will not be able to collect the receivable.

Financial difficulties of the debtor, default payments or debts more than 60 days overdue are considered objective evidence of impairment. The amount of the impairment loss is the receivable carrying amount compared to the present value of estimated future cash flows, discounted at the original effective interest rate.

#### (d) Revenue Recognition

Revenue is recognised and measured at the fair value of the consideration received or receivable to the extent it is probable that the economic benefits will flow to the Fund and the revenue can be reliably measured. The following specific recognition criteria must also be met before revenue is recognised:

##### (i) Interest revenue

Revenue is recognised as interest accrues using the effective interest method. This is a method of calculating the amortised cost of a financial asset and allocating the interest income over the relevant period using the effective interest rate, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the net carrying amount of the financial asset.

##### (ii) Investment revenue

Investment income is received in the form of distributions from units invested in UC Invest Share Fund Property Fund and Direct Property Fund. Revenue is recognised when the entity's right to receive the payment is established.

#### (e) Trade and Other Payables

Trade and Other Payables and accruals are carried at amortised cost. Due to their short term nature they are not discounted. They represent liabilities for goods and services provided to the Fund prior to the end of the financial year that are unpaid and arise when the Fund becomes obliged to make future payments in respect of the purchase of these goods and services. The amounts are unsecured and are usually paid within 30 days of recognition.

#### (f) Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST except:

When the GST incurred on a purchase of goods and services is not recoverable from the taxation

## Notes to the Financial Statements

FOR THE PERIOD FROM 19 DECEMBER 2013  
TO 31 DECEMBER 2013

authority, in which case the GST is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable.

The net amount of GST recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the balance sheet.

Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the taxation authority.

### **(g) Financial Instruments**

#### *Recognition and Initial Measurement*

Financial Instruments, incorporating financial assets and financial liabilities, are recognised when the Association becomes a party to the contractual provisions of the instrument. Trade date accounting is adopted for financial assets that are delivered within timeframes established by marketplace convention.

Financial Instruments are initially measured at fair value plus transactions costs where the instrument is not classified at fair value through profit or loss. Transaction costs related to instruments classified as at fair value through profit or loss are expensed to profit or loss immediately. Financial Instruments are classified and measured as set out below.

#### *Derecognition*

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

#### *Classification and Subsequent Measurement*

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

Financial assets are classified at fair value through profit or loss when they are held for trading for the purpose of short term profit taking, where they are derivatives not held for hedging purposes, or designated as such to avoid an accounting mismatch or to enable performance evaluation where a group of financial assets is managed by key management personnel on a fair value basis in accordance with a documented risk management or investment strategy. Realised and unrealised gains and losses arising from changes in fair value are included in profit or loss in the period in which they arise.

##### *(ii) Held-to-maturity investments*

Held-to-maturity investments are non-derivative financial assets that have fixed maturities and fixed or determinable payments, and it is the Fund's intention to hold these investments to maturity.

UNITING CHURCH PRESBYTERY AND SYNOD OF SOUTH AUSTRALIA  
EPWORTH SA FUND

## Notes to the Financial Statements

FOR THE PERIOD FROM 19 DECEMBER 2013  
TO 31 DECEMBER 2013

They are subsequently measured at amortised cost using the effective interest rate method.

*(iii) Available-for-sale financial assets*

Available-for-sale financial assets are non-derivative financial assets that are either designated as such or that are not classified in any of the other categories. They comprise investments in the equity of other entities where there is neither a fixed maturity nor fixed or determinable payments. After initial recognition available for sale financial assets are measured at fair value with gains or losses being recognised as a separate component of equity until the investment is derecognised or until it is determined to be impaired, at which time the cumulative gain or loss previously reported in equity is recognised in profit or loss.

### (h) Reserves

*Funds for Distribution*

The Funds for Distribution Reserve holds funds reserved for the coming financial year's distribution to the Mission and Service Fund. This reserve value is agreed upon during the current financial year, by the Board.

*Financial Asset Revaluation Reserve*

The Financial Assets Reserve records the revaluation of financial assets.

### (i) Maintenance of Corpus

The Resources Board is charged with the long term objective of maintaining a corpus of \$7.59 million indexed by the Adelaide CPI from the 31st of March 2004. Corpus value as at 31st of December 2013 on this basis is \$9.94 million.

	2013 \$
<b>NOTE 2 : REVENUE</b>	
Interest Received	4,231
Distribution UC Invest Share Fund	83,870
Distribution UC Invest Property Fund	44,883
Distribution UC Invest Direct Property Fund	37,632
	<hr/>
	170,616
<b>NOTE 3 : OTHER EXPENSES</b>	
Audit Fees	1,350
Grant paid to Synod	100,000
	<hr/>
	101,350

UNITING CHURCH PRESBYTERY AND SYNOD OF SOUTH AUSTRALIA  
EPWORTH SA FUND

## Notes to the Financial Statements

FOR THE PERIOD FROM 19 DECEMBER 2013  
TO 31 DECEMBER 2013

	2013 \$
<b>NOTE 4 : GAINS/(LOSSES) ON REVALUING INVESTMENTS</b>	
UC Invest Share Fund	204,315
UC Invest Direct Property Fund	58,517
UC Invest Property Fund	(42,093)
	<u>220,740</u>

**NOTE 5 : CASH AND CASH EQUIVALENTS**

At Call Deposits	34,147
	<u>34,147</u>

**NOTE 6 : TRADE AND OTHER RECEIVABLES**

Accrued Income	166,385
GST Credits	-
	<u>166,385</u>

**NOTE 7 : FINANCIAL ASSETS**

Available for Sale Financial Assets	
UC Invest - Fixed Term	200,296
UC Invest Share Fund	6,686,428
UC Invest Property Fund	1,832,323
UC Invest Direct Property Fund	1,467,864
	<u>10,186,911</u>

**NOTE 8 : TRADE AND OTHER PAYABLES**

Accrued Expenses	1,350
	<u>1,350</u>

**NOTE 9 : CAPITAL COMMITMENTS**

There were no capital commitments at 31 December 2013 relating to any future transactions.

**NOTE 10 : EVENTS AFTER BALANCE DATE**

The Resources Board are not aware of any event or circumstance which has arisen since the end of the financial year, which has significantly affected, or may significantly affect, the entity's operation, the results of those operations, or the entity's state of affairs in subsequent financial period.

**UNITING CHURCH PRESBYTERY AND SYNOD OF SOUTH AUSTRALIA  
EPWORTH SA FUND**

**DECLARATION BY THE BOARD**

**FOR THE PERIOD FROM 19 DECEMBER 2013 TO 31 DECEMBER 2013**

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The Resources Board has determined that the Fund is not a reporting entity and that this special purpos financial report should be prepared in accordance with the accounting policies outlined in Note 1 to the financial statements.

In the opinion of the Board the financial report, as set out on pages 1 to 8:

- (a) presents fairly the financial position of Epworth SA Fund as at 31 December 2013 and its performance for the period ended on that date in accordance with the accounting policies in Note 1 to the financial report.
- (b) in the opinion of the Resources Board, there are reasonable grounds to believe that Epworth SA Fund will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the Resources Board by:

The Chairperson of the Resources Board:

.....

Dated this 22nd day of May 2014

Executive Officer, Resources:

.....

Dated this 22nd day of May 2014

# **THE PARKIN TRUST INCORPORATED**

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## **FINANCIAL REPORT**

FOR THE YEAR ENDED 31 DECEMBER 2013



# The Parkin Trust Incorporated

## Statement of Comprehensive Income

FOR THE YEAR ENDED 31 DECEMBER 2013

Note

2013  
\$

2012  
\$

### Income

Dividends Received	241,653	194,554
Interest	3,311	2,970
Imputation Credits	102,803	81,148
	<u>347,767</u>	<u>278,672</u>

### Expenses

Fees and Charges	(1,518)	(1,516)
	<u>(1,518)</u>	<u>(1,516)</u>

### OPERATING INCOME/(LOSS) FOR THE YEAR

**346,249**    **277,156**

### Non-Operating Income/(Expenses)

Realised Gains/(Losses) on Sale of Shares	3	309,091	26,589
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### INCOME/(LOSS) FOR THE YEAR

**655,340**    **303,746**

### Other Comprehensive Income/(Losses)

Gains/(Losses) on Revaluing Shares	4	858,247	554,495
Less: Prior Year Revaluation for shares sold in current year	5	(278,892)	(14,957)

### TOTAL COMPREHENSIVE INCOME/(LOSS) FOR THE YEAR

**1,234,695**    **843,284**

# The Parkin Trust Incorporated

## Balance Sheet

AS AT 31 DECEMBER 2013

Note

2013  
\$

2012  
\$

### ASSETS

#### CURRENT ASSETS

Cash and Cash Equivalents  
Trade and Other Receivables

6

148,389

290,193

7

75,541

60,041

#### TOTAL CURRENT ASSETS

223,931

350,234

#### NON-CURRENT ASSETS

Financial Assets

8

4,688,300

3,597,300

#### TOTAL NON-CURRENT ASSETS

4,688,300

3,597,300

#### TOTAL ASSETS

4,912,231

3,947,534

### LIABILITIES

#### CURRENT LIABILITIES

Trade and Other Payables

9

1,517

1,515

#### TOTAL CURRENT LIABILITIES

1,517

1,515

#### NON-CURRENT LIABILITIES

#### TOTAL NON-CURRENT LIABILITIES

-

-

#### TOTAL LIABILITIES

1,517

1,515

#### NET ASSETS

4,910,714

3,946,019

### EQUITY

Uniting College for Leadership & Theology Distribution Account  
Capital and Reserves

339,519

293,270

4,571,195

3,652,749

#### TOTAL EQUITY

4,910,714

3,946,019

# The Parkin Trust Incorporated

## Statement of Changes in Equity

FOR THE YEAR ENDED 31 DECEMBER 2013

### 2012

#### Uniting College for Leadership & Theology Distribution Account

	Note	\$	\$	\$
Balance 1 January 2012		306,114		
Less grant to Uniting College for Leadership & Theology		(280,000)		
Balance carried forward		26,114		
Operating Income(Loss) for the year		277,156		
Transfer to Capital		(10,000)		
Balance 31 December 2012				293,270

#### Capital and Reserves

##### Capital - General

Balance 1 January 2012	1,520,000		
Transfer from Uniting College for Leadership & Theology Distribution Account	10,000		
Balance 31 December 2012		1,530,000	

##### Capital - Asset Fluctuation Reserve

Balance 1 January 2012	1,145,497		
Capital Gains(Losses)	26,589		
Balance 31 December 2012		1,172,086	

##### Investment Revaluation Reserve

Balance 1 January 2012	411,125		
Revaluation Gains(Losses)	554,495		
Release Unrealised (Gains)/Losses	(14,957)		
Balance 31 December 2012		950,663	

Total Capital and Reserves 3,652,749

Total Equity 31 December 2012

3,946,019

### 2013

#### Uniting College for Leadership & Theology Distribution Account

Balance 1 January 2013	293,270		
Less grant to Uniting College for Leadership & Theology	(270,000)		
Balance carried forward	23,270		
Operating Income(Loss) for the year	346,249		
Transfer to Capital Account	(30,000)		
Balance 31 December 2012			339,519

#### Capital and Reserves

##### Capital - General

Balance 1 January 2013	1,530,000		
Transfer from Uniting College for Leadership & Theology Distribution Account	30,000		
Balance 31 December 2013		1,560,000	

##### Capital - Asset Fluctuation Reserve

Balance 1 January 2013	1,172,086		
Capital Gains(Losses)	309,091		
Balance 31 December 2013		1,481,177	

##### Investment Revaluation Reserve

Balance 1 January 2013	950,663		
Revaluation Gains(Losses)	858,247		
Release Unrealised (Gains)/Losses	(278,892)		
Balance 31 December 2013		1,530,018	

Total Capital and Reserves 4,571,195

Total Equity 31 December 2013

4,910,714

# **The Parkin Trust Incorporated**

## **Notes to the Financial Statements**

**FOR THE YEAR ENDED 31 DECEMBER 2013**

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The financial report of Parkin Trust Incorporated for the year ended 31st of December 2013 was adopted by the Board on the 18th March 2013.

### **Operations and Principal Activities**

The Trust was established by the Hon William Parkin in 1872 and incorporated in 1876. The main purpose of the Trust and the functions of its Governors are:

1. The payment of grants to Uniting College for Leadership and Theology (formerly Parkin Wesley College) for the education and maintenance of students for the ministry.
2. The management of its funds.

### **NOTE 1 : STATEMENT OF SIGNIFICANT POLICIES**

This financial report is a special purpose report prepared for use by the Parkin Trust Incorporated Board in order to satisfy the financial reporting requirements of the Associations Incorporations Act SA (1985). The Board has determined that the incorporated body is not a reporting entity.

The financial report has been prepared in accordance with the requirements of the Associations Incorporation Act SA (1985) and the following Australian Accounting Standards and other mandatory professional reporting requirements:

AASB 1031: Materiality

AASB 108: Events After the Balance Sheet Date

No other Australian Accounting Standards, Australian Accounting Interpretations or other authoritative pronouncements of the Australian Accounting Standards Board have been applied. However, the recognition and measurement criteria of all Australian Accounting Standards have been applied.

### **Basis of Preparation**

The financial report has been prepared on an historical cost basis, except for available for sale investments, which have been measured at fair value.

The following material accounting policies which are consistent with the previous period unless otherwise stated have been adopted in the preparation of this financial report.

#### **(a) Cash and Cash Equivalents**

Cash and cash equivalents in the balance sheet comprise cash at bank and in hand and short-term deposits with an original maturity of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

#### **(b) Income Tax**

The Trust is exempt from income tax due to its status as a charitable organisation.

#### **(c) Trade and Other Receivables**

Trade and Other Receivables, which generally have 30-60 day terms, are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less an allowance for impairment. Collectability of trade receivables is reviewed on an ongoing basis. Individual debts that are known to be uncollectible are written off when identified. An impairment provision is recognised when there is objective evidence that the Association will not be able to collect the receivable. Financial difficulties of the debtor, default payments or debts more than 60 days overdue are considered objective evidence of impairment. The amount of the impairment loss is the receivable carrying amount compared with the present value of estimated future cash flows, discounted at the original effective interest rate.

# The Parkin Trust Incorporated

## Notes to the Financial Statements

FOR THE YEAR ENDED 31 DECEMBER 2013

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### (d) Revenue Recognition

Revenue is recognised and measured at the fair value of the consideration received or receivable to the extent it is probable that the economic benefits will flow to the Trust and the revenue can be reliably measured. The following specific recognition criteria must also be met before revenue is recognised:

#### (i) Interest revenue

Revenue is recognised as interest accrues using the effective interest method. This is a method of calculating the amortised cost of a financial asset and allocating the interest income over the relevant period using the effective interest rate, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the net carrying amount of the financial asset.

#### (ii) Investment revenue

Investment income is received in the form of interest and dividends. Revenue is recognised when the entity's right to receive the payment is established.

### (e) Trade and Other Payables

Trade and Other Payables and accruals are carried at amortised cost. Due to their short term nature they are not discounted. They represent liabilities for goods and services provided to the Trust prior to the end of the financial year that are unpaid and arise when the Trust becomes obliged to make future payments in respect of the purchase of these goods and services. The amounts are unsecured and are usually paid within 30 days of recognition.

### (f) Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST except:

When the GST incurred on a purchase of goods and services is not recoverable from the taxation authority, in which case the GST is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable.

The net amount of GST recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the balance sheet.

Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the taxation authority.

### (g) Financial Instruments

#### *Recognition and Initial Measurement*

Financial Instruments, incorporating financial assets and financial liabilities, are recognised when the Trust becomes a party to the contractual provisions of the instrument. Trade date accounting is adopted for financial assets that are delivered within timeframes established by marketplace convention.

Financial Instruments are initially measured at fair value plus transactions costs where the instrument is not classified at fair value through profit or loss. Transaction costs related to instruments classified as at fair value through profit or loss are expensed to profit or loss immediately. Financial Instruments are classified and measured as set out below.

# The Parkin Trust Incorporated

## Notes to the Financial Statements

FOR THE YEAR ENDED 31 DECEMBER 2013

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### (g) Financial Instruments - continued

#### *Derecognition*

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

#### *Classification and Subsequent Measurement*

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

Financial assets are classified at fair value through profit or loss when they are held for trading for the purpose of short term profit taking, where they are derivatives not held for hedging purposes, or designated as such to avoid an accounting mismatch or to enable performance evaluation where a group of financial assets is managed by key management personnel on a fair value basis in accordance with a documented risk management or investment strategy. Realised and unrealised gains and losses arising from changes in fair value are included in profit or loss in the period in which they arise.

##### *(ii) Held-to-maturity investments*

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

##### *(iii) Available-for-sale financial assets*

Available-for-sale financial assets are non-derivative financial assets that are either designated as such or that are not classified in any of the other categories. They comprise investments in the equity of other entities where there is neither a fixed maturity nor fixed or determinable payments. After initial recognition available for sale financial assets are measured at fair value with gains or losses being recognised as a separate component of equity until the investment is derecognised or until it is determined to be impaired, at which time the cumulative gain or loss previously reported in equity is recognised in profit or loss.

### (h) Reserves

#### *Uniting College for Leadership & Theology Distribution Account*

The Uniting College for Leadership & Theology Distribution Reserve (previously Parkin Wesley Distribution Reserve) holds funds designated for the coming financial years distribution to the Uniting College for Leadership & Theology. This reserve value is the profit for the year, less transfers to Capital - General and Capital - Asset Fluctuation Reserve, plus profits carried forward from previous years.

#### *Capital - General*

The Capital General Reserve is the corpus of the entity. An amount of the profit for the year is nominated by the board to be added to Capital - General Account each year.

#### *Investment Revaluation Reserve*

The Financial Assets Reserve records the revaluation of financial assets to market value. This also includes as a separate item the reclassification of reserves upon the sale of assets.

#### *Capital - Asset Fluctuation Reserve*

The Capital - Asset Fluctuation Reserve is the accumulation of profits on the sale of assets. The value transferred in this reserve is not available for distribution.

# The Parkin Trust Incorporated

## Notes to the Financial Statements

FOR THE YEAR ENDED 31 DECEMBER 2013

### NOTE 2 : CHANGES IN ACCOUNTING POLICIES

#### Prior Period Error

The Statement of Comprehensive Income and Statement of Changes in Equity have been restated for the 2012 financial year due to the incorrect application of AASB139 Financial Instruments: Recognition and Measurement criteria.

AASB139 requires the cumulative gain/loss on the sale of available-for-sale financial assets to be shown as a reclassification adjustment to both equity and income. In the 2012 financial statements this reclassification adjustment was incorporated into the current year revaluation gains/losses.

The restatement of 2012 comparatives has not resulted in any change to the Statement of Comprehensive Income or Statement of Changes in Equity.

### NOTE 3 : CAPITAL GAIN/(LOSS) ON SALE OF SHARES

	2013 \$	2012 \$
<b>Profits/(Losses) on Sale of Shares</b>		
Australia and New Zealand Banking Group	-	-
Argo Investments Limited	85,436	30,452
Australian Foundation Investment Company	103,015	44,722
BHP Billiton	-	(42,416)
Commonwealth Bank of Australia	19,356	55,844
Fortescue Metals Group Ltd	-	(5,731)
Oz Minerals	-	(64,323)
Ramsay Health Care	3,638	-
Rio Tinto	(21,424)	(24,324)
Telstra Corporation Ltd	25,323	-
Wesfarmers Limited	54,821	-
Woodside Petroleum Limited	9,155	-
WorleyParsons	29,772	32,365
	<u>309,091</u>	<u>26,589</u>

# The Parkin Trust Incorporated

## Notes to the Financial Statements

FOR THE YEAR ENDED 31 DECEMBER 2013

### NOTE 4 : GAINS/(LOSSES) ON REVALUING SHARES

Adelaide Brighton Limited	9,793	-
Argo Investments Limited	10,800	35,929
Australian Foundation Investment Company	6,450	34,100
Australia and New Zealand Banking Group	133,882	63,998
Bendigo Bank	24,194	-
BHP Billiton Limited	1,729	(6,230)
Commonwealth Bank of Australia	120,650	116,780
CSL Limited	2,914	-
Fortescue Metals Group Ltd	-	3,150
IOOF Holdings Limited	10,154	-
Macquarie Group Limited	(234)	-
National Australia Bank Limited	208,028	19,217
Oz Minerals	-	(21,500)
Ramsay Health Care	7,676	-
Rio Tinto	(8,810)	1,911
Suncorp Group Limited	5,609	-
Telstra Corporation Ltd	84,733	88,710
Wesfarmers Limited	95,812	110,250
West Australian NewsPaper	-	-
Westpac Banking Corporation	97,617	90,600
Woodside Petroleum Limited	47,250	31,980
WorleyParsons Limited	-	(14,400)
	<u>858,247</u>	<u>554,495</u>

### NOTE 5 : RECLASSIFICATION ADJUSTMENT

Argo Investments Limited	(78,275)	(32,021)
Australian Foundation Investment Company	(99,355)	(45,536)
BHP Billiton	-	49,557
Commonwealth Bank	(18,234)	(46,115)
Fortescue Metals	-	4,853
OZ Minerals	-	48,262
Ramsay Health Care	(7,676)	-
Rio Tinto	18,635	34,870
Telstra Corporation Ltd	(15,877)	-
Wesfarmers Limited	(49,387)	-
Woodside Petroleum	(8,596)	-
WorleyParsons	(20,127)	(28,827)
	<u>(278,892)</u>	<u>(14,957)</u>

### NOTE 6 : CASH AND CASH EQUIVALENTS

Cash at Bank	5,042	30,616
UC Invest	49,307	259,577
Share Trade Clearing	94,041	-
	<u>148,389</u>	<u>290,193</u>



# The Parkin Trust Incorporated

## Notes to the Financial Statements

FOR THE YEAR ENDED 31 DECEMBER 2013

### NOTE 7 : TRADE AND OTHER RECEIVABLES

Accrued Franking Credits	75,524	60,018
Interest	-	-
GST Credits	18	23
	<u>75,541</u>	<u>60,041</u>

### NOTE 8 : FINANCIAL ASSETS

Company	No. Shares	\$ Book Value	\$ 31/12/2013 Market Share Price	\$ 31/12/2013 Market Value
Adelaide Brighton Limited	30000	100,307	3.67	110,100
Australia and New Zealand Banking Group	19450	391,566	32.23	626,874
Bendigo & Adelaide Bank	15900	162,631	11.75	186,825
BHP Billiton Limited	2600	102,188	37.99	98,774
Commonwealth Bank of Australia	7500	245,343	77.80	583,500
CSL Limited	850	55,702	68.96	58,616
IOOF Holdings Limited	13000	68,848	8.96	116,480
Macquarie Group Limited	944	52,126	54.97	51,892
National Australia Bank Limited	22700	538,546	34.83	790,641
Suncorp Group Limited	11500	145,041	13.10	150,650
Sydney Airport	1000	3,730	3.73	3,730
Telstra Corporation Ltd	100000	367,435	5.25	525,000
Wesfarmers Limited	11852	278,852	44.04	521,962
Westpac Banking Corporation	17650	353,472	32.38	571,507
Woodside Petroleum Limited	7500	254,711	38.90	291,750
		<u>3,120,498</u>		<u>4,688,300</u>

These assets represent the market value of shares held by the Trust in these funds as at 31 December 2013. Source: asx.com.au

### NOTE 9 : TRADE AND OTHER PAYABLES

	2013 \$	2012 \$
<b>Accruals</b>		
Bank Fees	30	50
Audit Fees	1,487	1,465
	<u>1,517</u>	<u>1,515</u>

### NOTE 10 : CAPITAL COMMITMENTS

There were no capital commitments at 31 December 2013 relating to any future transactions.

### NOTE 11 : EVENTS AFTER BALANCE DATE

The Parkin Trust Incorporated Board is not aware of any event or circumstance which has arisen since the end of the financial year, which has significantly affected, or may significantly affect, the entity's operation, the results of those operations, or the entity's state of affairs in subsequent financial period.

## The Parkin Trust Incorporated

### COMMITTEE REPORT IN COMPLIANCE WITH SECTION 35 (5) OF THE ASSOCIATIONS INCORPORATION ACT, 1985.

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In accordance with Section 35 (5) of the Association Act, 1985, the Committee of The Parkin Trust Incorporated hereby states that during the financial year ended 31st December 2013:

- (a)        1)        no officer of the Association;  
             2)        no firm of which an officer is a member; and  
             3)        no body corporate in which an officer has a substantial financial interest,

has received or become entitled to receive a benefit as a result of a contract between the officer, firm, or corporate body and the Association except for the following:

Nil

- (b)        no officer of the Association has received directly or indirectly from the Association any payment or other benefit of a pecuniary value except for the following:

Don Noblet a Governor of the Association is employed by Macquarie Group. All purchases and sales of shares are transacted by Macquarie Group and they are paid brokerage for those transactions at commercial rates.

This report is made in accordance with a resolution of the Committee and is signed by Mr Donald Sarre and Mr Tom Adams.

Dated this 23rd day of April 2014

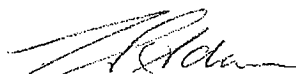
Signed



Position held on Committee

PRESIDENT

Signed



Position held on Committee

GOVERNOR

# The Parkin Trust Incorporated

## DECLARATION BY THE BOARD

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The Board has determined that the fund is not a reporting entity and that this special purpose financial report should be prepared in accordance with the accounting policies outlined in Note 1 to the financial statements.

In the opinion of the Board the financial report, as set out on pages 1 to 10:

- (a) presents fairly the financial position of The Parkin Trust Inc. as at 31 December 2013 and its performance for the 12 month period ended on that date;
- (b) at the date of this statement, there are reasonable grounds to believe that The Parkin Trust Inc. will be able to pay its debts as and when they fall due.

This statement is made in accordance with a resolution of The Parkin Trust Inc. Board and is signed for and on behalf of the Board by:



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President



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Governor

DATED this 23rd day of April 2014

## **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE PARKIN TRUST INCORPORATED**

### **Report on the Financial Report**

We have audited the accompanying financial report, being a special purpose financial report of The Parkin Trust Incorporated, which comprises of the balance sheet as at 31 December 2013, the statement of comprehensive income, the statement of changes in equity, notes comprising a summary of significant accounting policies and other explanatory information, committee report in compliance with section 35 (5) of the Associations Incorporations Act, 1985 and the declaration by the board.

### **Board's Responsibility for the Financial Report**

The Parkin Trust Incorporated Board are responsible for the preparation and fair presentation of the financial report, and has determined that the basis of preparation described in Note 1 to the financial report is appropriate to meet the financial reporting requirements of the Associations Incorporation Act 1985 and is appropriate to meet the needs of the members. The Board's responsibility also includes such internal control as the Board determines is necessary to enable the preparation and fair presentation of a financial report that is free from material misstatement, whether due to fraud or error.

### **Auditor's Responsibility**

Our responsibility is to express an opinion on the financial report based on our audit. We have conducted our audit in accordance with Australian Auditing Standards. Those standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, 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 financial report 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. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Board, as well as evaluating the overall presentation of the financial report.

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

### **Independence**

In conducting our audit, we have complied with the independence requirements of the Australian professional accounting bodies.



### Opinion

In our opinion the financial report presents fairly, in all material respects, the financial position of The Parkin Trust Incorporated as at 31 December 2013, and its financial performance for the year then ended in accordance with the financial reporting requirements of Associations Incorporation Act 1985.

We have obtained all the necessary information required in connection with our audit in respect of the financial year ended 31 December 2013.

### Basis of Accounting

Without modifying our opinion, we draw attention to Note 1 to the financial report, which describes the basis of accounting. The financial report has been prepared to assist The Parkin Trust Incorporated to meet the requirements of Associations Incorporation Act 1985. As a result, the financial report may not be suitable for another purpose.

A stylized, handwritten signature in blue ink, appearing to read 'BDO'.

BDO Audit (SA) Pty Ltd

A handwritten signature in blue ink, appearing to read 'Ian Rainter'.

Ian Rainter  
Partner

Adelaide, 23 April 2014

# **The Parkin Mission of South Australia Incorporated**

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## **FINANCIAL REPORT**

**FOR THE YEAR ENDED 31 DECEMBER 2013**

# The Parkin Mission of South Australia Incorporated

## Statement of Comprehensive Income

FOR THE YEAR ENDED 31 DECEMBER 2013

Note

2013  
\$

2012  
\$

<b>Income</b>			
Dividends Received		945,237	770,958
Interest		14,131	15,177
Imputation Credits		399,058	321,311
		<u>1,358,425</u>	<u>1,107,446</u>
<b>Expenses</b>			
Fees and Charges		(1,520)	(1,515)
Annual Dinner		0	(4,061)
Other Expenses		(105)	(526)
		<u>(1,625)</u>	<u>(6,102)</u>
<b>Revenue before Grants and Benefactions</b>		<u><b>1,356,800</b></u>	<u><b>1,101,344</b></u>
<b>Grants and Benefactions</b>			
Grant to Synod		(1,100,000)	(1,150,000)
Widows Benefactions		(23,000)	(23,000)
		<u>(1,123,000)</u>	<u>(1,173,000)</u>
<b>OPERATING INCOME/(LOSS) FOR THE YEAR</b>		<u><b>233,800</b></u>	<u><b>(71,656)</b></u>
<b>Non-Operating Income(Expenses)</b>			
Realised Gains(Losses) on Sale of Shares	3	1,145,031	79,617
<b>INCOME/(LOSS) FOR THE YEAR</b>		<u><b>1,378,831</b></u>	<u><b>7,961</b></u>
<b>Other Comprehensive Income</b>			
Gains/(Losses) on Revaluing Shares	4	3,364,955	2,211,957
Less: Prior Year Revaluation for shares sold in current year	5	(1,043,375)	(32,611)
<b>TOTAL COMPREHENSIVE INCOME/(LOSS) FOR THE YEAR</b>		<u><b>3,700,411</b></u>	<u><b>2,187,307</b></u>

# The Parkin Mission of South Australia Incorporated

## Balance Sheet

AS AT 31 DECEMBER 2013	Note	2013 \$	2012 \$
<b>ASSETS</b>			
<b>CURRENT ASSETS</b>			
Cash and Cash Equivalents	6	422,948	1,019,894
Trade and Other Receivables	7	290,810	237,899
<b>TOTAL CURRENT ASSETS</b>		<u>713,758</u>	<u>1,257,793</u>
<b>NON-CURRENT ASSETS</b>			
Financial Assets	8	18,737,323	14,492,850
<b>TOTAL NON-CURRENT ASSETS</b>		<u>18,737,323</u>	<u>14,492,850</u>
<b>TOTAL ASSETS</b>		<u>19,451,081</u>	<u>15,750,643</u>
<b>LIABILITIES</b>			
<b>CURRENT LIABILITIES</b>			
Trade and Other Payables	9	1,541	1,515
<b>TOTAL CURRENT LIABILITIES</b>		<u>1,541</u>	<u>1,515</u>
<b>NON-CURRENT LIABILITIES</b>			
<b>TOTAL NON-CURRENT LIABILITIES</b>		<u>-</u>	<u>-</u>
<b>TOTAL LIABILITIES</b>		<u>1,541</u>	<u>1,515</u>
<b>NET ASSETS</b>		<u>19,449,540</u>	<u>15,749,128</u>
<b>EQUITY</b>			
Accumulated Income		332,833	209,033
Capital & Reserves		19,116,707	15,540,095
<b>TOTAL EQUITY</b>		<u>19,449,540</u>	<u>15,749,128</u>



# The Parkin Mission of South Australia Incorporated

## Statement of Changes in Equity

FOR THE YEAR ENDED 31 DECEMBER 2013

<u>2012</u>	Note	\$	\$	\$
<b>Accumulated Income</b>				
Balance 1 January 2012		340,689		
Operating Income/(Loss) for the year		(71,656)		
Transfer to Capital Account		<u>(60,000)</u>		
Balance 31 December 2012				209,033
<b>Capital and Reserves</b>				
<b>Capital - General</b>				
Balance 1 January 2012		2,580,000		
Transfer from Accumulated Income		<u>60,000</u>		
Balance 31 December 2012			2,640,000	
<b>Capital - Asset Fluctuation Reserve</b>				
Balance 1 January 2012		10,132,115		
Capital Gains/(Losses)	3	<u>79,617</u>		
Balance 31 December 2012			10,211,732	
<b>Investment Revaluation Reserve</b>				
Balance 1 January 2012		509,018		
Revaluation Gains/(Losses)	4	2,211,957		
Release Unrealised (Gains)/Losses on Sale	5	<u>(32,611)</u>		
Balance 31 December 2012			2,688,364	
Total Capital and Reserves				<u>15,540,096</u>
Total Equity 31 December 2012				<u><u>15,749,130</u></u>
<u><b>2013</b></u>				
<b>Accumulated Income</b>				
Balance 1 January 2013		209,033		
Operating Income (Loss) for the year		233,800		
Transfer to Capital Account		<u>(110,000)</u>		
Balance 31 December 2013				332,833
<b>Capital and Reserves</b>				
<b>Capital - General</b>				
Balance 1 January 2013		2,640,000		
Transfer from Accumulated Income		<u>110,000</u>		
Balance 31 December 2013			2,750,000	
<b>Capital - Asset Fluctuation Reserve</b>				
Balance 1 January 2013		10,211,732		
Capital Gains/(Losses)	3	<u>1,145,031</u>		
Balance 31 December 2013			11,356,763	
<b>Investment Revaluation Reserve</b>				
Balance 1 January 2013		2,688,364		
Revaluation Gains/(Losses)	4	3,364,955		
Release Unrealised (Gains)/Losses on Sale	5	<u>(1,043,375)</u>		
Balance 31 December 2013			5,009,944	
Total Capital and Reserves				<u>19,116,707</u>
Total Equity 31 December 2013				<u><u>19,449,540</u></u>

# **The Parkin Mission of South Australia Incorporated**

## **Notes to the Financial Statements**

**FOR THE YEAR ENDED 31 DECEMBER 2013**

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The financial report of Parkin Mission of South Australia Incorporated for the year ended 31st of December 2013 was adopted by the Board on the 23rd April 2014.

### **Operations and Principal Activities**

The Mission was established by the Hon William Parkin in 1882 and incorporated in 1888. The main purpose of the Mission and the functions of its Governors are:

1. The payment of annuities to twenty widows.
2. The payment of grants to Synod for congregations, rural ministry and other ministries including chaplaincies.
3. The management of its funds.

### **NOTE 1 : STATEMENT OF SIGNIFICANT POLICIES**

This financial report is a special purpose report prepared for use by the Parkin Mission South Australia Incorporated Board in order to satisfy the financial reporting requirements of the Associations Incorporations Act SA (1985). The Board has determined that the incorporated body is not a reporting entity.

The financial report has been prepared in accordance with the requirements of the Associations Incorporation Act SA (1985) and the following Australian Accounting Standards and other mandatory professional reporting requirements:

AASB 1031: Materiality

AASB 108: Events After the Balance Sheet Date

No other Australian Accounting Standards, Australian Accounting Interpretations or other authoritative pronouncements of the Australian Accounting Standards Board have been applied. However, the recognition and measurement criteria of all Australian Accounting Standards have been applied.

### **Basis of Preparation**

The financial report has been prepared on a historical cost basis, except for available for sale investments, which have been measured at market value.

The following material accounting policies which are consistent with the previous period unless otherwise stated have been adopted in the preparation of this financial report.

#### **(a) Cash and Cash Equivalents**

Cash and Cash Equivalents in the balance sheet comprise cash at bank and in hand and short-term deposits with an original maturity of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

#### **(b) Income Tax**

The Mission is exempt from income tax due to its status as a charitable organisation.

# **The Parkin Mission of South Australia Incorporated**

## **Notes to the Financial Statements**

**FOR THE YEAR ENDED 31 DECEMBER 2013**

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### **(c) Trade and Other Receivables**

Trade and Other Receivables, which generally have 30-60 day terms, are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less an allowance for impairment. Collectability of trade receivables is reviewed on an ongoing basis. Individual debts that are known to be uncollectible are written off when identified. An impairment provision is recognised when there is objective evidence that the Mission will not be able to collect the receivable. Financial difficulties of the debtor, default payments or debts more than 60 days overdue are considered objective evidence of impairment. The amount of the impairment loss is the receivable carrying amount compared with the present value of estimated future cash flows, discounted at the original effective interest rate.

### **(d) Revenue Recognition**

Revenue is recognised and measured at the fair value of the consideration received or receivable to the extent it is probable that the economic benefits will flow to the Mission and the revenue can be reliably measured. The following specific recognition criteria must also be met before revenue is recognised:

#### **(i) Interest revenue**

Revenue is recognised as interest accrues using the effective interest method. This is a method of calculating the amortised cost of a financial asset and allocating the interest income over the relevant period using the effective interest rate, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the net carrying amount of the financial asset.

#### **(ii) Investment revenue**

Investment income is received in the form of interest and dividends.

Revenue is recognized when the entity's right to receive the payment is established.

### **(e) Trade and Other Payables**

Trade and Other Payables and accruals are carried at amortised cost. Due to their short term nature they are not discounted. They represent liabilities for goods and services provided to the Mission prior to the end of the financial year that are unpaid and arise when the Mission becomes obliged to make future payments in respect of the purchase of these goods and services. The amounts are unsecured and are usually paid within 30 days of recognition.

### **(f) Goods and Services Tax (GST)**

Revenues, expenses and assets are recognised net of the amount of GST except:

When the GST incurred on a purchase of goods and services is not recoverable from the taxation authority, in which case the GST is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable.

The net amount of GST recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the balance sheet.

Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the taxation authority.

# The Parkin Mission of South Australia Incorporated

## Notes to the Financial Statements

FOR THE YEAR ENDED 31 DECEMBER 2013

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### (g) Financial Instruments

#### *Recognition and Initial Measurement*

Financial Instruments, incorporating financial assets and financial liabilities, are recognised when the Mission becomes a party to the contractual provisions of the instrument. Trade date accounting is adopted for financial assets that are delivered within timeframes established by marketplace convention.

Financial Instruments are initially measured at fair value plus transactions costs where the instrument is not classified at fair value through profit or loss. Transaction costs related to instruments classified as at fair value through profit or loss are expensed to profit or loss immediately. Financial Instruments are classified and measured as set out below.

#### *Derecognition*

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

#### *Classification and Subsequent Measurement*

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

Financial assets are classified at fair value through profit or loss when they are held for trading for the purpose of short term profit taking, where they are derivatives not held for hedging purposes, or designated as such to avoid an accounting mismatch or to enable performance evaluation where a group of financial assets is managed by key management personnel on a fair value basis in accordance with a documented risk management or investment strategy. Realised and unrealised gains and losses arising from changes in fair value are included in profit or loss in the period in which they arise.

##### *(ii) Held-to-maturity investments*

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

##### *(iii) Available-for-sale financial assets*

Available-for-sale financial assets are non-derivative financial assets that are either designated as such or that are not classified in any of the other categories. They comprise investments in the equity of other entities where there is neither a fixed maturity nor fixed or determinable payments. After initial recognition available for sale financial assets are measured at fair value with gains or losses being recognised as a separate component of equity until the investment is derecognised or until it is determined to be impaired, at which time the cumulative gain or loss previously reported in equity is recognised in profit or loss.

### (h) Reserves

#### *Capital - General*

The Capital - General Reserve is the corpus of the entity. An amount of the profit for the year is nominated by the board to be added to the Capital General account each year.

#### *Capital - Asset Fluctuation Reserve*

The Capital - Asset Fluctuation Reserve comprises the accumulated profits on sale of investments. These profits are not available for distribution.

#### *Investment Revaluation Reserve*

The Financial Assets Reserve records the revaluation of financial assets to market value. This also includes as a separate item the reclassification of reserves upon the sale of assets.

# The Parkin Mission of South Australia Incorporated

## Notes to the Financial Statements

FOR THE YEAR ENDED 31 DECEMBER 2013

### NOTE 2 : CHANGES IN ACCOUNTING POLICIES

#### Prior Period Error

The Statement of Comprehensive Income and Statement of Changes in Equity have been restated for the 2012 financial year due to the incorrect application of AASB139 Financial Instruments: Recognition and Measurement criteria.

AASB139 requires the cumulative gain/loss on the sale of available-for-sale financial assets to be shown as a reclassification adjustment to both equity and income. In the 2012 financial statements this reclassification adjustment was incorporated into the current year revaluation gains/losses.

The restatement of 2012 comparatives has not resulted in any change to the Statement of Comprehensive Income or Statement of Changes in Equity.

	2013 \$	2012 \$
<b>NOTE 3 : CAPITAL GAIN/(LOSS) ON SALE OF SHARES</b>		
Argo Investments	338,162	188,212
Australian Foundation	385,847	127,578
BHP Billiton	-	(155,080)
Commonwealth Bank of Australia	91,499	98,677
Fortescue Metals	-	(32,856)
OZ Minerals	-	(273,874)
Ramsay Health Care	20,276	-
Rio Tinto	(98,447)	(68,671)
Telstra Corporation Ltd	65,010	-
Wesfarmers	161,219	-
Woodside Petroleum	(4,127)	-
WorleyParsons	185,592	195,631
	<u>1,145,031</u>	<u>79,617</u>

# The Parkin Mission of South Australia Incorporated

## Notes to the Financial Statements

FOR THE YEAR ENDED 31 DECEMBER 2013

### NOTE 4 : GAINS/(LOSSES) ON REVALUING SHARES

Adelaide Brighton Limited	37,101	-
ANZ Bank	522,485	258,928
Argo Investments	36,000	122,628
Aust Foundation	32,250	146,257
Bendigo Bank	95,872	-
BHP Billiton	13,094	(2,900)
Commonwealth Bank	520,840	474,348
CSL	15,375	-
Fortescue Metals	-	18,900
IOOF	39,505	-
Macquarie Group Limited	(860)	-
National Australia Bank	766,607	80,758
OZ Minerals	-	(86,000)
Ramsay Health Care	42,580	-
Rio Tinto	(44,050)	17,150
Suncorp	19,210	-
Telstra Corporation Ltd	291,169	309,016
Wesfarmers	390,695	441,000
Westpac Banking Corp	390,582	362,400
Woodside Petroleum	196,500	127,008
WorleyParsons	-	(57,536)
	<u>3,364,955</u>	<u>2,211,957</u>

### NOTE 5 : RECLASSIFICATION ADJUSTMENT

Argo Investments	(317,358)	(194,326)
Aust Foundation	(364,811)	(130,022)
BHP Billiton	-	193,976
Commonwealth Bank	(84,550)	(74,405)
Fortescue Metals	-	28,590
OZ Minerals	-	210,100
Ramsay Health Care	(42,580)	-
Rio Tinto	86,227	110,418
Telstra Corporation Ltd	(41,148)	-
Wesfarmers	(142,257)	-
Woodside Petroleum	5,244	-
WorleyParsons	(142,142)	(176,942)
	<u>(1,043,375)</u>	<u>(32,611)</u>

### NOTE 6 : CASH AND CASH EQUIVALENTS

Cash at Bank	3,992	113,017
UC Invest	230,875	906,877
Share Trade Clearing	188,081	-
	<u>422,948</u>	<u>1,019,894</u>

# The Parkin Mission of South Australia Incorporated

## Notes to the Financial Statements

FOR THE YEAR ENDED 31 DECEMBER 2013

### NOTE 7 : TRADE AND OTHER RECEIVABLES

GST Credits	35	57
Accrued Income	290,775	237,842
	<u>290,810</u>	<u>237,899</u>

### NOTE 8 : FINANCIAL ASSETS

Company	No. Shares	Cost/WDV	31/12/2013	31/12/2013
			Market Share Price	Market Value
Adelaide Brighton Limited	110,000	366,539	3.67	403,700
Australia and New Zealand Banking Group Limited	76,200	1,749,410	32.23	2,455,926
Bendigo & Adelaide Bank	62,000	632,679	11.75	728,500
BHP Billiton Limited	18,000	726,064	37.99	683,820
Commonwealth Bank of Australia	32,000	1,311,894	77.80	2,489,600
CSL Limited	4,600	301,842	68.96	317,216
IOOF Holding Limited	40,000	318,895	8.96	358,400
Macquarie Group Limited	3,455	190,782	54.97	189,921
National Australia Bank Limited	84,100	2,098,391	34.83	2,929,203
Suncorp Group Limited	39,000	491,690	13.10	510,900
Sydney Airport	3,660	13,652	3.73	13,652
Telstra Corporation Ltd	350,000	1,278,464	5.25	1,837,500
Wesfarmers Limited	49,380	1,273,715	44.04	2,174,695
Westpac Banking Corporation	70,500	1,631,551	32.38	2,282,790
Woodside Petroleum Limited	35,000	1,345,706	38.90	1,361,500
Source for Market Share Price: asx.com.au		<u>13,731,273</u>		<u>18,737,323</u>

### NOTE 9 : TRADE AND OTHER PAYABLES

#### Accruals

Bank Fees	30	50
Audit Fees	1,487	1,465
Sundry Expenses	24	-
	<u>1,541</u>	<u>1,515</u>

### NOTE 10 : CAPITAL COMMITMENTS

There were no capital commitments at 31 December 2013 relating to any future transactions.

### NOTE 11 : EVENTS AFTER BALANCE DATE

The Parkin Mission of South Australia Board is not aware of any event or circumstance which has arisen since the end of the financial year, which has significantly affected, or may significantly affect, the entity's operation, the results of those operations, or the entity's state of affairs in subsequent financial period.

# The Parkin Mission of South Australia Incorporated

## COMMITTEE REPORT IN COMPLIANCE WITH SECTION 35 (5) OF THE ASSOCIATIONS INCORPORATION ACT, 1985.

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In accordance with Section 35 (5) of the Association Act, 1985, the Committee of The Parkin Mission of South Australia Incorporated hereby states that during the financial year ended 31st December 2013:

- (a)
- 1) no officer of the Association;
  - 2) no firm of which an officer is a member; and
  - 3) no body corporate in which an officer has a substantial financial interest,

has received or become entitled to receive a benefit as a result of a contract between the officer, firm, or corporate body and the Association except for the following:

Nil

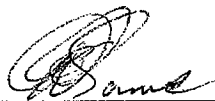
- (b) no officer of the Association has received directly or indirectly from the Association any payment or other benefit of a pecuniary value except for the following:

Don Noblet a Governor of the Association is employed by Macquarie Group. All purchases and sales of shares are transacted by Macquarie Group and they are paid brokerage for those transactions at commercial rates.

This report is made in accordance with a resolution of the Committee and is signed by Mr Donald Sarre and Mr Tom Adams.

Dated this 23rd day of April 2014

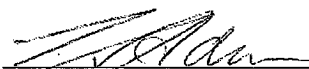
Signed



Position held on Committee

PRESIDENT

Signed



Position held on Committee

GOVERNOR



# The Parkin Mission of South Australia Incorporated

## DECLARATION BY THE BOARD

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The Board has determined that the fund is not a reporting entity and that this special purpose financial report should be prepared in accordance with the accounting policies outlined in Note 1 to the financial statements.

In the opinion of the Board the financial report, as set out on pages 1 to 10:

- (a) presents fairly the financial position of The Parkin Mission of South Australia Incorporated as at 31 December 2013 and its performance for the 12 month period ended on that date;
- (b) at the date of this statement, there are reasonable grounds to believe that The Parkin Mission of South Australia Incorporated will be able to pay its debts as and when they fall due.

This statement is made in accordance with a resolution of The Parkin Mission of South Australia Incorporated Board and is signed for and on behalf of the Board by:



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President



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Governor

DATED this 23rd day of April 2014

## **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE PARKIN MISSION OF SOUTH AUSTRALIA INCORPORATED**

### **Report on the Financial Report**

We have audited the accompanying financial report, being a special purpose financial report of The Parkin Mission of South Australia Incorporated, which comprises of the balance sheet as at 31 December 2013, the statement of comprehensive income, the statement of changes in equity, notes comprising a summary of significant accounting policies and other explanatory information, committee report in compliance with section 35 (5) of the Associations Incorporations Act, 1985 and the declaration by the board.

### **Board's Responsibility for the Financial Report**

The Parkin Mission of South Australia Inc. Board are responsible for the preparation and fair presentation of the financial report, and has determined that the basis of preparation described in Note 1 to the financial report is appropriate to meet the financial reporting requirements of the Associations Incorporation Act 1985 and is appropriate to meet the needs of the members. The Board's responsibility also includes such internal control as the Board determines is necessary to enable the preparation and fair presentation of a financial report that is free from material misstatement, whether due to fraud or error.

### **Auditor's Responsibility**

Our responsibility is to express an opinion on the financial report based on our audit. We have conducted our audit in accordance with Australian Auditing Standards. Those standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, 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 financial report 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. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Board, as well as evaluating the overall presentation of the financial report.

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

### **Independence**

In conducting our audit, we have complied with the independence requirements of the Australian professional accounting bodies.



### Opinion

In our opinion the financial report presents fairly, in all material respects, the financial position of The Parkin Mission of South Australia Incorporated as at 31 December 2013, and its financial performance for the year then ended in accordance with the financial reporting requirements of Associations Incorporation Act 1985.

We have obtained all the necessary information required in connection with our audit in respect of the financial year ended 31 December 2013.

### Basis of Accounting

Without modifying our opinion, we draw attention to Note 1 to the financial report, which describes the basis of accounting. The financial report has been prepared to assist The Parkin Mission of South Australia Inc. to meet the requirements of Associations Incorporation Act 1985. As a result, the financial report may not be suitable for another purpose.

A handwritten signature in blue ink that reads 'BDO'.

BDO Audit (SA) Pty Ltd

A handwritten signature in blue ink, appearing to be 'Ian Painter'.

Ian Painter  
Partner

Adelaide, 23 April 2014

## AUDIT REPORT

To: Historical Society of the Uniting Church

### Scope


I have conducted an independent audit of the Profit and Loss Statement and Balance Sheet of the Historical Society of the Uniting Church for the year ended 31<sup>st</sup> December, 2013.

My procedures included examination on a test basis of evidence supporting the amounts in the above financial statements. These procedures were undertaken to form an opinion whether, in all material respects, the financial statements represent fairly the transactions of the Society.

The audit opinion expressed in this report has been formed on the above basis.

### Audit Opinion

In my opinion the above financial statements present fairly the transactions of the Historical Society of the Uniting Church for the year ended 31<sup>st</sup> December, 2013.

  
Peter A Whiting CPA  
Auditor  
Phone (08) 8556 5757

25 March 2014

# Historical Society of the Uniting Church<sup>1</sup>

44A East Avenue  
BLACK FOREST SA 5035



## Profit & Loss [With Year to Date]

Dec-13

	Selected Period	Year to Date
<b>Income</b>		
<b>Ordinary Income</b>		
Subscriptions	\$0.00	\$822.73
Sales - Publications and Books	\$45.45	\$1,582.38
Sundry Income	\$0.00	\$0.55
<b>Donations</b>		
General Donations	\$0.00	\$105.70
<b>Investment Income</b>		
Interest	\$251.96	\$3,368.55
Dividends	\$7,800.00	\$45,845.02
Imputation Credits	\$0.00	\$18,045.00
Gain/(Loss) on Sale of Shares	\$0.00	\$11,592.59
<b>Total Income</b>	<b>\$8,097.41</b>	<b>\$81,362.52</b>
<b>Expenses</b>		
<b>General Operating Expenses</b>		
Publishing; n/letter	\$0.00	\$29.09
Printing and Stationery	\$30.80	\$1,912.17
Postage	\$54.55	\$205.06
Telephone	\$0.00	\$403.45
Subscriptions	\$0.00	\$40.00
Bookkeeping	\$0.00	\$706.84
Program Expenses	\$0.00	\$361.00
<b>Computer Expenses</b>		
Internet Provider	\$27.26	\$327.12
Licences & Software	\$0.00	\$11.81
Hardware	\$0.00	\$352.73
<b>Resources</b>		
Library additions	\$0.00	\$425.26
Conservation	\$734.50	\$734.50
<b>Property Expenses</b>		
SA Water	\$0.00	\$1,374.59
Electricity	\$151.92	\$856.09
Emergency Service Levy	\$0.00	\$112.00
White Ant Inspections	\$0.00	\$206.55
Fire Extinguisher Services	\$22.73	\$52.73
Cleaning Expenses	\$0.00	\$750.00
Supplies/kitchen, etc	\$0.00	\$10.00
Council Rates	\$0.00	\$2,114.15
Repairs and Maintenance	\$1,173.57	\$1,934.57
Building Upgrade	\$0.00	\$34,060.22
Insurance	\$928.64	\$928.64
<b>Other Expenses</b>		
Sundry	\$0.00	\$90.26
<b>Total Expenses</b>	<b>\$3,123.97</b>	<b>\$47,998.83</b>
<b>Net Profit/(Loss)</b>	<b>\$4,973.44</b>	<b>\$33,363.69</b>

# Historical Society of the Uniting Church

44A East Avenue  
BLACK FOREST SA 5035



## Balance Sheet

As of December 2013

### Assets

#### Cash On Hand

Bank SA Cheque Account	\$24,578.57
History Centre - Bank SA	\$200.00

#### UC Investments

UC Invest - 160471 (At Call)	\$100,389.38
------------------------------	--------------

#### Share Holdings (at cost base)

Westpac Banking Corp	\$62,486.62
Argo Investment Limited	\$70,766.00
National Australia Bank Ltd	\$112,709.16
Commonwealth Bank of Aust	\$59,107.22
Australian Foundation Invest	\$39,855.50
Wesfarmers Limited	\$105,160.11
Woodside Petroleum Ltd	\$84,738.48
BHP Billiton	\$64,370.51
IOOF Holdings Ltd	\$101,729.88

#### Total Share Holdings (at cost base)

**\$700,923.48**

#### Land & Buildings

##### Capital Values as at 1/7/12

16 Minkie Ave Mitchell Park	\$410,000.00
44A East Ave Black Forest	\$440,000.00

#### Total Assets

**\$1,676,091.43**

### Liabilities

#### GST Liabilities

GST Collected	\$41.54
GST Paid	-\$239.43

#### Total Liabilities

**-\$197.89**

#### Net Assets

**\$1,676,289.32**

### Equity

Accumulated Income	\$186,619.77
Capital Account	\$591,790.00
Investment Fluctuation Reserve	\$10,682.17
Gorden Rowe (Lecture Sponsor)	\$3,633.69
Historical Cnt - Burgess House	\$200.00
Current Earnings	\$33,363.69
Historical Balancing Account	\$850,000.00

#### Total Equity

**\$1,676,289.32**

# UC Invest Property Fund

December 31

# 2013

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The UC Invest Property Fund is an activity of The Uniting Church in Australia Property Trust (S.A.) ABN 25 068 897 781, the legal entity of the Uniting Church SA.

Financial  
Report

# Income Statement

For the year to 31 December 2013

	Note	2013 \$	2012 \$
Revenue	2	264,197	226,525
Revaluation of Investments (Realised & Unrealised)	3	185,213	866,321
Expenses	4	(14,498)	(10,794)
<b>PROFIT / (LOSS) FOR THE YEAR</b>		<b>434,912</b>	<b>1,082,052</b>
<b>PROFIT ATTRIBUTABLE TO UNIT HOLDERS</b>		<b>434,912</b>	<b>1,082,052</b>



# Balance Sheet

As at 31 December 2013

	Note	2013 \$	2012 \$
<b>Assets</b>			
<b>Current Assets</b>			
Cash & Cash Equivalents	6	75,665	56,267
Trade & Other Receivables	7	96,395	95,886
Financial Assets	3,8	3,832,100	4,152,674
<b>Total Current Assets</b>		<b>4,004,160</b>	<b>4,304,827</b>
<b>Non-Current Assets</b>			
<b>Total Non-Current Assets</b>		-	-
<b>Total Assets</b>		<b>4,004,160</b>	<b>4,304,827</b>
<b>Liabilities</b>			
<b>Current Liabilities</b>			
Trade & Other Payables	9	94,210	-
<b>Total Current Liabilities</b>		<b>94,210</b>	-
<b>Non-Current Liabilities</b>			
<b>Total Non-Current Liabilities</b>		-	-
<b>Total Liabilities</b>		<b>94,210</b>	-
<b>Net Assets</b>		<b>3,909,950</b>	<b>4,304,827</b>
<b>Equity</b>			
Unit Holders Control		3,909,950	4,304,827
<b>Total Equity</b>		<b>3,909,950</b>	<b>4,304,827</b>

## Statement of Changes in Equity

For the year to 31 December 2013

	Unit Holders Control	Total
Balance at 1 January 2012	3,677,698	3,677,698
Deposits for Year	760,452	760,452
Withdrawals for Year	(998,157)	(998,157)
Distributions to Unit Holders	(215,731)	(215,731)
Unit Holder Transaction Fees	(1,487)	(1,487)
Profit Attributable to Unit Holders	1,082,052	1,082,052
<b>Balance at 31 December 2012</b>	<b>4,304,827</b>	<b>4,304,827</b>
Balance at 1 January 2013	4,304,827	4,304,827
Deposits for Year	187,290	187,290
Withdrawals for Year	(766,546)	(766,546)
Distributions to Unit Holders	(249,462)	(249,462)
Unit Holder Transaction Fees	(1,071)	(1,071)
Profit Attributable to Unit Holders	434,912	434,912
<b>Balance at 31 December 2013</b>	<b>3,909,950</b>	<b>3,909,950</b>

# Statement of Cash Flows

For the year to 31 December 2013

	Note	2013 \$	2012 \$
<b>Cash Flows from Operating Activities</b>			
Receipts		263,688	191,800
Payments		(13,716)	(10,794)
<b>Net cash flows provided by / (used in) operating activities</b>	10	<b>249,972</b>	<b>181,006</b>
<b>Cash Flows from Investing Activities</b>			
Sale of investments	3	1,473,172	2,124,408
Purchase of investments	3	(967,385)	(1,789,585)
<b>Net cash flows provided by / (used in) investing activities</b>		<b>505,787</b>	<b>334,823</b>
<b>Cash Flows from Financing Activities</b>			
Distributions to Unit Holders		(18,057)	(10,279)
Deposits by Unit Holders		49,313	555,000
Withdrawals by Unit Holders		(767,617)	(999,643)
<b>Net cash flows provided by / (used in) financing activities</b>		<b>(736,361)</b>	<b>(454,922)</b>
Net increase / (decrease) in cash held		19,398	60,907
Cash at beginning of year		56,267	(4,640)
<b>Cash at End of Year</b>	6	<b>75,665</b>	<b>56,267</b>

## 1. Statement of significant accounting policies

The financial report of the UC Invest Property Fund (*"the Fund"*) for the year ended 31 December 2013 was adopted by the Uniting Church Investment Committee (UCIC) on 21 March 2014.

### Operations and principal activities

This financial report covers the UC Invest Property Fund as an individual entity. The Fund is an activity of The Uniting Church in Australia Property Trust (S.A.), which was established by an Act of the South Australian Parliament in 1977. All assets of the Fund are held in the name of The Uniting Church in Australia Property Trust (S.A.).

The UC Invest Property Fund is a unitised managed fund which invests in listed property trusts quoted on the Australian Stock Exchange. It is only available to Uniting Church and Churches of Christ SA congregations and organisations. The Fund does not accept investments from individual members of the public.

All recognised income is distributed to unit holders on a quarterly basis with the exception of any franking credits which are distributed once the annual franking credit return is received from the Australian Taxation Office.

Unit holders are exposed to the market risk of the Fund, which results in their investments fluctuating in line with the underlying performance of the Fund.

### Uniting Church Investment Committee Members

Michael McClaren (Non-executive Chairperson)

Allison Ashby (Non-executive)

Kevin Bengert (Non-executive)

Tom Adams (Non-executive)

Peter Battersby (Executive) – Remunerated by the Uniting Church SA

UC Invest manages the administration and investment strategy of the Fund and receives a monthly management fee based on the market value of funds under management.

### Basis of preparation

The UCIC has determined that the Fund is not a reporting entity and therefore this financial report is a special purpose report intended for internal use.

The financial report has been prepared on a going concern basis in accordance with the following Australian Accounting Standards and other mandatory professional reporting requirements:

AASB 1031: Materiality

AASB 110: Events After the Reporting Period

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

### Reporting basis and conventions

The financial report has been prepared on a historical cost basis, except for available-for-sale investments which have been measured at fair value.

The following is a summary of the material accounting policies adopted by the entity in the preparation of the financial report. The accounting policies have been consistently applied, unless otherwise stated.

## (a) Cash and cash equivalents

Cash and cash equivalents in the balance sheet comprise cash at bank, cash in hand and short term deposits with an original maturity of three months or less. These deposits are convertible to known amounts of cash and are subject to an insignificant risk of changes in value.

For the purposes of the *Statement of Cash Flows*, cash and cash equivalents consist of cash and cash equivalents as defined above and are net of outstanding bank overdrafts. Bank overdrafts are included within interest-bearing loans and borrowings in current liabilities on the balance sheet.

## (b) Revenue

Revenue is recognised and measured at fair value of the consideration received or receivable to the extent it is probable that economic benefits will flow to the Fund and the revenue can be measured reliably. The following specific recognition criteria must also be met before revenue is recognised:

### i. Interest

Interest income is recognised as interest accrues using the effective interest method. This is a method of calculating the amortised cost of a financial asset and allocating the interest income over the relevant period using the effective interest rate. This is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the net carrying amount of the financial asset.

### ii. Dividends and distributions from equities

Dividend and distribution income is received in the form of dividends, distributions and franking credits from companies within the underlying investment portfolio. Revenue is recognised when the entity's right to receive the payment is established.

### iii. Application and redemption fees

Application and redemption fee income is received when unit holders enter or exit the Fund either fully or partially. Revenue is recognised when the entity makes the corresponding transaction on behalf of the unit holder.

## (c) Financial instruments

### i. Recognition and initial measurement

Financial instruments, incorporating financial assets and financial liabilities, are recognised when the Fund becomes a party to the contractual provisions of the instruments. Trade date accounting is adopted for financial assets that are delivered within timeframes established by marketplace convention.

Financial instruments are initially measured at fair value plus transaction costs, where the instrument is not classified at fair value through profit and loss.

Transaction costs related to instruments classified at fair value through profit and loss are expensed to profit or loss immediately. Financial instruments are classified and measured as set out below.

### ii. Derecognition

Financial assets are derecognised where the contractual rights to receipt of cash flows expires or the asset is transferred to another party whereby the entity no longer has any significant continuing involvement in the risks and benefits associated with the asset.

Financial liabilities are derecognised where the related obligations are either discharged, cancelled or expire. The difference between the carrying value of the financial liability

extinguished or transferred to another party and the fair value of consideration paid, including the transfer of non-cash assets or liabilities assumed is recognised in profit or loss.

### iii. Classification and subsequent measurement

#### a) Financial assets at fair value through profit or loss

Financial assets are classified at fair value through profit or loss when they are held for trading purposes or short term profit taking, where they are derivatives not held for hedging purposes, or designated as such to avoid an accounting mismatch or to enable performance evaluation where a group of financial assets is managed by key management personnel on a fair value basis in accordance with a documented risk management or investment strategy. Realised and unrealised gains and losses arising from changes in fair value are included in profit or loss in the period in which they arise.

#### b) Held-to-maturity investments

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

#### c) Available-for-sale financial assets

Available-for-sale financial assets are non-derivative financial assets that are either designated as such or are not classified in any of the other categories. They comprise of investments in the equity of other entities where there is neither a fixed maturity nor fixed or determinable payments. After initial recognition available for sale financial assets are measured at fair value with gains or losses being recognised as a separate component of equity until the investment is derecognised or until it is determined to be impaired, at which time the cumulative gain or loss previously reported in equity is recognised in profit or loss.

### (d) Trade and other payables

Trade and other payables are recognised when the entity becomes obliged to make future payments.

### (e) Goods and services tax

Revenues, expenses and assets are recognised net of the amount of GST except:

- When the GST incurred on a purchase of goods and services is not recoverable from the taxation authority, in which case the GST is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable
- Receivables and payables, which are stated with the amount of GST included.

The net amount of GST recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the balance sheet.

Cash flows are included in the *Statement of Cash Flows* on a gross basis and the GST component of cash flows arising from investing and financing activities, which is recoverable from, or payable to, the taxation authority is classified as part of operating cash flows.

Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the taxation authority.

## (f) Impairment

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

## (g) Comparative figures

When required by accounting standards, comparative figures have been adjusted to conform to changes in presentation for the current financial year.

## (h) Income tax

The entity is exempt from income tax due to its status as a religious organisation.

## 2. Revenue

	2013	2012
Dividends and distributions from equities	261,908	222,028
Interest received	1,218	3,010
Application and redemption fees received	1,071	1,487
	<b>264,197</b>	<b>226,525</b>

## 3. Revaluation of investments

Company	Opening Balance	Purchases	Sales	Closing Balance	Capital Movement
ABP Abacus Property Group	\$ 259,150.32	\$ 32,832.00	\$ 88,336.56	\$ 221,682.96	\$ 18,037.20
ALZ Australand Property Group	\$ 283,957.80	\$ -	\$ 90,824.08	\$ 223,812.05	\$ 30,678.33
BWP Bunnings Warehouse Trust	\$ 265,898.16	\$ -	\$ 63,468.60	\$ 207,132.39	\$ 4,702.83
CFX CFS Retail Property Trust	\$ 231,530.88	\$ 25,878.64	\$ 53,595.00	\$ 207,887.55	\$ 4,073.03
CHC Charter Hall Group	\$ 307,919.55	\$ -	\$ 125,639.83	\$ 211,794.90	\$ 29,515.18
CMW Cromwell Property Group	\$ -	\$ 215,475.00	\$ -	\$ 216,580.00	\$ 1,105.00
CPA Commonwealth Property Office	\$ 227,435.52	\$ 20,310.38	\$ 91,910.00	\$ 212,488.75	\$ 56,652.85
CQR Charter Hall Retail REIT	\$ 275,262.08	\$ 17,814.50	\$ 75,157.74	\$ 206,457.31	\$ (11,461.53)
DXS Dexus Property Group	\$ 248,537.28	\$ 10,409.84	\$ 45,659.90	\$ 211,369.77	\$ (1,917.45)
FDC Federation Centres	\$ 266,927.03	\$ 12,272.40	\$ 67,947.97	\$ 217,650.42	\$ 6,398.96
GMG Goodman Group	\$ 286,884.15	\$ -	\$ 92,282.41	\$ 216,927.26	\$ 22,325.52
GPT GPT Group	\$ 255,818.88	\$ 12,705.00	\$ 42,688.03	\$ 206,499.00	\$ (19,336.85)
IOF Investa Office Fund	\$ 242,060.94	\$ 23,393.36	\$ 59,830.00	\$ 218,733.79	\$ 13,109.49
MGR Mirvac Group	\$ 258,947.10	\$ -	\$ 73,824.81	\$ 215,824.56	\$ 30,702.27
SCP Shopping Centres Australasia	\$ -	\$ 253,417.58	\$ 46,844.40	\$ 211,861.75	\$ 5,288.57
SGP Stockland Trust	\$ 251,304.23	\$ 11,519.20	\$ 68,458.16	\$ 203,008.35	\$ 8,643.08
STO Santos Limited	\$ -	\$ 280,459.88	\$ 280,650.42	\$ -	\$ 190.54
WDC Westfield Group	\$ 254,686.08	\$ 16,511.90	\$ 49,278.70	\$ 212,404.59	\$ (9,514.69)
WRT Westfield Retail Trust	\$ 236,354.26	\$ 34,385.57	\$ 56,776.00	\$ 209,984.94	\$ (3,978.89)
	<b>\$ 4,152,674.26</b>	<b>\$ 967,385.25</b>	<b>\$ 1,473,172.61</b>	<b>\$ 3,832,100.34</b>	<b>\$ 185,213.44</b>

Decisions by unit holders to invest or redeem funds in the UC Invest Property Fund may influence the need to buy or sell equities, depending on the monetary value of the transaction.

The amount appearing as Capital Movement for the year includes an amount which represents the profit / (loss) on the trading of equities to enable the Fund to process withdrawal and deposit requests; as well as capital fluctuations in the value of equities held or transacted during the year for investment purposes.

Unit Holders who invested in the Fund for the 2013 year had a total investment return of 10.30%, which compares favourably to the ASX200 REIT Accumulation Index (industry standard Australian share benchmark) return of 7.11%.

	2013	2012
<b>4. Expenses</b>		
Management fees - related party	11,076	8,599
Interest paid	883	18
Brokerage	2,539	2,177
	<b>14,498</b>	<b>10,794</b>

## 5. Auditor's remuneration

Fee in relation to audit ( <i>paid by UC Invest</i> )	1,726	1,677
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## 6. Cash and cash equivalents

Cash at the end of the financial year as shown in the *Statement of Cash Flows* is reconciled to the related items in the balance sheet as follows:

Cash at bank	2,139	(3,982)
UC Invest 11am account	73,526	60,246
	<b>75,665</b>	<b>56,264</b>

The UC Invest 11am account is an at-call account which earns interest at floating rates based on the official Reserve Bank cash rate.

## 7. Trade and other receivables

Accrued dividends and distributions	95,144	95,886
Accrued franking credits	1,251	-
	<b>96,395</b>	<b>95,886</b>

## 8. Financial assets

Available-for-sale	<b>3,832,100</b>	<b>4,152,674</b>
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Available-for-sale financial assets consist of listed equities. The value of the equities held has been determined following the fund revaluing their listed equities to their fair value at year end.

## 9. Trade and other payables

Income distributions payable to Unit Holders	93,428	-
Management fees	782	-
	<b>94,210</b>	<b>-</b>



## 10. Cash flow information

Reconciliation of cash flow from operations with profit

	2013	2012
<b>Profit / (Loss) for the year</b>	<b>434,912</b>	<b>1,082,052</b>
<b>Non-cash items in profit</b>		
Revaluation of investments	(185,213)	(866,321)
<b>Changes in assets and liabilities</b>		
(Increase) / Decrease in receivables	(509)	(34,725)
Increase / (Decrease) in payables	782	-
<b>Cash flow from operating activities</b>	<b>249,972</b>	<b>181,006</b>

## 11. Contingent liabilities and contingent assets

Uniting Church Investment Committee members are not aware of any contingencies requiring disclosure in the financial statements.

## 12. Segment reporting

The Fund operates predominantly in one business and geographical segment being the investment in property funds listed on the Australian Stock Exchange.

## 13. Events subsequent to reporting date

There have been no substantial events subsequent to the balance date.

## 14. Related party transactions

The UC Invest Property Fund is administered by the Uniting Church Investment Committee on behalf of The Uniting Church in Australia Property Trust (S.A.).

UC Invest receives management fees each month calculated at 0.02% of the fair value of assets held by the UC Invest Property Fund.

## 15. Financial risk management

### Financial Risk Management Policies

The entity manages its exposure to key financial risks by the application of policies approved by the Uniting Church Investment Committee (UCIC).

The Fund's exposure to interest rate risk is relatively minor with less than 2% of total assets at balance date exposed to interest rate sensitive investments, predominantly a UC Invest cash account which is used to cover the liquidity requirements of unit holders.

The UCIC has stipulated in its approved policies that the majority of financial assets are to be invested in listed property trust investments listed on the Australian Stock Exchange.

## Financial Risk Exposures and Management

The main risks the group is exposed to through its financial instruments are liquidity risk, market risk and revenue risk.

### i. Liquidity risk

Due to the liquid nature of the entity's financial assets, the exposure to liquidity risk is limited to the amount of time it takes to receive cash from the sale of equity investments.

Unit holders have the ability to request the redemption of funds on a weekly basis. To prevent the forced selling of investments to cover unit holder redemption requests, the Fund holds a liquidity reserve in a UC Invest cash account.

### ii. Market risk

The financial assets held by the Fund are prone to price fluctuations and volatility. The value of investments change as economic, market and company specific conditions vary.

UC Invest does not attempt to significantly mitigate market risk. The portfolio adopts a selection policy which seeks to invest funds in equally valued parcels in all constituents represented in the ASX 200 Real Estate Investment Trusts (REIT) index.

While applying funds in equal parcels reduces some company specific risk, compared to a portfolio constructed on the basis of market capitalisation, there is still a strong correlation between the underlying portfolio and the general index return.

### iii. Revenue risk

Revenue received (*dividends, distributions and franking credits*) from equity investments may fluctuate due to changes in market or company specific conditions.

Income distributions to unit holders are the aggregate of dividends, distributions and franking credits which are approved by individual companies. The amount of distributions can be varied by companies at any stage depending on a range of factors including economic conditions, cash flow, lending covenants, investor appetite for risk or peer distributions.

The fund manager does not distribute capital in quarterly distributions to unit holders, or operate a scheme which evens out distributions over time. All income distributions paid to unit holders are therefore market driven.

## Sensitivity Analysis

### i. Market risk

The entity has performed a sensitivity analysis relating to its exposure to price risk at balance date. This analysis demonstrates the effect on the current year results and equity which could result from a change in market value. The Fund's performance is correlated with the ASX200 REIT index and is expected to perform similarly.

Change in profit	2013	2012
Decrease in ASX200 REIT index by 25%	(958,025)	(1,038,169)
Increase in ASX200 REIT index by 25%	958,025	1,038,169
<b>Change in equity</b>		
Decrease in ASX200 REIT index by 25%	(958,025)	(1,038,169)
Increase in ASX200 REIT index by 25%	958,025	1,038,169

## ii. Revenue risk

The entity has performed a sensitivity analysis relating to its exposure to revenue risk at balance date. This analysis demonstrates the effect on the current year results and equity which could result from a change in revenue received.

Change in profit	2013	2012
Decrease in dividends and distributions to the UC Invest Property Fund by 20%	(52,381)	(44,406)
Increase in dividends and distributions to the UC Invest Property Fund by 20%	52,381	44,406
<b>Change in equity</b>		
Decrease in dividends and distributions to the UC Invest Property Fund by 20%	(52,381)	(44,406)
Increase in dividends and distributions to the UC Invest Property Fund by 20%	52,381	44,406

## Derivative Financial Instruments

The entity does not use derivative financial instruments

## 16. Economic dependency

The Fund does not have any economic dependency on other entities of the Uniting Church SA.

## 17. Entity details

The registered office and principal place of business of the entity is:

Level 2, 212 Pirie Street  
Adelaide SA 5000

In the opinion of the members of the Uniting Church Investment Committee:

- a) the financial statements and notes set out on pages 1 to 12 of UC Invest Property Fund – Financial Report:
  - i. complies with accounting standards and other mandatory professional reporting requirements to the extent described in Note 1; and
  - ii. gives a true and fair view of the Fund's financial position as at 31 December 2013 and of its performance, as represented by the results of its operations, changes in equity and cash flows, for the financial year ended on that date; and
- b) there are reasonable grounds to believe that the Fund will be able to pay its debts as and when they become due and payable; and

This declaration is made in accordance with a resolution of the Uniting Church Investment Committee.



**Michael McClaren**  
Chairperson  
Uniting Church Investment Committee



**Kevin Bengert**  
Member  
Uniting Church Investment Committee

Adelaide  
21 March 2014

## **INDEPENDENT AUDITOR'S REPORT TO THE UNIT HOLDERS OF UC INVEST PROPERTY FUND**

### **Report on the Financial Report**

We have audited the accompanying financial report, being a special purpose financial report of UC Invest Property Fund, which comprises the balance sheet as at 31 December 2013, the income statement, statement of changes in equity and cash flow statement for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information, and the declaration of the committee.

### **The Uniting Church Investment Committee's Responsibility for the Financial Report**

The Uniting Church Investment Committee is responsible for the preparation and fair presentation of the financial report, and has determined that the basis of preparation described in Note 1 is appropriate to meet the requirements of policies set by the Uniting Church Investment Committee and is appropriate to meet the needs of unit holders. The Uniting Church Investment Committee's responsibility also includes such internal control as the Uniting Church Investment Committee determines is necessary to enable the preparation and fair presentation of a financial report that is free from material misstatement, whether due to fraud or error.

### **Auditor's Responsibility**

Our responsibility is to express an opinion on the financial report based on our audit. We have conducted our audit in accordance with Australian Auditing Standards. Those standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the fund's preparation and fair presentation of the financial report 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 fund's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Uniting Church Investment Committee, as well as evaluating the overall presentation of the financial report.

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

### **Independence**

In conducting our audit, we have complied with the independence requirements of the Australian professional accounting bodies.



### Opinion

In our opinion the financial report presents fairly, in all material respects, the financial position of UC Invest Property Fund as at 31 December 2013, and its financial performance and its cash flows for the year then ended in accordance with the basis of preparation described in note 1 to the financial report.

### Basis of Accounting

Without modifying our opinion, we draw attention to Note 1 to the financial report, which describes the basis of accounting. The financial report has been prepared to assist UC Invest Property Fund meet the financial reporting requirements of policies set by the Uniting Church Investment Committee. As a result, the financial report may not be suitable for another purpose.

A handwritten signature in blue ink that reads 'BDO'.

**BDO Audit (SA) Pty Ltd**

A handwritten signature in blue ink, appearing to read 'I J Painter'.

I J Painter  
Director

Adelaide, 21 March 2014.



# UC Invest Share Fund

December 31

# 2013

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The UC Invest Share Fund is an activity of The Uniting Church in Australia Property Trust (S.A.) ABN 25 068 897 781, the legal entity of the Uniting Church SA.

**Financial  
Report**

# Income Statement

For the year to 31 December 2013

	Note	2013 \$	2012 \$
Revenue	2	2,801,862	2,480,171
Revaluation of Investments (Realised & Unrealised)	3	6,507,677	5,140,035
Expenses	4	(131,497)	(117,528)
<b>PROFIT / (LOSS) FOR THE YEAR</b>		<b>9,178,042</b>	<b>7,502,678</b>
<b>PROFIT ATTRIBUTABLE TO UNIT HOLDERS</b>		<b>9,178,042</b>	<b>7,502,678</b>



# Balance Sheet

As at 31 December 2013

	Note	2013 \$	2012 \$
<b>Assets</b>			
<b>Current Assets</b>			
Cash & Cash Equivalents	6	735,032	457,382
Trade & Other Receivables	7	611,164	439,685
Financial Assets	3,8	50,015,795	29,434,977
<b>Total Current Assets</b>		<b>51,361,991</b>	<b>30,332,044</b>
<b>Non-Current Assets</b>			
		-	-
<b>Total Non-Current Assets</b>		-	-
<b>Total Assets</b>		<b>51,361,991</b>	<b>30,332,044</b>
<b>Liabilities</b>			
<b>Current Liabilities</b>			
		-	-
<b>Total Current Liabilities</b>		-	-
<b>Non-Current Liabilities</b>			
		-	-
<b>Total Non-Current Liabilities</b>		-	-
<b>Total Liabilities</b>		-	-
<b>Net Assets</b>		<b>51,361,991</b>	<b>30,332,044</b>
<b>Equity</b>			
Unit Holders Control		51,361,991	30,332,044
<b>Total Equity</b>		<b>51,361,991</b>	<b>30,332,044</b>

## Statement of Changes in Equity

For the year to 31 December 2013

	Unit Holders Control	Total
Balance at 1 January 2012	55,420,070	55,420,070
Deposits for Year	1,489,431	1,489,431
Withdrawals for Year	(31,701,912)	(31,701,912)
Distributions to Unit Holders	(2,362,608)	(2,362,608)
Unit Holder Transaction Fees	(15,615)	(15,615)
Profit Attributable to Unit Holders	7,502,678	7,502,678
<b>Balance at 31 December 2012</b>	<b>30,332,044</b>	<b>30,332,044</b>
Balance at 1 January 2013	30,332,044	30,332,044
Deposits for Year	14,942,735	14,942,735
Withdrawals for Year	(405,928)	(405,928)
Distributions to Unit Holders	(2,670,330)	(2,670,330)
Unit Holder Transaction Fees	(14,572)	(14,572)
Profit Attributable to Unit Holders	9,178,042	9,178,042
<b>Balance at 31 December 2013</b>	<b>51,361,991</b>	<b>51,361,991</b>

# Statement of Cash Flows

For the year to 31 December 2013

	Note	2013 \$	2012 \$
<b>Cash Flows from Operating Activities</b>			
Receipts		2,632,780	2,736,779
Payments		(133,895)	(117,528)
<b>Net cash flows provided by / (used in) operating activities</b>	<b>9</b>	<b>2,498,885</b>	<b>2,619,251</b>
<b>Cash Flows from Investing Activities</b>			
Sale of investments	3	8,590,588	47,356,364
Purchase of investments	3	(22,663,729)	(17,302,997)
<b>Net cash flows provided by / (used in) investing activities</b>		<b>(14,073,141)</b>	<b>30,053,367</b>
<b>Cash Flows from Financing Activities</b>			
Distributions to Unit Holders		(850,487)	(875,303)
Deposits by Unit Holders		13,122,892	2,126
Withdrawals by Unit Holders		(420,499)	(31,717,528)
<b>Net cash flows provided by / (used in) financing activities</b>		<b>11,851,906</b>	<b>(32,590,705)</b>
Net increase / (decrease) in cash held		277,650	81,913
Cash at beginning of year		457,382	375,469
<b>Cash at End of Year</b>	<b>6</b>	<b>735,032</b>	<b>457,382</b>

## 1. Statement of significant accounting policies

The financial report of the UC Invest Share Fund (*"the Fund"*) for the year ended 31 December 2013 was adopted by the Uniting Church Investment Committee (UCIC) on 21 March 2014.

### Operations and principal activities

This financial report covers the UC Invest Share Fund as an individual entity. The Fund is an activity of The Uniting Church in Australia Property Trust (S.A.), which was established by an Act of the South Australian Parliament in 1977. All assets of the Fund are held in the name of The Uniting Church in Australia Property Trust (S.A.).

The UC Invest Share Fund is a unitised managed fund which invests in equities quoted on the Australian Stock Exchange. It is only available to Uniting Church and Churches of Christ SA congregations and organisations. The Fund does not accept investments from individual members of the public.

All recognised income is distributed to unit holders on a quarterly basis with the exception of any franking credits which are distributed once the annual franking credit return is received from the Australian Taxation Office.

Unit holders are exposed to the market risk of the Fund, which results in their investments fluctuating in line with the underlying performance of the Fund.

### Uniting Church Investment Committee Members

Michael McClaren (Non-executive Chairperson)

Allison Ashby (Non-executive)

Kevin Bengier (Non-executive)

Tom Adams (Non-executive)

Peter Battersby (Executive) – Remunerated by the Uniting Church SA

UC Invest manages the administration and investment strategy of the Fund and receives a monthly management fee based on the market value of funds under management.

### Basis of preparation

The UCIC has determined that the Fund is not a reporting entity and therefore this financial report is a special purpose report intended for internal use.

The financial report has been prepared on a going concern basis in accordance with the following Australian Accounting Standards and other mandatory professional reporting requirements:

AASB 1031: Materiality

AASB 110: Events After the Reporting Period

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

### Reporting basis and conventions

The financial report has been prepared on a historical cost basis, except for available-for-sale investments which have been measured at fair value.

The following is a summary of the material accounting policies adopted by the entity in the preparation of the financial report. The accounting policies have been consistently applied, unless otherwise stated.

## (a) Cash and cash equivalents

Cash and cash equivalents in the balance sheet comprise cash at bank, cash in hand and short term deposits with an original maturity of three months or less. These deposits are convertible to known amounts of cash and are subject to an insignificant risk of changes in value.

For the purposes of the *Statement of Cash Flows*, cash and cash equivalents consist of cash and cash equivalents as defined above and are net of outstanding bank overdrafts. Bank overdrafts are included within interest-bearing loans and borrowings in current liabilities on the balance sheet.

## (b) Revenue

Revenue is recognised and measured at fair value of the consideration received or receivable to the extent it is probable that economic benefits will flow to the Fund and the revenue can be measured reliably. The following specific recognition criteria must also be met before revenue is recognised:

### i. Interest

Interest income is recognised as interest accrues using the effective interest method. This is a method of calculating the amortised cost of a financial asset and allocating the interest income over the relevant period using the effective interest rate. This is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the net carrying amount of the financial asset.

### ii. Dividends and distributions from equities

Dividend and distribution income is received in the form of dividends, distributions and franking credits from companies within the underlying investment portfolio. Revenue is recognised when the entity's right to receive the payment is established.

### iii. Application and redemption fees

Application and redemption fee income is received when unit holders enter or exit the Fund either fully or partially. Revenue is recognised when the entity makes the corresponding transaction on behalf of the unit holder.

## (c) Financial instruments

### i. Recognition and initial measurement

Financial instruments, incorporating financial assets and financial liabilities, are recognised when the Fund becomes a party to the contractual provisions of the instruments. Trade date accounting is adopted for financial assets that are delivered within timeframes established by marketplace convention.

Financial instruments are initially measured at fair value plus transaction costs, where the instrument is not classified at fair value through profit and loss.

Transaction costs related to instruments classified at fair value through profit and loss are expensed to profit or loss immediately. Financial instruments are classified and measured as set out below.

### ii. Derecognition

Financial assets are derecognised where the contractual rights to receipt of cash flows expires or the asset is transferred to another party whereby the entity no longer has any significant continuing involvement in the risks and benefits associated with the asset.

Financial liabilities are derecognised where the related obligations are either discharged, cancelled or expire. The difference between the carrying value of the financial liability

extinguished or transferred to another party and the fair value of consideration paid, including the transfer of non-cash assets or liabilities assumed is recognised in profit or loss.

### iii. Classification and subsequent measurement

#### a) Financial assets at fair value through profit or loss

Financial assets are classified at fair value through profit or loss when they are held for trading purposes or short term profit taking, where they are derivatives not held for hedging purposes, or designated as such to avoid an accounting mismatch or to enable performance evaluation where a group of financial assets is managed by key management personnel on a fair value basis in accordance with a documented risk management or investment strategy. Realised and unrealised gains and losses arising from changes in fair value are included in profit or loss in the period in which they arise.

#### b) Held-to-maturity investments

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

#### c) Available-for-sale financial assets

Available-for-sale financial assets are non-derivative financial assets that are either designated as such or are not classified in any of the other categories. They comprise of investments in the equity of other entities where there is neither a fixed maturity nor fixed or determinable payments. After initial recognition available for sale financial assets are measured at fair value with gains or losses being recognised as a separate component of equity until the investment is derecognised or until it is determined to be impaired, at which time the cumulative gain or loss previously reported in equity is recognised in profit or loss.

### (d) Trade and other payables

Trade and other payables are recognised when the entity becomes obliged to make future payments.

### (e) Goods and services tax

Revenues, expenses and assets are recognised net of the amount of GST except:

- When the GST incurred on a purchase of goods and services is not recoverable from the taxation authority, in which case the GST is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable
- Receivables and payables, which are stated with the amount of GST included.

The net amount of GST recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the balance sheet.

Cash flows are included in the *Statement of Cash Flows* on a gross basis and the GST component of cash flows arising from investing and financing activities, which is recoverable from, or payable to, the taxation authority is classified as part of operating cash flows.

Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the taxation authority.

## (f) Impairment

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

## (g) Comparative figures

When required by accounting standards, comparative figures have been adjusted to conform to changes in presentation for the current financial year.

## (h) Income tax

The entity is exempt from income tax due to its status as a religious organisation.

	2013	2012
<b>2. Revenue</b>		
Dividends and distributions from equities	2,769,542	2,444,613
Interest received	17,748	19,943
Application and redemption fees received	14,572	15,615
	<b>2,801,862</b>	<b>2,480,171</b>

## 3. Revaluation of investments

Market value of listed equities held at year end	50,015,795	29,434,977
Less: Market value of listed equities held at start of year	(29,434,977)	(54,348,309)
Less: Equities purchased during the year	(22,663,729)	(17,302,997)
Add: Equities sold during the year	8,590,588	47,356,364
<b>Capital movement for the year</b>	<b>6,507,677</b>	<b>5,140,035</b>

Decisions by unit holders to invest or redeem funds in the UC Invest Share Fund may influence the need to buy or sell equities, depending on the monetary value of the transaction.

The amount appearing as capital movement for the year includes an amount which represents the profit / (loss) on the trading of equities to enable the Fund to process withdrawal and deposit requests; as well as capital fluctuations in the value of equities held or transacted during the year for investment purposes.

Unit Holders who invested in the Fund for the 2013 year had a total investment return of 23.95%, which compares favourably to the ASX200 Accumulation Index (industry standard Australian share benchmark) return of 20.20%.

*Refer to Appendix 1 for a listing of individual company capital movements for the year.*

	2013	2012
<b>4. Expenses</b>		
Management fees - related party	107,078	88,383
Interest paid	426	7,119
Brokerage	23,993	22,026
	<b>131,497</b>	<b>117,528</b>

## 5. Auditor's remuneration

Fee in relation to audit ( <i>paid by UC Invest</i> )	1,726	1,677
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## 6. Cash and cash equivalents

Cash at the end of the financial year as shown in the *Statement of Cash Flows* is reconciled to the related items in the balance sheet as follows:

Cash at bank	(318,330)	(86,086)
UC Invest 11am account	1,053,362	543,468
	<b>735,032</b>	<b>457,382</b>

The UC Invest 11am account is an at-call account which earns interest at floating rates based on the official Reserve Bank cash rate.

## 7. Trade and other receivables

GST receivable	-	(30)
Accrued dividends and distributions	77,329	30,913
Accrued franking credits	533,835	408,802
	<b>611,164</b>	<b>439,685</b>

## 8. Financial assets

Available-for-sale	<b>50,015,795</b>	<b>29,434,977</b>
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Available-for-sale financial assets consist of listed equities. The value of the equities held has been determined following the fund revaluing their listed equities to their fair value at year end.

## 9. Cash flow information

Reconciliation of cash flow from operations with profit

<b>Profit / (Loss) for the year</b>	<b>9,178,042</b>	<b>7,502,678</b>
<b>Non-cash items in profit</b>		
Revaluation of investments	(6,507,677)	(5,140,035)
<b>Changes in assets and liabilities</b>		
(Increase) / Decrease in receivables	(171,480)	256,608
<b>Cash flow from operating activities</b>	<b>2,498,885</b>	<b>2,619,251</b>



## 10. Contingent liabilities and contingent assets

Uniting Church Investment Committee members are not aware of any contingencies requiring disclosure in the financial statements.

## 11. Segment reporting

The Fund operates predominantly in one business and geographical segment being the investment in equities listed on the Australian Stock Exchange.

## 12. Events subsequent to reporting date

There have been no substantial events subsequent to the balance date.

## 13. Related party transactions

The UC Invest Share Fund is administered by the Uniting Church Investment Committee on behalf of The Uniting Church in Australia Property Trust (S.A.).

UC Invest receives management fees each month calculated at 0.02% of the fair value of assets held by the UC Invest Share Fund.

## 14. Financial risk management

### Financial Risk Management Policies

The entity manages its exposure to key financial risks by the application of policies approved by the Uniting Church Investment Committee (UCIC).

The Fund's exposure to interest rate risk is relatively minor with less than 1.5% of total assets at balance date exposed to interest rate sensitive investments, predominantly a UC Invest cash account which is used to cover the liquidity requirements of unit holders.

The UCIC has stipulated in its approved policies that the majority of financial assets are to be invested in equities listed on the Australian Stock Exchange.

### Financial Risk Exposures and Management

The main risks the group is exposed to through its financial instruments are liquidity risk, market risk and revenue risk.

#### i. Liquidity risk

Due to the liquid nature of the entity's financial assets, the exposure to liquidity risk is limited to the amount of time it takes to receive cash from the sale of equity investments.

Unit holders have the ability to request the redemption of funds on a weekly basis. To prevent the forced selling of investments to cover unit holder redemption requests, the Fund holds a liquidity reserve in a UC Invest cash account.

#### ii. Market risk

The financial assets held by the Fund are prone to price fluctuations and volatility. The value of investments change as economic, market and company specific conditions vary.

The fund manager does not attempt to significantly mitigate market risk. The current selection policy utilises an index approach to stock selection with 80% of the portfolio held in the ASX50 index at balance date. The remainder of the portfolio is selected from companies within the ASX100 according to specific investment criteria and a stable history of earnings performance.

Given the significant weighting of the portfolio towards index construction, there is a strong correlation between the general market return and that of the underlying investment portfolio.

### iii. Revenue risk

Revenue received (*dividends, distributions and franking credits*) from equity investments may fluctuate due to changes in market or company specific conditions.

Income distributions to unit holders are the aggregate of dividends, distributions and franking credits which are approved by individual companies. The amount of distributions can be varied by companies at any stage depending on a range of factors including economic conditions, cash flow, lending covenants, investor appetite for risk or peer distributions.

The fund manager does not distribute capital in quarterly distributions to unit holders, or operate a scheme which evens out distributions over time. All income distributions paid to unit holders are therefore market driven.

## Sensitivity Analysis

### i. Market risk

The entity has performed a sensitivity analysis relating to its exposure to price risk at balance date. This analysis demonstrates the effect on the current year results and equity which could result from a change in market value. The Fund's performance is correlated with the ASX200 index and is expected to perform similarly.

Change in profit	2013	2012
Decrease in ASX200 index by 25%	(12,503,949)	(7,358,744)
Increase in ASX200 index by 25%	12,503,949	7,358,744
<b>Change in equity</b>		
Decrease in ASX200 index by 25%	(12,503,949)	(7,358,744)
Increase in ASX200 index by 25%	12,503,949	7,358,744

### ii. Revenue risk

The entity has performed a sensitivity analysis relating to its exposure to revenue risk at balance date. This analysis demonstrates the effect on the current year results and equity which could result from a change in revenue received.

Change in profit	2013	2012
Decrease in dividends and distributions to the UC Invest Share Fund by 20%	(553,908)	(488,923)
Increase in dividends and distributions to the UC Invest Share Fund by 20%	553,908	488,923
<b>Change in equity</b>		
Decrease in dividends and distributions to the UC Invest Share Fund by 20%	(553,908)	(488,923)
Increase in dividends and distributions to the UC Invest Share Fund by 20%	553,908	488,923

## Derivative Financial Instruments

The entity does not use derivative financial instruments

## 15. Economic dependency

The Fund does not have any economic dependency on other entities of the Uniting Church SA.

## 16. Entity details

The registered office and principal place of business of the entity is:

Level 2, 212 Pirie Street  
Adelaide SA 5000

## Appendix 1 – Revaluation of investments

Company	Opening Balance	Purchases	Sales	Closing Balance	Capital Movement
AGK AGL Energy	\$ 204,369	\$ 117,619	\$ -	\$ 316,397	\$ (5,592)
AMC Amcor Ltd	\$ 253,640	\$ 821,349	\$ 327,828	\$ 940,786	\$ 193,625
AMP AMP Limited	\$ 364,155	\$ 663,802	\$ -	\$ 938,815	\$ (89,143)
ANN Ansell	\$ -	\$ 457,358	\$ 462,213	\$ 95,702	\$ 100,557
ANZ ANZ Bank	\$ 1,937,117	\$ 1,191,716	\$ -	\$ 3,881,588	\$ 752,756
APA APA Group	\$ -	\$ 201,346	\$ -	\$ 190,314	\$ (11,032)
AIO Asciano Group	\$ 117,987	\$ 474,534	\$ 503,559	\$ 213,195	\$ 124,234
ASX ASX Limited	\$ 141,881	\$ 549,136	\$ 485,323	\$ 270,296	\$ 64,602
AZJ Aurizon Holdings	\$ 156,111	\$ 381,355	\$ 256,684	\$ 362,564	\$ 81,782
BEN Bendigo & Adel Bank	\$ 255,000	\$ 163,408	\$ 45,882	\$ 488,718	\$ 116,192
BHP BHP Billiton	\$ 3,101,152	\$ 1,467,130	\$ -	\$ 4,693,475	\$ 125,193
BXB Brambles Industries	\$ 303,689	\$ 168,600	\$ -	\$ 546,877	\$ 74,588
CFX CFS Retail Property	\$ 117,032	\$ 55,587	\$ -	\$ 173,507	\$ 888
CGF Challenger Financial	\$ -	\$ 397,342	\$ 160,637	\$ 469,545	\$ 232,839
CBA Commonwealth Bank	\$ 3,113,353	\$ 1,514,258	\$ 251,210	\$ 5,308,216	\$ 931,816
CPU Computershare	\$ 118,830	\$ 62,645	\$ -	\$ 220,112	\$ 38,637
CSL CSL	\$ 718,379	\$ 323,227	\$ -	\$ 1,288,173	\$ 246,567
DXS Dexs Property	\$ 127,439	\$ 61,572	\$ -	\$ 185,199	\$ (3,812)
FMG Fortescue Metals	\$ 196,644	\$ 95,124	\$ -	\$ 376,118	\$ 84,349
GMG Goodman Group	\$ 167,099	\$ 87,973	\$ -	\$ 271,743	\$ 16,671
GPT GPT Group	\$ 152,415	\$ 77,301	\$ -	\$ 210,144	\$ (19,571)
HVN Harvey Norman	\$ -	\$ 417,288	\$ 161,897	\$ 461,644	\$ 206,254
ILU Iluka Resources	\$ 97,984	\$ 51,749	\$ -	\$ 137,122	\$ (12,612)
IPL Incitec Pivot	\$ 136,316	\$ 58,520	\$ -	\$ 165,801	\$ (29,035)
IAG Insurance Australia	\$ 241,474	\$ 152,210	\$ -	\$ 464,110	\$ 70,426
LEI Leighton Holdings	\$ 75,883	\$ 15,081	\$ 79,580	\$ -	\$ (11,385)
LLC Lend Lease Corp	\$ 125,206	\$ 510,258	\$ 64,061	\$ 690,869	\$ 119,467
MQG Macquarie Group	\$ 322,214	\$ 169,781	\$ -	\$ 680,858	\$ 188,864
MTS Metcash	\$ -	\$ 514,282	\$ -	\$ 470,357	\$ (43,926)
MGR Mirvac Group	\$ 132,099	\$ 81,391	\$ -	\$ 233,401	\$ 19,911
MND Monadelphous Group	\$ -	\$ 616,195	\$ 69,654	\$ 502,219	\$ (44,322)
MYR Myer Holdings	\$ -	\$ 398,828	\$ 10,293	\$ 464,882	\$ 76,347
NAB National Aust Bank	\$ 1,554,950	\$ 1,242,849	\$ 54,266	\$ 3,629,739	\$ 886,206
NCM New crest Mining	\$ 440,894	\$ 482,073	\$ 205,757	\$ 226,161	\$ (491,049)
NNC New s Corporation	\$ -	\$ -	\$ 42,753	\$ -	\$ 42,753
OSH Oil Search	\$ 470,750	\$ 100,999	\$ 270,506	\$ 340,312	\$ 39,069
ORI Orica	\$ 237,187	\$ 655,413	\$ 89,160	\$ 810,906	\$ 7,465
ORG Origin Energy	\$ 1,083,693	\$ 329,292	\$ 966,780	\$ 592,586	\$ 146,382
ORA Orora Ltd	\$ -	\$ -	\$ -	\$ 103,442	\$ 103,442
QAN Qantas Airw ays	\$ 87,414	\$ 38,624	\$ -	\$ 94,643	\$ (31,395)
QBE QBE Insurance	\$ 335,491	\$ 235,829	\$ -	\$ 540,970	\$ (30,350)
REC Recall Holdings	\$ -	\$ -	\$ -	\$ 48,533	\$ 48,533
RIO Rio Tinto	\$ 749,214	\$ 335,551	\$ -	\$ 1,143,651	\$ 58,887
STO Santos	\$ 719,469	\$ 894,991	\$ 737,560	\$ 1,019,389	\$ 142,490
SVW Seven Group	\$ 338,000	\$ -	\$ 348,462	\$ -	\$ 10,462
SHL Sonic Healthcare	\$ 134,406	\$ 468,940	\$ 21,796	\$ 711,066	\$ 129,516
SPN SP Ausnet	\$ -	\$ 463,263	\$ -	\$ 501,413	\$ 38,149
SGP Stockland	\$ 194,778	\$ 114,338	\$ -	\$ 316,171	\$ 7,055
SUN Suncorp Group	\$ 340,817	\$ 189,127	\$ -	\$ 648,856	\$ 118,912
SYD Sydney Airport	\$ 126,652	\$ 95,587	\$ -	\$ 242,102	\$ 19,863
TLS Telstra	\$ 2,290,321	\$ 907,662	\$ 633,119	\$ 3,001,625	\$ 436,761

## Appendix 1 – Revaluation of investments (continued)

Company		Opening Balance	Purchases	Sales	Closing Balance	Capital Movement
TOL	Toll Holdings	\$ 80,279	\$ 435,392	\$ -	\$ 603,557	\$ 87,886
TCL	Transurban	\$ 220,750	\$ 135,655	\$ -	\$ 390,133	\$ 33,728
FOX	Twenty-first Century Fox	\$ 186,078	\$ 70,137	\$ -	\$ 389,023	\$ 132,808
UGL	United Group	\$ -	\$ 432,753	\$ 331,079	\$ -	\$ (101,674)
WES	Wesfarmers	\$ 1,922,280	\$ 542,660	\$ 823,542	\$ 1,939,169	\$ 297,771
WDC	Westfield Group	\$ 574,580	\$ 249,876	\$ -	\$ 773,570	\$ (50,886)
WRT	Westfield Retail	\$ 221,001	\$ 132,292	\$ -	\$ 344,553	\$ (8,740)
WBC	Westpac Banking	\$ 2,872,889	\$ 1,257,218	\$ 528,713	\$ 4,336,200	\$ 734,806
WPL	Woodside Petroleum	\$ 1,216,902	\$ 469,059	\$ 423,076	\$ 1,415,377	\$ 152,492
WOR	WorleyParsons	\$ 358,716	\$ 66,184	\$ 235,195	\$ 139,905	\$ (49,800)
		<b>\$ 29,434,977</b>	<b>\$ 22,663,729</b>	<b>\$ 8,590,588</b>	<b>\$ 50,015,795</b>	<b>\$ 6,507,677</b>

In the opinion of the members of the Uniting Church Investment Committee:

- a) the financial statements and notes set out on pages 1 to 14 of UC Invest Share Fund – Financial Report:
  - i. complies with accounting standards and other mandatory professional reporting requirements to the extent described in Note 1; and
  - ii. gives a true and fair view of the Fund's financial position as at 31 December 2013 and of its performance, as represented by the results of its operations, changes in equity and cash flows, for the financial year ended on that date; and
- b) there are reasonable grounds to believe that the Fund will be able to pay its debts as and when they become due and payable; and

This declaration is made in accordance with a resolution of the Uniting Church Investment Committee.



**Michael McClaren**  
Chairperson  
Uniting Church Investment Committee



**Kevin Bengert**  
Member  
Uniting Church Investment Committee

Adelaide  
21 March 2014



## **INDEPENDENT AUDITOR'S REPORT TO THE UNIT HOLDERS OF UC INVEST SHARE FUND**

### **Report on the Financial Report**

We have audited the accompanying financial report, being a special purpose financial report of UC Invest Share Fund, which comprises the balance sheet as at 31 December 2013, the income statement, statement of changes in equity and cash flow statement for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information, and the declaration of the committee.

### **The Uniting Church Investment Committee's Responsibility for the Financial Report**

The Uniting Church Investment Committee is responsible for the preparation and fair presentation of the financial report, and has determined that the basis of preparation described in Note 1 is appropriate to meet the requirements of policies set by the Uniting Church Investment Committee and is appropriate to meet the needs of unit holders. The Uniting Church Investment Committee's responsibility also includes such internal control as the Uniting Church Investment Committee determines is necessary to enable the preparation and fair presentation of a financial report that is free from material misstatement, whether due to fraud or error.

### **Auditor's Responsibility**

Our responsibility is to express an opinion on the financial report based on our audit. We have conducted our audit in accordance with Australian Auditing Standards. Those standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the fund's preparation and fair presentation of the financial report 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 fund's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Uniting Church Investment Committee, as well as evaluating the overall presentation of the financial report.

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

### **Independence**

In conducting our audit, we have complied with the independence requirements of the Australian professional accounting bodies.



### **Opinion**

In our opinion the financial report presents fairly, in all material respects, the financial position of UC Invest Share Fund as at 31 December 2013, and its financial performance and its cash flows for the year then ended in accordance with the basis of preparation described in note 1 to the financial report.

### **Basis of Accounting**

Without modifying our opinion, we draw attention to Note 1 to the financial report, which describes the basis of accounting. The financial report has been prepared to assist UC Invest Share Fund meet the financial reporting requirements of policies set by the Uniting Church Investment Committee. As a result, the financial report may not be suitable for another purpose.

A handwritten signature in blue ink that reads 'BDO'.

**BDO Audit (SA) Pty Ltd**

A handwritten signature in blue ink, appearing to read 'I J Painter'.

**I J Painter**  
Director

Adelaide, 21 March 2014



UC Invest  
Direct  
Property  
Fund

December 31

2013

The UC Invest Direct Property Fund is an activity of The Uniting Church in Australia Property Trust (S.A.) ABN 25 068 897 781, the legal entity of the Uniting Church SA.

Financial  
Report

# Income Statement

For the year to 31 December 2013

	Note	2013 \$	2012 \$
Revenue	2	2,749,628	2,681,415
Revaluation of Investments		1,523,354	2,018,219
Expenses	3	(710,951)	(750,386)
Impaired Asset Write Down	5	-	(332,800)
<b>PROFIT / (LOSS) FOR THE YEAR</b>		<b>3,562,031</b>	<b>3,616,448</b>
<b>PROFIT ATTRIBUTABLE TO UNIT HOLDERS</b>		<b>3,562,031</b>	<b>3,616,448</b>

## Balance Sheet

As at 31 December 2013

	Note	2013 \$	2012 \$
<b>Assets</b>			
<b>Current Assets</b>			
Cash & Cash Equivalents	6	341,662	109,301
Trade & Other Receivables	7	539,705	475,785
<b>Total Current Assets</b>		<b>881,367</b>	<b>585,086</b>
<b>Non-Current Assets</b>			
Financial Assets	9	18,012,359	16,764,244
Investment Properties	8	14,225,400	11,475,400
<b>Total Non-Current Assets</b>		<b>32,237,759</b>	<b>28,239,644</b>
<b>Total Assets</b>		<b>33,119,126</b>	<b>28,824,730</b>
<b>Liabilities</b>			
<b>Current Liabilities</b>			
Trade & Other Payables	10	924,147	139,720
<b>Total Current Liabilities</b>		<b>924,147</b>	<b>139,720</b>
<b>Non-Current Liabilities</b>			
Borrowings	11	366,757	1,765,170
<b>Total Non-Current Liabilities</b>		<b>366,757</b>	<b>1,765,170</b>
<b>Total Liabilities</b>		<b>1,290,904</b>	<b>1,904,890</b>
<b>Net Assets</b>		<b>31,828,222</b>	<b>26,919,840</b>
<b>Equity</b>			
Unit Holders Control	12	31,828,222	26,919,840
<b>Total Equity</b>		<b>31,828,222</b>	<b>26,919,840</b>

## Statement of Changes in Equity

For the year to 31 December 2013

	Unit Holders Control	Total
Balance at 1 January 2012	24,911,335	24,911,335
Deposits for Year	343,085	343,085
Withdrawals for Year	(20,000)	(20,000)
Distributions to Unit Holders	(1,931,028)	(1,931,028)
Profit attributable to Unit Holders before impairment expenses	1,931,029	1,931,029
Impairment of asset revaluation	(332,800)	(332,800)
Realised Gain / (Loss) on sale of assets	-	-
Revaluation of investments	2,018,219	2,018,219
<b>Balance at 31 December 2012</b>	<b>26,919,840</b>	<b>26,919,840</b>
Balance at 1 January 2013	26,919,840	26,919,840
Deposits for Year	3,385,028	3,385,028
Withdrawals for Year	-	-
Distributions to Unit Holders	(2,038,678)	(2,038,678)
Profit attributable to Unit Holders before impairment expenses	2,038,678	2,038,678
Impairment of asset revaluation	-	-
Realised Gain / (Loss) on sale of assets	-	-
Revaluation of investments	1,523,354	1,523,354
<b>Balance at 31 December 2013</b>	<b>31,828,222</b>	<b>31,828,222</b>

# Statement of Cash Flows

For the year to 31 December 2013

	Note	2013 \$	2012 \$
<b>Cash Flows from Operating Activities</b>			
Receipts		2,157,616	2,145,335
Payments		(85,286)	(134,997)
<b>Net cash flows provided by / (used in) operating activities</b>	13	<b>2,072,330</b>	<b>2,010,338</b>
<b>Cash Flows from Investing Activities</b>			
Sale of investments		-	-
Upgrade of investment property		(289,049)	-
Purchase of investments		(770,714)	-
<b>Net cash flows provided by / (used in) investing activities</b>		<b>(1,059,763)</b>	<b>-</b>
<b>Cash Flows from Financing Activities</b>			
Distributions to Unit Holders		(1,322,937)	(1,925,161)
Withdrawals by Unit Holders		-	(20,000)
Proceeds from borrowings		611,000	180,000
Deposits by Unit Holders		1,885,029	-
Loan repayments		(1,953,298)	(390,000)
<b>Net cash flows provided by / (used in) financing activities</b>		<b>(780,206)</b>	<b>(2,155,161)</b>
Net increase / (decrease) in cash held		232,361	(144,823)
Cash at beginning of year		109,301	254,124
<b>Cash at End of Year</b>	6	<b>341,662</b>	<b>109,301</b>

## 1. Statement of significant accounting policies

The financial report of the UC Invest Direct Property Fund (*"the Fund"*) for the year ended 31 December 2013 was adopted by the Uniting Church Investment Committee (UCIC) on 21 March 2014.

### Operations and principal activities

This financial report covers the UC Invest Direct Property Fund as an individual entity. The Fund is an activity of The Uniting Church in Australia Property Trust (S.A.), which was established by an Act of the South Australian Parliament in 1977. All assets of the Fund are held in the name of The Uniting Church in Australia Property Trust (S.A.).

The UC Invest Direct Property Fund is a unitised managed fund which invests in unlisted property trusts and real property. It is only available to Uniting Church organisations. The Fund does not accept investments from individual members of the public.

The Fund distributes net revenue received to unit holders on a quarterly basis. All unit holders are exposed to the market risk of the Fund, which results in their investments fluctuating in line with the underlying performance of the Fund.

### Uniting Church Investment Committee Members

Michael McClaren (Non-executive Chairperson)

Allison Ashby (Non-executive)

Kevin Bengel (Non-executive)

Tom Adams (Non-executive)

Peter Battersby (Executive) – Remunerated by the Uniting Church SA

UC Invest manages the administration and investment strategy of the Fund and receives a quarterly management fee.

### Basis of preparation

The UCIC has determined that the Fund is not a reporting entity and therefore this financial report is a special purpose report intended for internal use.

The financial report has been prepared on a going concern basis in accordance with the following Australian Accounting Standards and other mandatory professional reporting requirements:

AASB 1031: Materiality

AASB 110: Events After the Reporting Period

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

### Reporting basis and conventions

The financial report has been prepared on a historical cost basis, except for available-for-sale investments which have been measured at fair value.

The following is a summary of the material accounting policies adopted by the entity in the preparation of the financial report. The accounting policies have been consistently applied, unless otherwise stated.

## (a) Cash and cash equivalents

Cash and cash equivalents in the balance sheet comprise cash at bank, cash in hand and short term deposits with an original maturity of three months or less. These deposits are convertible to known amounts of cash and are subject to an insignificant risk of changes in value.

For the purposes of the *Statement of Cash Flows*, cash and cash equivalents consist of cash and cash equivalents as defined above and are net of outstanding bank overdrafts. Bank overdrafts are included within interest-bearing loans and borrowings in current liabilities on the balance sheet.

## (b) Revenue

Revenue is recognised and measured at fair value of the consideration received or receivable to the extent it is probable that economic benefits will flow to the Fund and the revenue can be measured reliably. The following specific recognition criteria must also be met before revenue is recognised:

### i. Interest

Interest income is recognised as interest accrues using the effective interest method. This is a method of calculating the amortised cost of a financial asset and allocating the interest income over the relevant period using the effective interest rate. This is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the net carrying amount of the financial asset.

### ii. Distributions from managed funds

Distribution income is received in the form of distributions from units invested in unlisted property trusts. Revenue is recognised when the entity's right to receive the payment is established.

### iii. Gross rental income

Gross rental income is received in the following form:

- Distributions from managers of the 212 Pirie Street Adelaide property which is received net of expenses incurred on the property
- Rent paid by the tenant of the property to the rear of the Enfield Uniting Church South Australia property (i.e. rent for the Sefton Plaza Shopping Centre car park from the shopping centre owners).

## (c) Financial instruments

### i. Recognition and initial measurement

Financial instruments, incorporating financial assets and financial liabilities, are recognised when the Fund becomes a party to the contractual provisions of the instruments. Trade date accounting is adopted for financial assets that are delivered within timeframes established by marketplace convention.

Financial instruments are initially measured at fair value plus transaction costs, where the instrument is not classified at fair value through profit and loss.

Transaction costs related to instruments classified at fair value through profit and loss are expensed to profit or loss immediately. Financial instruments are classified and measured as set out below.

### ii. Derecognition

Financial assets are derecognised where the contractual rights to receipt of cash flows expires or the asset is transferred to another party whereby the entity no longer has any significant continuing involvement in the risks and benefits associated with the asset.

Financial liabilities are derecognised where the related obligations are either discharged, cancelled or expire. The difference between the carrying value of the financial liability

extinguished or transferred to another party and the fair value of consideration paid, including the transfer of non-cash assets or liabilities assumed is recognised in profit or loss.

### iii. Classification and subsequent measurement

#### a) Financial assets at fair value through profit or loss

Financial assets are classified at fair value through profit or loss when they are held for trading purposes or short term profit taking, where they are derivatives not held for hedging purposes, or designated as such to avoid an accounting mismatch or to enable performance evaluation where a group of financial assets is managed by key management personnel on a fair value basis in accordance with a documented risk management or investment strategy. Realised and unrealised gains and losses arising from changes in fair value are included in profit or loss in the period in which they arise.

#### b) Held-to-maturity investments

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

#### c) Available-for-sale financial assets

Available-for-sale financial assets are non-derivative financial assets that are either designated as such or are not classified in any of the other categories. They comprise of investments in the equity of other entities where there is neither a fixed maturity nor fixed or determinable payments. After initial recognition available for sale financial assets are measured at fair value with gains or losses being recognised as a separate component of equity until the investment is derecognised or until it is determined to be impaired, at which time the cumulative gain or loss previously reported in equity is recognised in profit or loss.

### (d) Trade and other payables

Trade and other payables are recognised when the entity becomes obliged to make future payments.

### (e) Goods and services tax

Revenues, expenses and assets are recognised net of the amount of GST except:

- When the GST incurred on a purchase of goods and services is not recoverable from the taxation authority, in which case the GST is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable
- Receivables and payables, which are stated with the amount of GST included.

The net amount of GST recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the balance sheet.

Cash flows are included in the *Statement of Cash Flows* on a gross basis and the GST component of cash flows arising from investing and financing activities, which is recoverable from, or payable to, the taxation authority is classified as part of operating cash flows.

Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the taxation authority.



**(f) Impairment**

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

**(g) Comparative figures**

When required by accounting standards, comparative figures have been adjusted to conform to changes in presentation for the current financial year.

**(h) Income tax**

The entity is exempt from income tax due to its status as a religious organisation.

**2. Revenue**

	<b>2013</b>	<b>2012</b>
Interest received	6,414	5,434
Managed fund income	1,429,665	1,030,253
Gross rental income	1,313,549	1,645,728
	<b>2,749,628</b>	<b>2,681,415</b>

**3. Expenses**

Management fees - related party	16,952	16,952
Interest paid	28,885	107,485
Property expenses	665,114	625,949
	<b>710,951</b>	<b>750,386</b>

**4. Auditor's remuneration**

Fee in relation to audit ( <i>paid by UC Invest</i> )	1,726	1,677
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**5. Impaired asset write down**

An investment in the *Domaine Diversified Property Fund* was substantially revalued down during 2008. The unlisted fund had five properties which were sold to wind up the fund. This investment was classified as impaired by the UC Invest Board as at 31 December 2008.

This fund has now been wound up by the fund's managers and receivers. There was zero value in the fund upon the sale of all assets.

2013

2012

## 6. Cash and cash equivalents

Cash at the end of the financial year as shown in the *Statement of Cash Flows* is reconciled to the related items in the balance sheet as follows:

UC Invest 11am account	341,662	109,301
	<b>341,662</b>	<b>109,301</b>

The UC Invest 11am account is an at-call account which earns interest at floating rates based on the official Reserve Bank cash rate.

## 7. Trade and other receivables

Other debtors	300,160	308,539
GST receivable	3,574	-
Knight Frank (Agents for 212 Pirie Street property)	91,140	2,969
Uniting Church SA rent receivable	144,831	164,277
	<b>539,705</b>	<b>475,785</b>

## 8. Investment properties

### Non-Current Assets

Investment properties	<b>14,225,400</b>	<b>11,475,400</b>
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An office building located at 212 Pirie Street Adelaide was valued as at 30 January 2014 by M3 Property at \$13.5 million. This property was last valued by a licensed property valuer (Egans) at \$10.75 million as at 12 April 2012. Since the April 2012 revaluation, this property has had expenditure paid out on a replacement of its air conditioning plant and equipment, and an extensive refit to two levels costing \$1.7 million. Consequently the revaluation of \$1.05 million has been included in the *Income Statement* under *Revaluation of Investments*.

A shopping centre car park located at Sefton Plaza shopping complex was valued as at 31 December 2009 by Maloney Field Services at \$725,400.

The carrying amount of all investment properties are assessed annually for impairment. Assets are also revalued if there is evidence of a material change in property values.

## 9. Financial assets

### Non-Current Assets

Available for sale	18,012,359	16,764,244
	<b>18,012,359</b>	<b>16,764,244</b>

Available for sale financial assets consist of units held in unlisted property funds. The value of the unlisted property fund units has been determined following the fund revaluing their units to their fair value at 31 December 2013 as published by the Fund's administrators.

Unlisted Property Fund	Units Held	Market Value 31/12/2013
Dexus Wholesale Property Fund	8,270,905	6,659,832
Australian Prime Property Fund Industrial	4,519	5,964,227
Investa Commercial Property Fund	4,500,000	5,388,300
		<b>18,012,359</b>

	2013	2012
<b>10. Trade and other payables</b>		
GST payable	-	10,631
Management fees payable	4,238	4,238
Other creditors	108,513	29,194
Amount owed in distributions	811,396	95,657
	<b>924,147</b>	<b>139,720</b>

## 11. Borrowings

### Non-Current Liabilities

Loan from UC Invest	366,757	1,765,170
	<b>366,757</b>	<b>1,765,170</b>

UC Invest Direct Property Fund borrowed from UC Invest on commercial terms to finance the purchase of units in Investa Commercial Property Fund, Dexus Diversified Property Fund and Australian Prime Property Fund Industrial. The facility can be repaid at anytime without penalties.

## 12. Equity

As at 31 December 2013 there were 274,095.01 units issued to Unit Holders valued at \$116.12 per unit. The following entities are unit holders in the UC Invest Direct Property Fund as at 31 December 2013:

Unit Holder	Units Held
UC Invest	213,715.96
Mission & Service Fund	21,545.63
RH White Settlement	13,437.96
Epworth SA	12,640.80
Uniting Foundation	4,505.43
UCA Insurance Services	8,249.23
	<b>274,095.01</b>

## 13. Cash flow information

Reconciliation of cash flow from operations with profit

<b>Profit / (Loss) for the year before revaluation of assets</b>	<b>2,038,677</b>	<b>1,598,229</b>
<b>Non-cash items in profit</b>		
Impaired asset expenses	-	332,800
Loan interest capitalised	28,885	107,486
<b>Changes in assets and liabilities</b>		
(Increase) / Decrease in operating receivables	(63,920)	(23,191)
Increase / (Decrease) in operating payables	68,688	(4,986)
<b>Cash flow from operating activities</b>	<b>2,072,330</b>	<b>2,010,338</b>

Operating receivables and operating payables are receivables and payables which have been decreased by unit holder related balances. These unit holder balances include capital contributions payable and distributions payable.

## 14. Contingent liabilities and contingent assets

Uniting Church Investment Committee members are not aware of any contingencies requiring disclosure in the financial statements.

## 15. Segment reporting

The Fund operates predominantly in one business and geographical segment being the investment in commercial property in Australia.

## 16. Events subsequent to reporting date

There have been no substantial events subsequent to the balance date.

## 17. Related party transactions

The UC Invest Direct Property Fund is administered by the Uniting Church Investment Committee on behalf of The Uniting Church in Australia Property Trust (S.A.).

UC Invest receives management fees of \$4,238 per quarter.

## 18. Financial risk management

### Financial Risk Management Policies

The entity's financial instruments consist of an 11am cash account with a related party and investments in real and unlisted property trusts.

The entity manages its exposure to key financial risks in accordance with its written policies.

The entity's exposure to interest rate risk is not material as only minimal cash is ever held.

### Financial Risk Exposures and Management

The main risks the group is exposed to through its financial instruments are liquidity risk, market risk and revenue risk.

#### i. Liquidity risk

The entity invests in real property and unlisted property trusts. Both of these investment sectors are illiquid in the short term.

Due to the nature of the entity's real property assets it would be expected that a three to six month period would be required to realise the assets at fair value.

During 2008 and 2009, unlisted property investments became illiquid. The adverse economic environment caused most trusts to suspend any internal liquidity facilities. Most unlisted property funds have since recommenced liquidity facilities.

Investors in the UC Invest Direct Property Fund are internal investors who have given no indication that they need to sell property assets for cash flow purposes in the foreseeable future.

UC Invest Direct Property Fund manages liquidity by only distributing distributions received. The Fund does not allow withdrawals from the Fund without the transfer of units to another unit holder or the sale of assets.

**ii. Valuation risk**

The investment assets that the entity holds are of a fluctuating nature, both in terms of revenue received and the current market value of the underlying assets. The value of these investments fluctuate as economic, market and building specific conditions vary.

If there is a lack of willing buyers, the current fair value of these assets may be lower than the long term cashflow valuation method would indicate that these assets should be worth in a competitive market place.

UC Invest Direct Property Fund has liabilities of less than 15% of the value of unit holders funds and will not be selling assets into a depressed marketplace. This fund can withstand substantial downward revisions of valuations without impacting on its ability to continue.

**iii. Revenue risk**

Rent and distribution revenue received from property investments may fluctuate due to changes in market conditions.

Property rent growth is dependent on demand for rental properties in the particular segments and geographic location of the investments. Almost half the assets of the fund are represented by two properties in the Adelaide market.

The 212 Pirie Street Adelaide property is now tenanted for two whole floors for a period through until 2020, with a further 5 years optioned by a large not-for-profit organisation.

The shopping centre carpark is under a long term contract and by law is needed by the shopping centre owners to operate their complex (parking regulations as set out by municipal bodies).

The revenue risk associated with unlisted property trusts is currently not fully known. A strength of unlisted property trusts are the diversified nature of their underlying investments and therefore revenue stream. This protects investors from concentration risk in particular geographic areas and property types. This should protect against some revenue risk, however it is more likely to ensure a more general economic trend will be seen in revenues received.

Rent revenue is also likely to be redirected by the unlisted trusts towards debt reduction in lieu of distributions to unit holders in times of financial stress. Decreases in valuations may cause lending covenants from banks to dictate this course of action, or find trusts unable to refinance debts when due. A lack of capital injections from unit holders make this course of action more likely.

The amount of distributions can be varied by trust managers at any stage depending on economic conditions and many other factors including cash flow, lending covenants, investor appetite for risk or peer distributions.

UC Invest Direct Property Fund only distributes revenue which it receives and can continue to operate at any level of revenue received.

## Sensitivity Analysis

### i. Valuation risk

The entity has performed a sensitivity analysis relating to its exposure to valuation risk at balance date. This sensitivity analysis demonstrates the effect on the current year results and equity which could result from a change in these risks.

Change in profit	2013	2012
Decrease in real and unlisted property valuations by 20%	-	-
Increase in real and unlisted property valuations by 20%	-	-
<b>Change in equity</b>		
Decrease in real and unlisted property valuations by 20%	(6,447,552)	(5,647,929)
Increase in real and unlisted property valuations by 20%	6,447,552	5,647,929

### ii. Property revenue risk

The entity has performed a sensitivity analysis relating to its exposure to property revenue risk at balance date. This sensitivity analysis demonstrates the effect on the current year results and equity which could result from a change in these risks.

Change in profit	2013	2012
Decrease in real and unlisted property revenue by 20%	(548,643)	(535,196)
Increase in real and unlisted property revenue by 20%	548,643	535,196
<b>Change in equity</b>		
Decrease in real and unlisted property revenue by 20%	(548,643)	(535,196)
Increase in real and unlisted property revenue by 20%	548,643	535,196

## Derivative Financial Instruments

The entity does not use derivative financial instruments

## 19. Economic dependency

The Fund does not have any economic dependency on other entities of the Uniting Church SA except for the Mission & Service Fund who is a tenant at the 212 Pirie Street property.

## 20. Entity details

The registered office and principal place of business of the entity is:

Level 2, 212 Pirie Street  
Adelaide SA 5000

In the opinion of the members of the Uniting Church Investment Committee:

- a) the financial statements and notes set out on pages 1 to 13 of UC Invest Direct Property Fund – Financial Report:
  - i. complies with accounting standards and other mandatory professional reporting requirements to the extent described in Note 1; and
  - ii. gives a true and fair view of the Fund's financial position as at 31 December 2013 and of its performance, as represented by the results of its operations, changes in equity and cash flows, for the financial year ended on that date; and
- b) there are reasonable grounds to believe that the Fund will be able to pay its debts as and when they become due and payable; and

This declaration is made in accordance with a resolution of the Uniting Church Investment Committee.



**Michael McClaren**  
Chairperson  
Uniting Church Investment Committee



**Kevin Bengert**  
Member  
Uniting Church Investment Committee

Adelaide  
21 March 2014



## **INDEPENDENT AUDITOR'S REPORT TO THE UNIT HOLDERS OF UC INVEST DIRECT PROPERTY FUND**

### **Report on the Financial Report**

We have audited the accompanying financial report, being a special purpose financial report of UC Invest Direct Property Fund, which comprises the balance sheet as at 31 December 2013, the income statement, statement of changes in equity and cash flow statement for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information, and the declaration of the committee.

### **The Uniting Church Investment Committee's Responsibility for the Financial Report**

The Uniting Church Investment Committee is responsible for the preparation and fair presentation of the financial report, and has determined that the basis of preparation described in Note 1 is appropriate to meet the requirements of policies set by the Uniting Church Investment Committee and is appropriate to meet the needs of the unit holders. The Uniting Church Investment Committee's responsibility also includes such internal control as the Uniting Church Investment Committee determines is necessary to enable the preparation and fair presentation of a financial report that is free from material misstatement, whether due to fraud or error.

### **Auditor's Responsibility**

Our responsibility is to express an opinion on the financial report based on our audit. We have conducted our audit in accordance with Australian Auditing Standards. Those standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the fund's preparation and fair presentation of the financial report 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 fund's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Uniting Church Investment Committee, as well as evaluating the overall presentation of the financial report.

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

### **Independence**

In conducting our audit, we have complied with the independence requirements of the Australian professional accounting bodies.





### **Opinion**

In our opinion the financial report presents fairly, in all material respects, the financial position of UC Invest Direct Property Fund as at 31 December 2013, and its financial performance and its cash flows for the year then ended in accordance with the basis of preparation described in note 1 to the financial report.

### **Basis of Accounting**

Without modifying our opinion, we draw attention to Note 1 to the financial report, which describes the basis of accounting. The financial report has been prepared to assist UC Invest Direct Property Fund meet the financial reporting requirements of policies set by the Uniting Church Investment Committee. As a result, the financial report may not be suitable for another purpose.

A handwritten signature in blue ink, appearing to read 'I J Painter', written over the printed name.

**BDO Audit (SA) Pty Ltd**

A large, stylized handwritten signature in blue ink, appearing to read 'I J Painter', written over the printed name.

**I J Painter**  
Director

Adelaide, 21 March 2014

UC Invest

December 31

2013

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UC Invest is an activity of The Uniting Church in Australia Property Trust  
(S.A.) ABN 25 068 897 781, the legal entity of the Uniting Church SA.

Financial  
Report

# Statement of Comprehensive Income

For the year to 31 December 2013

	Note	2013 \$	2012 \$
Revenue	2	10,856,159	11,231,145
Expenses	3	(744,936)	(656,893)
Finance costs	4	(6,977,782)	(7,982,033)
<b>OPERATING PROFIT / (LOSS) FOR THE YEAR</b>		<b>3,133,441</b>	<b>2,592,219</b>
Foreign exchange currency gains / (losses)	6	440,689	25,579
Forward exchange contract fair value movements	6	(447,676)	59,449
Realised profit / (loss) on sale of assets	7	224,277	640,296
Reinstated assets which were previously written-off	8	-	2,357,368
<b>PROFIT / (LOSS) FOR THE YEAR</b>		<b>3,350,731</b>	<b>5,674,911</b>
<b>Other Comprehensive Income</b>			
Gains / (Losses) on revaluing available-for-sale financial assets	7	3,751,254	5,841,540
<b>TOTAL COMPREHENSIVE INCOME FOR THE YEAR</b>		<b>7,101,985</b>	<b>11,516,451</b>

# Statement of Financial Position

As at 31 December 2013

	Note	2013 \$	2012 \$
<b>Assets</b>			
<b>Current Assets</b>			
Cash & cash equivalents	10	11,171,139	7,913,001
Trade & other receivables	11	1,340,543	3,327,002
Financial assets	12	16,496,424	17,185,718
Other assets	13	405,211	-
<b>Total Current Assets</b>		<b>29,413,317</b>	<b>28,425,721</b>
<b>Non-Current Assets</b>			
Financial assets	12	146,652,702	141,579,663
Other assets	13	-	287,120
Property, plant & equipment		75,320	100,740
<b>Total Non-Current Assets</b>		<b>146,728,022</b>	<b>141,967,523</b>
<b>Total Assets</b>		<b>176,141,339</b>	<b>170,393,244</b>
<b>Liabilities</b>			
<b>Current Liabilities</b>			
Financial liabilities	14	124,325,410	121,881,982
Trade & other payables	15	1,365,784	2,091,805
Provisions	16	114,674	99,247
Other liabilities	17	358,900	-
<b>Total Current Liabilities</b>		<b>126,164,768</b>	<b>124,073,034</b>
<b>Non-Current Liabilities</b>			
Financial liabilities	14	27,082,650	28,848,274
<b>Total Non-Current Liabilities</b>		<b>27,082,650</b>	<b>28,848,274</b>
<b>Total Liabilities</b>		<b>153,247,418</b>	<b>152,921,308</b>
<b>Net Assets</b>		<b>22,893,921</b>	<b>17,471,936</b>
<b>Equity</b>			
Accumulated funds		14,135,109	11,357,380
Asset revaluation reserve	9	8,758,812	6,114,556
<b>Total Equity</b>		<b>22,893,921</b>	<b>17,471,936</b>

## Statement of Changes in Equity

For the year to 31 December 2013

	Accumulated Funds	Asset Revaluation Reserve	Total
Balance at 1 January 2012	7,362,399	(36,914)	7,325,485
Total comprehensive income	5,674,911	5,841,540	11,516,451
Transfer of revaluation reserve on sale	(309,930)	309,930	-
Transfer of grants to Uniting Church SA	(1,370,000)	-	(1,370,000)
<b>Balance at 31 December 2012</b>	<b>11,357,380</b>	<b>6,114,556</b>	<b>17,471,936</b>
Balance at 1 January 2013	11,357,380	6,114,556	17,471,936
Total comprehensive income	3,350,731	3,751,254	7,101,985
Transfer of revaluation reserve on sale	1,106,998	(1,106,998)	-
Transfer of grants to Uniting Church SA	(1,680,000)	-	(1,680,000)
<b>Balance at 31 December 2013</b>	<b>14,135,109</b>	<b>8,758,812</b>	<b>22,893,921</b>

# Statement of Cash Flows

For the year to 31 December 2013

	Note	2013 \$	2012 \$
<b>Cash Flows from Operating Activities</b>			
Receipts		224,224	394,390
Interest received		7,483,093	8,062,431
Distributions received		2,585,104	2,832,400
Payments		(940,408)	(599,448)
Finance costs		(7,463,092)	(8,000,893)
<b>Net cash flows provided by / (used in) operating activities</b>	18	<b>1,888,921</b>	<b>2,688,880</b>
<b>Cash Flows from Investing Activities</b>			
Sale of investments		47,666,574	48,748,588
Purchase of investments		(48,780,010)	(69,144,843)
<b>Net cash flows provided by / (used in) investing activities</b>		<b>(1,113,436)</b>	<b>(20,396,255)</b>
<b>Cash Flows from Financing Activities</b>			
Grants to the Uniting Church SA		(1,680,000)	(1,370,000)
Investments by investors		78,514,566	146,636,308
Withdrawals by investors		(74,351,913)	(125,202,910)
<b>Net cash flows provided by / (used in) financing activities</b>		<b>2,482,653</b>	<b>20,063,398</b>
Net increase / (decrease) in cash held		3,258,138	2,356,023
Cash at beginning of year		7,913,001	5,556,978
<b>Cash at End of Year</b>	10	<b>11,171,139</b>	<b>7,913,001</b>

## 1. Statement of significant accounting policies

The financial report of UC Invest for the year ended 31 December 2013 was adopted by the Uniting Church Investment Committee on 21 March 2014.

### Operations and principal activities

This financial report covers UC Invest as an individual entity. UC Invest is an activity of The Uniting Church in Australia Property Trust (S.A.), which was established by an Act of the South Australian Parliament in 1977. All assets of UC Invest are held in the name of The Uniting Church in Australia Property Trust (S.A.).

UC Invest provides investment services for the Uniting Church community. These services include at call and fixed term investments and a suite of managed funds for Uniting Church and Churches of Christ SA entities.

### Uniting Church Investment Committee Members

Michael McClaren (Non-Executive Chairperson)

Kevin Bengier (Non-Executive)

Allison Ashby (Non-Executive)

Tom Adams (Non-Executive)

Peter Battersby (Executive) – Remunerated by Uniting Church SA

### New accounting standards and interpretations

UC Invest has adopted all of the new and revised standards and interpretations issued by the Australian Accounting Standards Board (AASB) that are relevant to its operations and effective for the current reporting period.

Apart from the changes in accounting policy noted below, the accounting policies and methods of computation remain unchanged from the previous financial year.

New and revised standards and interpretations effective for the current reporting period that are relevant to UC Invest include:

Amendments to AASB 2009-12, 2010-3, 2010-4 and 2010-5.

Any new, revised or amending Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

### Basis of preparation

The financial report is a general purpose financial report that has been prepared on a going concern basis in accordance with Australian Accounting Standards and other authoritative pronouncements of the Australian Accounting Standards Board to enable compliance of the Uniting Church Investment Committee and its by-laws.

### Compliance with IFRS

The financial report complies with Australian Accounting Standards and International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board.

### Reporting basis and conventions

The financial report has been prepared on a historical cost basis, except for available-for-sale investments which have been measured at fair value.

The following is a summary of the material accounting policies adopted by the entity in the preparation of the financial report. The accounting policies have been consistently applied, unless otherwise stated.

## (a) Cash and cash equivalents

Cash and cash equivalents in the balance sheet comprise cash at bank, cash in hand and short term deposits with an original maturity of three months or less. These deposits are convertible to known amounts of cash and are subject to an insignificant risk of changes in value.

For the purposes of the *Statement of Cash Flows*, cash and cash equivalents consist of cash and cash equivalents as defined above and are net of outstanding bank overdrafts. Bank overdrafts are included within interest-bearing loans and borrowings in current liabilities on the balance sheet.

## (b) Revenue

Revenue is recognised and measured at fair value of the consideration received or receivable to the extent it is probable that economic benefits will flow to the Fund and the revenue can be measured reliably. The following specific recognition criteria must also be met before revenue is recognised:

### i. Interest

Interest income is recognised as interest accrues using the effective interest method. This is a method of calculating the amortised cost of a financial asset and allocating the interest income over the relevant period using the effective interest rate. This is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the net carrying amount of the financial asset.

### ii. Dividends and distributions from equities

Dividend and distribution income is received in the form of dividends, distributions and franking credits from equity investments held by UC Invest. Revenue is recognised when the entity's right to receive the payment is established.

## (c) Financial instruments

### i. Recognition and initial measurement

Financial instruments, incorporating financial assets and financial liabilities, are recognised when the Fund becomes a party to the contractual provisions of the instruments. Trade date accounting is adopted for financial assets that are delivered within timeframes established by marketplace convention.

Financial instruments are initially measured at fair value plus transaction costs, where the instrument is not classified at fair value through profit and loss.

Transaction costs related to instruments classified at fair value through profit and loss are expensed to profit or loss immediately. Financial instruments are classified and measured as set out below.

### ii. Derecognition

Financial assets are derecognised where the contractual rights to receipt of cash flows expires or the asset is transferred to another party whereby the entity no longer has any significant continuing involvement in the risks and benefits associated with the asset.

Financial liabilities are derecognised where the related obligations are either discharged, cancelled or expire. The difference between the carrying value of the financial liability extinguished or transferred to another party and the fair value of consideration paid, including the transfer of non-cash assets or liabilities assumed is recognised in profit or loss.



## iii. Classification and subsequent measurement

### a) Financial assets at fair value through profit or loss

Financial assets are classified at fair value through profit or loss when they are held for trading purposes or short term profit taking, where they are derivatives not held for hedging purposes, or designated as such to avoid an accounting mismatch or to enable performance evaluation where a group of financial assets is managed by key management personnel on a fair value basis in accordance with a documented risk management or investment strategy. Realised and unrealised gains and losses arising from changes in fair value are included in profit or loss in the period in which they arise.

### b) Held-to-maturity investments

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

### c) Available-for-sale financial assets

Available-for-sale financial assets are non-derivative financial assets that are either designated as such or are not classified in any of the other categories. They comprise of investments in the equity of other entities where there is neither a fixed maturity nor fixed or determinable payments. After initial recognition available for sale financial assets are measured at fair value with gains or losses being recognised as a separate component of equity until the investment is derecognised or until it is determined to be impaired, at which time the cumulative gain or loss previously reported in equity is recognised in profit or loss.

### d) Trade and other payables

Trade and other payables are recognised when the entity becomes obliged to make future payments.

### e) Goods and services tax

Revenues, expenses and assets are recognised net of the amount of GST except:

- When the GST incurred on a purchase of goods and services is not recoverable from the taxation authority, in which case the GST is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable
- Receivables and payables, which are stated with the amount of GST included.

The net amount of GST recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the balance sheet.

Cash flows are included in the *Statement of Cash Flows* on a gross basis and the GST component of cash flows arising from investing and financing activities, which is recoverable from, or payable to, the taxation authority is classified as part of operating cash flows.

Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the taxation authority.

### f) Impairment

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

## (d) Comparative figures

When required by accounting standards, comparative figures have been adjusted to conform to changes in presentation for the current financial year.

## (e) Income tax

The entity is exempt from income tax due to its status as a religious organisation.

	2013	2012
<b>2. Revenue</b>		
Dividends and distributions	3,060,654	2,692,041
Interest received	7,376,439	8,183,263
Foreign currency note income <i>(See Note 6 below)</i>	192,832	180,583
Management fees received	210,884	175,258
Other income	15,350	-
	<b>10,856,159</b>	<b>11,231,145</b>

## 3. Expenses

Administration	722,936	612,893
Investment managers retainers & performance bonus	22,000	44,000
	<b>744,936</b>	<b>656,893</b>

## 4. Finance costs

Interest paid to investors	6,969,637	7,966,843
Interest paid on bank facilities	8,145	15,190
	<b>6,977,782</b>	<b>7,982,033</b>

## 5. Auditor's remuneration

Audit fee paid for UC Invest	11,470	11,597
Audit fees paid for other UC Invest managed funds	6,904	7,600
Business advisory services	27,030	9,593
	<b>45,404</b>	<b>28,790</b>

## 6. Foreign exchange transactions

On 25 November 2011 UC Invest purchased 20,000 EURO denominated corporate notes issued by ANZ Capital Trust 3, a wholly owned entity of the Australian and New Zealand Banking Group. These notes, with a face value of €2,000,000, were purchased for €1,570,000 (*AUD \$2,172,409*) and have a call date of 15 December 2014. These EURO notes have been treated as 'held to maturity' financial assets in this financial report.

To mitigate the risk of currency fluctuations, UC Invest entered into a Forward Exchange Contract (FEC) with Westpac Banking Corporation on 8 December 2011 to sell €2,000,000 on 16 December 2014 in exchange for AUD \$2,830,055.

*Foreign Exchange Currency Gains / (Losses)* in the *Statement of Comprehensive Income* of \$440,689 represents the difference in value for the reporting period of €1,570,000 translated to Australian

dollars. The EURO/AUD exchange rate on 31 December 2012 was 0.77621 whereas on 31 December 2013 it was 0.641. The result is that the ANZ Capital Notes would have cost \$440,689 more if purchased on 31 December 2013 than the previous balance date.

*Forward Exchange Contract (FEC) Fair Value Movements* in the *Statement of Comprehensive Income* represents the change in value of the FEC over the reporting period. The original FEC contract with Westpac was executed at a EURO/AUD exchange rate of 0.7067. As at 31 December 2013 the FEC could have been closed out with a resultant loss to UC Invest of \$358,900. At the end of the 2012 reporting period the FEC had a fair value of \$88,776. This amount was reversed out in the 2013 reporting period resulting in a total loss of \$447,676 to UC Invest from the fair value movements of the FEC.

As these EURO notes are treated as held-to-maturity financial assets, the difference between the purchase price of €1,570,000 and the maturity face value of €2,000,000 will be evenly amortised from the purchase date to the 15 December 2014 call date. The EURO accrual of €295,529 is translated to AUD using the average exchange rate for the reporting period. This AUD \$405,211 accrual is recognised in *Other Current Assets* in the *Statement of Financial Position*.

## 7. Changes in the value of financial assets

The following have been recognised in the 2013 *Statement of Financial Performance*:

Investments	Total changes in Available-for-Sale financial assets for year	Gains / (Losses) on revaluing Available-for-Sale financial assets	Impaired losses	Realised profit / (loss) on sale
UC Invest Share Fund	1,723,066	1,723,066	-	-
UC Invest Direct Property Fund	1,191,488	1,191,488	-	-
UC Invest Dividend Income Fund	(42,237)	-	-	(42,237)
Corporate Notes	1,030,261	798,713	-	231,548
Listed Australian Hybrids	72,953	37,987	-	34,966
	<b>3,975,531</b>	<b>3,751,254</b>	<b>-</b>	<b>224,277</b>

The following have been recognised in the 2012 *Statement of Financial Performance*:

Investments	Total changes in Available-for-Sale financial assets for year	Gains / (Losses) on revaluing Available-for-Sale financial assets	Impaired losses	Realised profit / (loss) on sale
UC Invest Share Fund	829,864	746,436	-	83,428
UC Invest Direct Property Fund	1,316,862	1,316,862	-	-
UC Invest Dividend Income Fund	325,467	325,467	-	-
Corporate Notes	3,948,679	3,370,507	-	578,172
Listed Australian Hybrids	60,964	82,268	-	(21,304)
	<b>6,481,836</b>	<b>5,841,540</b>	<b>-</b>	<b>640,296</b>

## 8. Reinstated assets which were previously written-off

UC Invest purchased three Lehman Brothers originated Collateralised Debt Obligation (CDO) investments for a consideration of \$2.5 million prior to 2008. The significant events of the 2008 global financial crisis included Lehman Brothers filing for bankruptcy which resulted in Lehman Brothers Administrators seeking to retain the funds from these investments for Lehman Brothers creditors.

In late 2012 a settlement agreement was made between Lehman Brothers administrators and investors. Funds were released to investors in early 2013 with UC Invest receiving \$2,357,368 on 26 February 2013 as settlement for the three CDOs.

## 9. Asset revaluation reserve

Investments	Asset revaluation reserve as at 31/12/2012	+	Inc / (Dec) in market value during year	+	Transfer (to) / from accumulated funds on sale	=	Asset revaluation reserve as at 31/12/2013
UC Invest Share Fund	33,003		1,723,066		-		1,756,069
UC Invest Direct Property Fund	1,544,974		1,191,488		-		2,736,462
UC Invest Dividend Income Fund	325,467		-		(325,467)		-
Corporate Notes	4,128,845		798,713		(732,098)		4,195,460
Listed Australian Hybrids	82,267		37,987		(49,433)		70,821
	<b>6,114,556</b>		<b>3,751,254</b>		<b>(1,106,998)</b>		<b>8,758,812</b>

2013

2012

## 10. Cash and cash equivalents

Cash at the end of the financial year as shown in the *Statement of Cash Flows* is reconciled to the related items in the balance sheet as follows:

Cash at bank	6,070,292	429,757
Cash management account	5,100,847	7,483,244
	<b>11,171,139</b>	<b>7,913,001</b>

## 11. Trade and other receivables

### Current Assets

Sundry debtors	20,671	18,660
Proceeds from Lehman Brothers settlement	-	2,357,368
Accrued interest, distributions & franking credits	1,319,872	950,974
	<b>1,340,543</b>	<b>3,327,002</b>

## 12. Financial assets

### Current Assets

Held to maturity	9,749,298	9,800,000
Loans and receivables	6,747,126	7,385,718
	<b>16,496,424</b>	<b>17,185,718</b>

### Non-Current Assets

Held to maturity	-	2,022,649
Loans and receivables	7,442,336	12,761,583
Available for sale	139,210,366	126,795,431
	<b>146,652,702</b>	<b>141,579,663</b>

Held-to-maturity financial assets include investments in various fixed term deposits held with Approved Deposit-Taking Institutions (ADIs) and a corporate note issued by an Australian Bank designated in EUROS (*Refer to Note 6 for details relating to foreign currency transactions*).

Loans and receivables include secured loans made to separately incorporated Uniting Church agencies of \$13,804,050, unsecured loans to Ministers of \$18,655 and another loan of \$366,757 to a UC Invest managed fund.

Available for sale financial assets include investments in various listed securities and unit holdings in other UC Invest managed funds. The value of available-for-sale financial assets has been determined following the funds revaluing their assets to fair value at year end.

	2013	2012
<b>13. Other assets</b>		
<b>Current Assets</b>		
Accrued income on foreign currency capital note	405,211	-
	<b>405,211</b>	<b>-</b>
<b>Non-Current Assets</b>		
Accrued gains on Forward Exchange Contract (FEC)	-	88,776
Accrued income on foreign currency capital note	-	198,344
	<b>-</b>	<b>287,120</b>

*Refer to Note 6 for details relating to foreign currency transactions.*

## 14. Financial liabilities

<b>Current Liabilities</b>		
Investor's funds	124,325,410	121,881,982
	<b>124,325,410</b>	<b>121,881,982</b>
<b>Non-Current Liabilities</b>		
Investor's funds	27,082,650	28,848,274
	<b>27,082,650</b>	<b>28,848,274</b>

Investor's funds are invested with UC Invest either at-call or in fixed term investments.

## 15. Trade and other payables

<b>Current Liabilities</b>		
Sundry creditors	30,310	271,021
Accrued interest	1,335,474	1,820,784
	<b>1,365,784</b>	<b>2,091,805</b>

## 16. Provisions

<b>Current Liabilities</b>		
Annual leave	26,797	23,959
Long service leave	87,877	75,288
	<b>114,674</b>	<b>99,247</b>

	2013	2012
<b>17. Other liabilities</b>		
<b>Current Liabilities</b>		
Accrued losses on Forward Exchange Contract (FEC)	358,900	-
	<b>358,900</b>	<b>-</b>

Refer to Note 6 for details relating to foreign currency transactions.

## 18. Cash flow information

Reconciliation of cash flow from operations with profit

<b>Profit / (Loss) for the year before the revaluation of assets</b>	<b>3,350,731</b>	<b>5,674,911</b>
<b>Non-cash items in profit</b>		
Depreciation	29,813	28,937
Realised profit on sale of assets	(224,277)	(640,296)
Fair value movements of forward exchange contract	447,676	(59,449)
Foreign currency note income	(192,832)	(180,563)
Foreign exchange gains	(440,689)	(25,579)
<b>Changes in assets and liabilities</b>		
(Increase) / Decrease in receivables	(370,907)	(2,118,712)
Increase / (Decrease) in payables	(710,594)	9,631
<b>Cash flow from operating activities</b>	<b>1,888,921</b>	<b>2,688,880</b>

## 19. Contingent liabilities and contingent assets

Uniting Church Investment Committee members are not aware of any contingencies requiring disclosure in the financial statements.

## 20. Events subsequent to reporting date

There have been no substantial events subsequent to the balance date.

## 21. Related party transactions

UC Invest Property Fund, UC Invest Share Fund, UC Invest Dividend Income Fund and UC Invest Direct Property Fund are administered by the UC Invest Board on behalf of The Uniting Church in Australia Property Trust (S.A.). UC Invest receives management fees for managing these investment vehicles.

## 22. Financial risk management

### Financial Risk Management Policies

The entity manages its exposure to key financial risks by the application of policies approved by the Uniting Church Investment Committee (UCIC). All UC Invest policies are reviewed regularly.

The Committee has an approved asset allocation policy which sets out investment parameters. This includes guidelines to assist with the allocation of the investment assets into separate asset class investments. Policies also govern how the assets in each investment class are to be managed.

The Committee's policies set out to diversify investment risks by utilising multiple asset classes, managers, models and investments to diversify the risks inherent in investment markets.

The Committee has an approved lending policy which sets out lending guidelines. The application of this policy is intended to manage the risks associated with lending money to organisations and individuals.

The interest rates offered to investors are set and reviewed regularly by management. The Committee reviews management reports on a monthly basis.

The Committee's policies are also endorsed by the Uniting Church SA Resources Board. The Resources Board is the entity responsible for oversight of the Church's property and financial resources in South Australia.

Internal procedures and controls are adopted by the management of UC Invest to further minimise the risks in the accounting and operations function of the UC Invest office.

## Financial Risk Exposures and Management

The main risks the group is exposed to through its financial instruments are liquidity risk, market risk, revenue risk, credit risk and interest rate risk.

### i. Liquidity risk

Liquidity risk is the risk that UC Invest encounters difficulty meeting the obligations of its liabilities. UC Invest's liabilities are at call and fixed term investments issued to individuals, congregations and organisations of the Uniting Church, plus any outstanding interest owing on these investments.

Investor account data is reviewed regularly to predict cash flow movements of obligations to investors.

UC Invest invests funds received in a pool of diversified investments with a variety of maturity dates. Liquidity risk is managed by UC Invest to ensure that when investors request to withdraw funds there are adequate liquid resources to repay the requested debts in a timely manner.

UC Invest uses a range of products to ensure it has adequate liquid resources to repay these debts. These include the use of a bank bill facility, at call investments and term deposits held with Authorised Deposit-Taking Institutions (ADIs) with regular maturity dates. These products combined with regular reporting and matching of asset and liability maturities manages the risks involved.

### ii. Market risk

The diversified investment mix of UC Invest includes some investments that regularly fluctuate in value. The exposure to this type of investment at 31 December 2013 was minimal with only 14.8% of assets exposed to the Australian share market.

UC Invest holds fixed and floating rate corporate notes, structured investments and real and unlisted property fund investments. These investments continue to be subject to the risk of market value swings.

The UCIC is confident that an adequate level of reserves exists to cover reasonably expected future price fluctuations on its investments.

### iii. Revenue risk

The revenue UC Invest receives may fluctuate due to changes in market conditions. Revenue is received from a diversified pool of investments in order to minimise the risk of extreme income fluctuations.



The UCIC monitors revenue received and makes asset allocation decisions after reviewing both capital growth and future revenue expectations of individual asset classes.

**iv. Credit risk**

UC Invest lends money to organisations within the Uniting Church community and Ministers of the Word. Loans to Uniting Church ministers are mainly for the purchase of motor vehicles and are immaterial to the asset base of UC Invest.

Loans to Uniting Church agencies make up a significant proportion of investment assets (7.92% at 31 December 2013). These loans are approved on a case by case basis, subject to a credit assessment of the particular organisation which includes analysis of operating cash flows and the ability to repay intended debts. Due to the size and nature of the loans requested, appropriate security is taken over tangible assets. Loans are monitored on a regular basis.

UC Invest also invests in a range of unlisted securities issued by a wide variety of organisations. The UC Invest investment policy approves the investment of funds in entities that are either Authorised Deposit-Taking Institutions (ADIs) as regulated by the Australian Prudential Regulation Authority (APRA), or independently rated by Standard & Poors (or equivalent) rating agency with an initial rating of BBB+ or higher.

UC Invest may hold unlisted securities which had independent ratings exceeding BBB+ upon purchase, but which have since been re-rated below the BBB+ rating. These securities may still be held as the Board believes that retaining them will produce the best total financial outcome in lieu of selling them.

The table below highlights the exposure to ratings segments as at 31 December 2013 for corporate note investments in the UC Invest financial statements.

Credit Rating	Face Value	Fair Value	Original Cost
Unrated ADI	27,552,930	27,394,393	27,029,487
AAA	5,001,560	4,722,130	4,690,840
AA-	3,197,960	3,294,861	3,261,199
A+	5,000,000	5,262,500	5,051,706
A	8,011,100	7,804,985	6,938,535
A-	16,444,825	16,553,030	15,108,754
BBB+	11,720,000	11,238,366	10,704,306
BBB	7,831,050	7,966,183	7,771,875
BBB-	6,300,000	6,029,100	5,107,571
CCC-	500,000	173,150	500,000
	<b>91,559,425</b>	<b>90,438,698</b>	<b>86,164,273</b>

**v. Interest rate risk**

UC Invest borrows money from investors and promises to repay the principal amount plus interest on agreed terms. UC Invest uses these funds to invest in a diversified portfolio of investment assets. Due to the nature of the portfolio not all income received can be attributed to market interest rates or directly linked with interest rates offered to investors. This may potentially create a material difference between interest payable and income receivable.

Due to this risk, revenue and interest expense forecasting is used and analysed regularly to ensure the Fund has the ongoing capacity to pay all interest promised for future periods.

*See Appendix 1 for cash flow interest rate sensitivity analysis.*



## vi. Fair value

UC Invest uses various methods in estimating the fair value of a financial instrument. The methods can be categorised into three types:

**Level 1:** The fair value is calculated using quoted prices in active markets.

**Level 2:** The fair value is estimated using inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices).

**Level 3:** The fair value is estimated using inputs for the asset or liability that are not based on observable market data.

The fair value of the financial instruments as well as the methods used to estimate the fair value are summarised in the table below.

Year Ended 31 December 2013					Year Ended 31 December 2012			
	Quoted Market Price	Valuation Technique: Market Observable Inputs	Valuation Technique: Non Market Observable Inputs	Total	Quoted Market Price	Valuation Technique: Market Observable Inputs	Valuation Technique: Non Market Observable Inputs	Total
Financial Assets	LEVEL 1 \$ 000's	LEVEL 2 \$ 000's	LEVEL 3 \$ 000's		LEVEL 1 \$ 000's	LEVEL 2 \$ 000's	LEVEL 3 \$ 000's	
<b>Bank Accounts</b>	11,171			11,171	7,913			7,913
<b>Held to Maturity</b>								
Term Deposits	7,300			7,300	9,800			9,800
Corporate Notes			2,449	2,449			1,997	1,997
<b>Available for Sale</b>								
Australian Shares		24,200		24,200		18,332		18,332
Property		24,817		24,817		21,125		21,125
Corporate Notes		90,193		90,193		87,363		87,363
Loans	14,189			14,189	20,147			20,147
<b>TOTAL</b>	<b>32,660</b>	<b>139,210</b>	<b>2,449</b>	<b>174,319</b>	<b>37,860</b>	<b>126,820</b>	<b>1,997</b>	<b>166,677</b>

Financial Liabilities	LEVEL 1 \$ 000's	LEVEL 2 \$ 000's	LEVEL 3 \$ 000's		LEVEL 1 \$ 000's	LEVEL 2 \$ 000's	LEVEL 3 \$ 000's	
<b>Investor's Funds</b>	151,408			151,408	150,730			150,730
<b>TOTAL</b>	<b>151,408</b>	<b>-</b>	<b>-</b>	<b>151,408</b>	<b>150,730</b>	<b>-</b>	<b>-</b>	<b>150,730</b>

Quoted market price represents the fair value as quoted on active markets at 31 December 2013 without any deduction for transaction costs.

For financial instruments not quoted in active markets, UC Invest uses valuation techniques such as comparison to similar instruments for which market observable prices exist and other relevant models used by market participants. These valuation techniques use both observable and unobservable market inputs.

The fair value of property and corporate notes has been determined using a range of valuation techniques.

Loans made to individuals and organisations have been valued on the amount outstanding as at balance date.

Term deposits are valued on the face value of the investment.

Investor's funds are valued on the amount of the investment with UC Invest. Any interest accrued but not paid to the investor is included in *Trade and Other Payables*.

## Sensitivity Analysis

### i. Market risk

UC Invest has performed a sensitivity analysis relating to its exposure to market risk as at 31 December 2013. This sensitivity analysis demonstrates the effect on the current year results and equity which could result from a change in these risks.

	2013	2012
<b>Change in profit</b>		
Decrease in the market value of unlisted and direct property investments by 10%	-	-
Increase in the market value of unlisted and direct property investments by 10%	-	-
<b>Change in equity</b>		
Decrease in the market value of unlisted and direct property investments by 10%	(2,481,694)	(2,112,545)
Increase in the market value of unlisted and direct property investments by 10%	2,481,694	2,112,545
<b>Change in profit</b>		
Decrease in the market value of interest rate instruments by 10%	-	-
Increase in the market value of interest rate instruments by 10%	-	-
<b>Change in equity</b>		
Decrease in the market value of interest rate instruments by 10%	(12,530,293)	(12,722,039)
Increase in the market value of interest rate instruments by 10%	12,530,293	12,722,039

	2013	2012
<b>Change in profit</b>		
Decrease in the market value of Australian share investments by 25%	-	-
Increase in the market value of Australian share investments by 25%	-	-
<b>Change in equity</b>		
Decrease in the market value of Australian share investments by 25%	(6,050,100)	(5,358,350)
Increase in the market value of Australian share investments by 25%	6,050,100	5,358,350

## ii. Revenue risk

UC Invest has performed a sensitivity analysis relating to its exposure to revenue risk as at 31 December 2013. This sensitivity analysis demonstrates the effect on the current year results and equity which could result from a change in these risks.

	2013	2012
<b>Change in profit</b>		
Decrease in income from interest related investments by 20%	(1,475,288)	(1,636,652)
Increase in income from interest related investments by 20%	1,475,288	1,636,652
<b>Change in equity</b>		
Decrease in income from interest related investments by 20%	(1,475,288)	(1,636,652)
Increase in income from interest related investments by 20%	1,475,288	1,636,652
<b>Change in profit</b>		
Decrease in income from property related investments by 20%	(322,079)	(301,863)
Increase in income from property related investments by 20%	322,079	301,863
<b>Change in equity</b>		
Decrease in income from property related investments by 20%	(322,079)	(301,863)
Increase in income from property related investments by 20%	322,079	301,863

<b>Change in profit</b>	<b>2013</b>	<b>2012</b>
Decrease in income from Australian share investments by 20%	(290,052)	(236,546)
Increase in income from Australian share investments by 20%	290,052	236,546
<b>Change in equity</b>		
Decrease in income from Australian share investments by 20%	(290,052)	(236,546)
Increase in income from Australian share investments by 20%	290,052	236,546

### iii. Interest rate risk

UC Invest has performed a sensitivity analysis relating to its exposure to interest rate risk as at 31 December 2013. This sensitivity analysis demonstrates the effect on the current year results and equity which could result from a change in these risks.

<b>Change in profit</b>	<b>2013</b>	<b>2012</b>
Decrease in average interest rate payable to investors by 1%	1,514,080	1,507,303
Increase in average interest rate payable to investors by 1%	(1,514,080)	(1,507,303)
<b>Change in equity</b>		
Decrease in average interest rate payable to investors by 1%	1,514,080	1,507,303
Increase in average interest rate payable to investors by 1%	(1,514,080)	(1,507,303)
<b>Change in profit</b>		
Decrease in average interest rate receivable from interest related investments by 1%	(1,253,029)	(1,216,648)
Increase in average interest rate receivable from interest related investments by 1%	1,253,029	1,216,648
<b>Change in equity</b>		
Decrease in average interest rate receivable from interest related investments by 1%	(1,253,029)	(1,216,648)
Increase in average interest rate receivable from interest related investments by 1%	1,253,029	1,216,648

### Derivative Financial Instruments

The entity does not use derivative financial instruments

## 23. Economic dependency

UC Invest is part of The Uniting Church in Australia Property Trust (S.A.), which is the legal entity of the Uniting Church in South Australia.

## 24. Entity details

The registered office and principal place of business of the entity is:

Level 2, 212 Pirie Street  
Adelaide SA 5000

## Appendix 1: Cash flow interest rate sensitivity analysis

	Weighted Average Effective Interest Rate		Floating Interest		Within 1 Year		Within 2 Years		Within 3 Years		Over 3 Years		Non-Interest Bearing		Total	
	2013 %	2012 %	2013 \$ 000's	2012 \$ 000's	2013 \$ 000's	2012 \$ 000's	2013 \$ 000's	2012 \$ 000's	2013 \$ 000's	2012 \$ 000's	2013 \$ 000's	2012 \$ 000's	2013 \$ 000's	2012 \$ 000's	2013 \$ 000's	2012 \$ 000's
<b>Financial Assets</b>																
<b>Cash &amp; Cash Equivalents</b>	3.25	3.85	5,001	7,222											5,001	7,222
<b>Trade &amp; Other Receivables</b>	N/A	N/A											1,340	969	1,340	969
<b>Held to Maturity</b>																
Term Deposits	3.59	4.64			7,562	9,869									7,562	9,869
Corporate Notes	2.00	2.00			2,791	58		2,823							2,791	2,881
<b>Loans &amp; Receivables</b>	5.38	6.41			7,504	10,480	741	4,083	839	875	6,576	7,934			15,660	23,372
<b>Available for Sale</b>																
Corporate Notes	6.19	6.39			17,792	13,727	15,058	17,316	37,361	11,784	45,103	69,602			115,314	112,429
Share Investments	N/A	N/A											24,200	18,332	24,200	18,332
Unlisted Property	N/A	N/A											24,817	21,125	24,817	21,125
<b>Total Financial Assets</b>			<b>5,001</b>	<b>7,222</b>	<b>35,649</b>	<b>34,134</b>	<b>15,799</b>	<b>24,222</b>	<b>38,200</b>	<b>12,659</b>	<b>51,679</b>	<b>77,536</b>	<b>50,357</b>	<b>40,426</b>	<b>196,685</b>	<b>196,199</b>
<b>Financial Liabilities</b>																
Investor's Funds	4.12	5.09	42,532	31,414	88,026	96,747	24,574	22,777	3,245	9,072	872	738			159,249	160,748
Trade & Other Payables	N/A	N/A											1,470	2,191	1,470	2,191
<b>Total Financial Liabilities</b>			<b>42,532</b>	<b>31,414</b>	<b>88,026</b>	<b>96,747</b>	<b>24,574</b>	<b>22,777</b>	<b>3,245</b>	<b>9,072</b>	<b>872</b>	<b>738</b>	<b>1,470</b>	<b>2,191</b>	<b>160,719</b>	<b>162,939</b>

In the opinion of the members of the Uniting Church Investment Committee:

- a) the financial statements and notes set out on pages 1 to 20 of UC Invest 2013 Financial Report:
  - i. complies with accounting standards and other mandatory professional reporting requirements to the extent described in Note 1; and
  - ii. gives a true and fair view of the Fund's financial position as at 31 December 2013 and of its performance, as represented by the results of its operations, changes in equity and cash flows, for the financial year ended on that date; and
- b) there are reasonable grounds to believe that the Fund will be able to pay its debts as and when they become due and payable; and

This declaration is made in accordance with a resolution of the Uniting Church Investment Committee.



**Michael McClaren**  
Chairperson  
Uniting Church Investment Committee



**Kevin Bengert**  
Member  
Uniting Church Investment Committee

Adelaide  
21 March 2014



## **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF UC INVEST**

### **Report on the Financial Report**

We have audited the accompanying financial report of UC Invest, which comprises the statement of financial position as at 31 December 2013, the statement of comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information, and the declaration of the committee.

### **The Uniting Church Investment Committee's Responsibility for the Financial Report**

The Uniting Church Investment Committee is responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards and for such internal control as the Uniting Church Investment Committee determines is necessary to enable the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error.

### **Auditor's Responsibility**

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. Those standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance about whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, 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 financial report 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. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Uniting Church Investment Committee, as well as evaluating the overall presentation of the financial report.

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

### **Independence**

In conducting our audit, we have complied with the independence requirements of the Australian professional accounting bodies.





## Opinion

In our opinion, the financial report presents fairly, in all material respects, the financial position of UC Invest as at 31 December 2013, and its financial performance and cash flows for the year then ended in accordance with Australian Accounting Standards and UC Invest by-laws.

A handwritten signature in blue ink that reads 'BDO' in a stylized, cursive script.

BDO Audit (SA) Pty Ltd

A handwritten signature in blue ink, appearing to be 'I J Painter', written in a fluid, cursive style.

I J Painter  
Director

Adelaide, 21 March 2014.

# UC Invest Dividend Income Fund

December 31

# 2013

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The UC Invest Dividend Income Fund is an activity of The Uniting Church in Australia Property Trust (S.A.) ABN 25 068 897 781, the legal entity of the Uniting Church SA.

**Financial  
Report**

# Income Statement

For the year to 31 December 2013

	Note	2013 \$	2012 \$
Revenue	2	1,333,163	1,045,528
Revaluation of Investments (Realised & Unrealised)	5	1,548,304	613,310
Expenses	3	(45,517)	(35,544)
<b>PROFIT / (LOSS) FOR THE YEAR</b>		<b>2,835,950</b>	<b>1,623,294</b>
<b>PROFIT ATTRIBUTABLE TO UNIT HOLDERS</b>		<b>2,835,950</b>	<b>1,623,294</b>

# Balance Sheet

As at 31 December 2013

	Note	2013 \$	2012 \$
<b>Assets</b>			
<b>Current Assets</b>			
Cash & Cash Equivalents	6	729,510	441,745
Trade & Other Receivables	7	273,663	336,312
Financial Assets	5,8	12,906,921	17,499,425
<b>Total Current Assets</b>		<b>13,910,094</b>	<b>18,277,482</b>
<b>Non-Current Assets</b>			
		-	-
<b>Total Non-Current Assets</b>		<b>-</b>	<b>-</b>
<b>Total Assets</b>		<b>13,910,094</b>	<b>18,277,482</b>
<b>Liabilities</b>			
<b>Current Liabilities</b>			
Trade & Other Payables	9	364,963	495,926
<b>Total Current Liabilities</b>		<b>364,963</b>	<b>495,926</b>
<b>Non-Current Liabilities</b>			
		-	-
<b>Total Non-Current Liabilities</b>		<b>-</b>	<b>-</b>
<b>Total Liabilities</b>		<b>364,963</b>	<b>495,926</b>
<b>Net Assets</b>		<b>13,545,131</b>	<b>17,781,556</b>
<b>Equity</b>			
Unit Holders Control		13,545,131	17,781,556
<b>Total Equity</b>		<b>13,545,131</b>	<b>17,781,556</b>

## Statement of Changes in Equity

For the year to 31 December 2013

	Unit Holders Control	Total
Balance at 1 January 2012	-	-
Deposits for Year	17,796,897	17,796,897
Withdrawals for Year	(599,829)	(599,829)
Distributions to Unit Holders	(1,031,660)	(1,031,660)
Unit Holder Transaction Fees	(7,146)	(7,146)
Profit Attributable to Unit Holders	1,623,294	1,623,294
<b>Balance at 31 December 2012</b>	<b>17,781,556</b>	<b>17,781,556</b>
Balance at 1 January 2013	17,781,556	17,781,556
Deposits for Year	-	-
Withdrawals for Year	(5,783,230)	(5,783,230)
Distributions to Unit Holders	(1,287,645)	(1,287,645)
Unit Holder Transaction Fees	(1,500)	(1,500)
Profit Attributable to Unit Holders	2,835,950	2,835,950
<b>Balance at 31 December 2013</b>	<b>13,545,131</b>	<b>13,545,131</b>

## Statement of Cash Flows

For the year to 31 December 2013

	Note	2013 \$	2012 \$
<b>Cash Flows from Operating Activities</b>			
Receipts		1,395,813	709,216
Payments		(46,376)	(31,977)
<b>Net cash flows provided by / (used in) operating activities</b>	10	<b>1,349,437</b>	<b>677,239</b>
<b>Cash Flows from Investing Activities</b>			
Sale of investments	5	17,393,744	8,754,766
Purchase of investments	5	(11,252,937)	(25,640,881)
<b>Net cash flows provided by / (used in) investing activities</b>		<b>6,140,807</b>	<b>(16,886,115)</b>
<b>Cash Flows from Financing Activities</b>			
Distributions to Unit Holders		(1,417,749)	(539,301)
Deposits by Unit Holders		-	17,789,922
Withdrawals by Unit Holders		(5,784,730)	(600,000)
<b>Net cash flows provided by / (used in) financing activities</b>		<b>(7,202,479)</b>	<b>16,650,621</b>
Net increase / (decrease) in cash held		287,765	441,745
Cash at beginning of year		441,745	-
<b>Cash at End of Year</b>	6	<b>729,510</b>	<b>441,745</b>

## 1. Statement of significant accounting policies

The financial report of the UC Invest Dividend Income Fund (*"the Fund"*) for the year ended 31 December 2013 was adopted by the Uniting Church Investment Committee (UCIC) on 21 March 2014.

### Operations and principal activities

This financial report covers the UC Invest Dividend Income Fund as an individual entity. The Fund is an activity of The Uniting Church in Australia Property Trust (S.A.) which was established by an Act of the South Australian Parliament in 1977. All assets of the Fund are held in the name of The Uniting Church in Australia Property Trust (S.A.).

The UC Invest Dividend Income Fund is a unitised managed fund which invests in equities listed on the Australian Stock Exchange. It is only available to Uniting Church congregations and organisations. The fund does not accept investments from individual members of the public.

All recognised income is distributed to unit holders on a quarterly basis with the exception of franking credits which are distributed once the annual franking credit return is received from the Australian Taxation Office.

Unit holders are exposed to the market risk of the Fund, which results in their investments fluctuating in line with the underlying performance of the Fund.

### Uniting Church Investment Committee Members

Michael McClaren (Non-executive Chairperson)

Allison Ashby (Non-executive)

Kevin Bengert (Non-executive)

Tom Adams (Non-executive)

Peter Battersby (Executive) – Remunerated by the Uniting Church SA

UC Invest manages the administration and investment strategy of the Fund and receives a monthly management fee based on the market value of funds under management.

### Basis of preparation

The UCIC has determined that the Fund is not a reporting entity and therefore this financial report is a special purpose report intended for internal use.

The financial report has been prepared on a going concern basis in accordance with the following Australian Accounting Standards and other mandatory professional reporting requirements:

AASB 1031: Materiality

AASB 110: Events After the Reporting Period

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

### Reporting basis and conventions

The financial report has been prepared on a historical cost basis, except for available-for-sale investments which have been measured at fair value.

The following is a summary of the material accounting policies adopted by the entity in the preparation of the financial report. The accounting policies have been consistently applied, unless otherwise stated.

## (a) Cash and cash equivalents

Cash and cash equivalents in the balance sheet comprise cash at bank, cash in hand and short term deposits with an original maturity of three months or less. These deposits are convertible to known amounts of cash and are subject to an insignificant risk of changes in value.

For the purposes of the *Statement of Cash Flows*, cash and cash equivalents consist of cash and cash equivalents as defined above and are net of outstanding bank overdrafts. Bank overdrafts are included within interest-bearing loans and borrowings in current liabilities on the balance sheet.

## (b) Revenue

Revenue is recognised and measured at fair value of the consideration received or receivable to the extent it is probable that economic benefits will flow to the Fund and the revenue can be measured reliably. The following specific recognition criteria must also be met before revenue is recognised:

### i. Interest

Interest income is recognised as interest accrues using the effective interest method. This is a method of calculating the amortised cost of a financial asset and allocating the interest income over the relevant period using the effective interest rate. This is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the net carrying amount of the financial asset.

### ii. Dividends and distributions from equities

Dividend and distribution income is received in the form of dividends, distributions and franking credits from companies within the underlying investment portfolio. Revenue is recognised when the entity's right to receive the payment is established.

### iii. Application and redemption fees

Application and redemption fee income is received when unit holders enter or exit the Fund either fully or partially. Revenue is recognised when the entity makes the corresponding transaction on behalf of the unit holder.

## (c) Financial instruments

### i. Recognition and initial measurement

Financial instruments, incorporating financial assets and financial liabilities, are recognised when the Fund becomes a party to the contractual provisions of the instruments. Trade date accounting is adopted for financial assets that are delivered within timeframes established by marketplace convention.

Financial instruments are initially measured at fair value plus transaction costs, where the instrument is not classified at fair value through profit and loss.

Transaction costs related to instruments classified at fair value through profit and loss are expensed to profit or loss immediately. Financial instruments are classified and measured as set out below.

### ii. Derecognition

Financial assets are derecognised where the contractual rights to receipt of cash flows expires or the asset is transferred to another party whereby the entity no longer has any significant continuing involvement in the risks and benefits associated with the asset.

Financial liabilities are derecognised where the related obligations are either discharged, cancelled or expire. The difference between the carrying value of the financial liability



extinguished or transferred to another party and the fair value of consideration paid, including the transfer of non-cash assets or liabilities assumed is recognised in profit or loss.

### iii. Classification and subsequent measurement

#### a) Financial assets at fair value through profit or loss

Financial assets are classified at fair value through profit or loss when they are held for trading purposes or short term profit taking, where they are derivatives not held for hedging purposes, or designated as such to avoid an accounting mismatch or to enable performance evaluation where a group of financial assets is managed by key management personnel on a fair value basis in accordance with a documented risk management or investment strategy. Realised and unrealised gains and losses arising from changes in fair value are included in profit or loss in the period in which they arise.

#### b) Held-to-maturity investments

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

#### c) Available-for-sale financial assets

Available-for-sale financial assets are non-derivative financial assets that are either designated as such or are not classified in any of the other categories. They comprise of investments in the equity of other entities where there is neither a fixed maturity nor fixed or determinable payments. After initial recognition available for sale financial assets are measured at fair value with gains or losses being recognised as a separate component of equity until the investment is derecognised or until it is determined to be impaired, at which time the cumulative gain or loss previously reported in equity is recognised in profit or loss.

### (d) Trade and other payables

Trade and other payables are recognised when the entity becomes obliged to make future payments.

### (e) Goods and services tax

Revenues, expenses and assets are recognised net of the amount of GST except:

- When the GST incurred on a purchase of goods and services is not recoverable from the taxation authority, in which case the GST is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable
- Receivables and payables, which are stated with the amount of GST included.

The net amount of GST recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the balance sheet.

Cash flows are included in the *Statement of Cash Flows* on a gross basis and the GST component of cash flows arising from investing and financing activities, which is recoverable from, or payable to, the taxation authority is classified as part of operating cash flows.

Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the taxation authority.

## (f) Impairment

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

## (g) Comparative figures

The UC Invest Dividend Income Fund was established on 1 April 2012 resulting in a nine month reporting period ending 31 December 2012 in its first year of operation. The normal reporting period for the Fund is 1 January to 31 December annually.

As a result of this first short reporting period, the 2012 comparative information provided in the Income Statement, Statement of Changes in Equity, Statement of Cash Flows and related notes are not entirely comparable between the two reporting periods.

## (h) Income tax

The entity is exempt from income tax due to its status as a religious organisation.

	2013	2012
<b>2. Revenue</b>		
Dividends and franking credits from equities	1,320,946	1,031,660
Interest received	10,717	6,722
Application and redemption fees received	1,500	7,146
	<b>1,333,163</b>	<b>1,045,528</b>
<b>3. Expenses</b>		
Management fees - related party	39,015	28,664
Interest paid	2,356	6,880
Brokerage	4,146	-
	<b>45,517</b>	<b>35,544</b>
<b>4. Auditor's remuneration</b>		
Fee in relation to audit ( <i>paid by UC Invest</i> )	1,726	2,500

## 5. Revaluation of investments

Company	Opening Balance	Purchases	Sales	Closing Balance	Capital Movement
ABC Adelaide Brighton Limited	\$ 584,940.72	\$ 619,621.75	\$ 536,183.77	\$ 733,886.23	\$ 65,507.53
ANZ ANZ Banking Group Limited	\$ 1,159,464.30	\$ 373,716.73	\$ 661,205.31	\$ 1,186,901.98	\$ 314,926.26
ASL Ausdrill Limited	\$ 583,045.09	\$ 170,265.61	\$ 369,058.67	\$ 90,631.76	\$ (293,620.27)
ASX ASX Limited	\$ -	\$ 1,365,665.63	\$ 1,534,901.35	\$ -	\$ 169,235.72
BKN Bradken Limited	\$ 546,487.52	\$ 141,720.25	\$ 364,216.85	\$ 302,235.66	\$ (21,755.26)
CAB Cabcharge Australia Limited	\$ 439,125.66	\$ 102,304.40	\$ 221,902.49	\$ 278,051.13	\$ (41,476.44)
CBA Commonwealth Bank of Australia	\$ 1,300,059.44	\$ 320,744.38	\$ 746,091.06	\$ 1,150,895.40	\$ 276,182.64
DJS David Jones Limited	\$ 555,381.16	\$ 82,960.73	\$ 278,114.09	\$ 475,124.52	\$ 114,896.72
FWD Fleetwood Corporation Limited	\$ 502,403.22	\$ 233,747.35	\$ 271,245.72	\$ 125,683.14	\$ (339,221.71)
GUD GUD Holdings Limited	\$ 559,213.85	\$ 66,732.33	\$ 574,935.23	\$ -	\$ (51,010.95)
IFL IOOF Holdings Limited	\$ -	\$ 426,150.26	\$ 453,765.17	\$ -	\$ 27,614.91
JBH JB Hi-Fi Limited	\$ 1,224,612.00	\$ 431,428.00	\$ 2,018,620.25	\$ -	\$ 362,580.25
MIN Mineral Resources Limited	\$ 1,535,636.50	\$ 673,627.80	\$ 1,749,138.87	\$ 752,925.97	\$ 292,800.54
MND Monadelphous Group Limited	\$ -	\$ 1,293,261.87	\$ 237,721.93	\$ 700,308.60	\$ (355,231.34)
MTS Metcash Limited	\$ 1,031,666.76	\$ 649,645.92	\$ 472,859.66	\$ 1,168,100.32	\$ (40,352.70)
MYR Myer Holdings Limited	\$ 636,059.52	\$ 37,000.68	\$ 334,241.19	\$ 446,490.00	\$ 107,670.99
NAB National Australia Bank Limited	\$ 1,136,125.00	\$ 256,863.78	\$ 623,740.60	\$ 1,178,821.35	\$ 409,573.17
NWH NRW Holdings Limited	\$ 436,938.32	\$ 122,800.68	\$ 301,396.94	\$ 130,444.55	\$ (127,897.51)
ORI Orica Limited	\$ -	\$ 288,632.96	\$ 354,471.10	\$ -	\$ 65,838.14
PTM Platinum Asset Management	\$ -	\$ 308,634.20	\$ 335,611.95	\$ -	\$ 26,977.75
SHL Sonic Healthcare Limited	\$ -	\$ 256,235.70	\$ 274,391.65	\$ -	\$ 18,155.95
SMX SMS Management & Technology	\$ 442,123.33	\$ 77,643.80	\$ 556,561.75	\$ -	\$ 36,794.62
TEL Telecom Corporation of NZ Ltd	\$ -	\$ 552,348.87	\$ 333,432.33	\$ 283,784.58	\$ 64,868.04
TLS Telstra Corporation Limited	\$ 1,294,948.99	\$ 384,540.04	\$ 731,095.72	\$ 1,175,821.50	\$ 227,428.19
TOL Toll Holdings Limited	\$ 1,137,277.68	\$ 1,184,641.80	\$ 1,815,556.43	\$ 928,765.20	\$ 422,402.15
UGL UGL Limited	\$ 1,189,096.96	\$ 266,126.74	\$ 344,043.78	\$ 665,202.69	\$ (445,977.23)
WBC Westpac Banking Corporation	\$ 1,204,818.72	\$ 250,249.88	\$ 574,269.77	\$ 1,132,846.68	\$ 252,047.85
WTF Wotif.com Holdings Limited	\$ -	\$ 315,624.61	\$ 324,970.99	\$ -	\$ 9,346.38
	<b>\$ 17,499,424.74</b>	<b>\$ 11,252,936.75</b>	<b>\$ 17,393,744.62</b>	<b>\$ 12,906,921.26</b>	<b>\$ 1,548,304.39</b>

Decisions by unit holders to invest or redeem funds in the UC Invest Dividend Income Fund may influence the need to buy or sell equities, depending on the monetary value of the transaction.

The amount appearing as Capital Movement for the year includes an amount which represents the profit / (loss) on the trading of equities to enable the Fund to process withdrawal and deposit requests; as well as capital fluctuations in the value of equities held or transacted during the year for investment purposes.

Unit Holders who invested in the Fund for the 2013 year had a total investment return of 18.50%, which was slightly below the ASX200 Accumulation Index (*industry standard Australian share benchmark*) return of 20.20%.

2013

2012

## 6. Cash and cash equivalents

Cash at the end of the financial year as shown in the *Statement of Cash Flows* is reconciled to the related items in the balance sheet as follows:

UC Invest 11am account	729,510	441,745
	<b>729,510</b>	<b>441,745</b>

The UC Invest 11am account is an at-call account which earns interest at floating rates based on the official Reserve Bank cash rate.

## 7. Trade and other receivables

Accrued dividends and distributions	35,117	35,735
Accrued franking credits	238,546	300,577
	<b>273,663</b>	<b>336,312</b>

## 8. Financial assets

Available-for-sale	<b>12,906,921</b>	<b>17,499,425</b>
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Available-for-sale financial assets consist of listed equities. The value of the equities held has been determined following the fund revaluing their listed equities to their fair value at year end.

## 9. Trade and other payables

Income distributions payable to Unit Holders	362,254	492,359
Management fees payable	2,709	3,567
	<b>364,963</b>	<b>495,926</b>

## 10. Cash flow information

Reconciliation of cash flow from operations with profit

<b>Profit / (Loss) for the year</b>	<b>2,835,950</b>	<b>1,623,294</b>
<b>Non-cash items in profit</b>		
Revaluation of investments	(1,548,304)	(613,310)
<b>Changes in assets and liabilities</b>		
(Increase) / Decrease in receivables	62,649	(336,312)
Increase / (Decrease) in payables	(858)	3,567
<b>Cash flow from operating activities</b>	<b>1,349,437</b>	<b>677,239</b>

## 11. Contingent liabilities and contingent assets

Uniting Church Investment Committee members are not aware of any contingencies requiring disclosure in the financial statements.

## 12. Segment reporting

The Fund operates predominantly in one business and geographical segment being investments in equities listed on the Australian Stock Exchange.

## 13. Events subsequent to reporting date

There have been no substantial events subsequent to the balance date.

## 14. Related party transactions

The UC Invest Dividend Income Fund is administered by the Uniting Church Investment Committee on behalf of The Uniting Church in Australia Property Trust (S.A.).

UC Invest receives management fees each month calculated at 0.02% of the fair value of assets held by the UC Invest Dividend Income Fund.

## 15. Financial risk management

### Financial Risk Management Policies

The entity manages its exposure to key financial risks by the application of policies approved by the Uniting Church Investment Committee (UCIC).

The Fund's exposure to interest rate risk is relatively minor with only 5.25% of total assets at balance date exposed to interest rate sensitive investments, predominantly a UC Invest cash account which is used to cover the liquidity requirements of unit holders.

The UCIC has stipulated in its approved policies that the majority of financial assets are to be invested in equity investments listed on the Australian Stock Exchange.

### Financial Risk Exposures and Management

The main risks the Fund is exposed to through its financial instruments are liquidity risk, market risk and revenue risk.

#### i. Liquidity risk

Due to the liquid nature of the entity's financial assets, the exposure to liquidity risk is limited to the amount of time it takes to receive cash from the sale of equity investments.

Unit holders have the ability to request the redemption of funds on a weekly basis. To prevent the forced selling of investments to cover unit holder redemption requests, the Fund holds a liquidity reserve in a UC Invest cash account.

#### ii. Market risk

The financial assets held by the Fund are prone to price fluctuations and volatility. The value of investments change as economic, market and company specific conditions vary.

UC Invest does not attempt to significantly mitigate market risk. The portfolio is weighted towards companies in the ASX200 with the highest market capitalisation which satisfy particular earnings and dividend constraints set by the investment strategy.

This weighting towards companies with higher market capitalisations delivers a strong correlation between the underlying portfolio and general market risk.

**iii. Revenue risk**

Revenue received (*dividends, distributions and franking credits*) from equity investments may fluctuate due to changes in market or company specific conditions.

Income distributions to unit holders are the aggregate of dividends, distributions and franking credits which are approved by individual companies. The amount of distributions can be varied by companies at any stage depending on a range of factors including economic conditions, cash flow, lending covenants, investor appetite for risk or peer distributions.

The fund manager does not distribute capital in quarterly distributions to unit holders, or operate a scheme which evens out distributions over time. All income distributions paid to unit holders are therefore market driven.

The investment strategy employed by the Fund focuses on companies with a strong history of earnings and dividend stability. It is expected that companies within the underlying portfolio will continue to pay regular and predictable income flows to the Fund. Only companies who have an expected income yield above a predetermined benchmark will be considered for inclusion within the portfolio.

**Sensitivity Analysis****i. Market risk**

The entity has performed a sensitivity analysis relating to its exposure to price risk at balance date. This analysis demonstrates the effect on the current year results and equity which could occur from a change in market value. The Fund's performance is correlated with the ASX200 index and is expected to perform similarly.

<b>Change in profit</b>	<b>2013</b>	<b>2012</b>
Decrease in ASX200 index by 25%	(3,226,730)	(4,374,856)
Increase in ASX200 index by 25%	3,226,730	4,374,856
<b>Change in equity</b>		
Decrease in ASX200 index by 25%	(3,226,730)	(4,374,856)
Increase in ASX200 index by 25%	3,226,730	4,374,856

**ii. Revenue risk**

The entity has performed a sensitivity analysis relating to its exposure to revenue risk at balance date. This analysis demonstrates the effect on the current year results and equity which could occur from a change in revenue received.

<b>Change in profit</b>	<b>2013</b>	<b>2012</b>
Decrease in dividends and distributions to the UC Invest Dividend Income Fund by 20%	(264,189)	(206,332)
Increase in dividends and distributions to the UC Invest Dividend Income Fund by 20%	264,189	206,332
<b>Change in equity</b>		
Decrease in dividends and distributions to the UC Invest Dividend Income Fund by 20%	(264,189)	(206,332)
Increase in dividends and distributions to the UC Invest Dividend Income Fund by 20%	264,189	206,332

**Derivative Financial Instruments**

The entity does not use derivative financial instruments

**16. Economic dependency**

The Fund does not have any economic dependency on other entities of the Uniting Church SA.

**17. Entity details**

The registered office and principal place of business of the entity is:

Level 2, 212 Pirie Street  
Adelaide SA 5000

In the opinion of the members of the Uniting Church Investment Committee:

- a) the financial statements and notes set out on pages 1 to 13 of UC Invest Dividend Income Fund – Financial Report:
  - i. complies with accounting standards and other mandatory professional reporting requirements to the extent described in Note 1; and
  - ii. gives a true and fair view of the Fund's financial position as at 31 December 2013 and of its performance, as represented by the results of its operations, changes in equity and cash flows, for the financial year ended on that date; and
- b) there are reasonable grounds to believe that the Fund will be able to pay its debts as and when they become due and payable; and

This declaration is made in accordance with a resolution of the Uniting Church Investment Committee.



**Michael McClaren**  
Chairperson  
Uniting Church Investment Committee



**Kevin Bengert**  
Member  
Uniting Church Investment Committee

Adelaide  
21 March 2014



## **INDEPENDENT AUDITOR'S REPORT TO THE UNIT HOLDERS OF UC INVEST DIVIDEND INCOME FUND**

### **Report on the Financial Report**

We have audited the accompanying financial report, being a special purpose financial report of UC Invest Dividend Income Fund, which comprises the balance sheet as at 31 December 2013, the income statement, statement of changes in equity and cash flow statement for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information, and the declaration of the committee.

### **The Uniting Church Investment Committee's Responsibility for the Financial Report**

The Uniting Church Investment Committee is responsible for the preparation and fair presentation of the financial report, and has determined that the basis of preparation described in Note 1 is appropriate to meet the requirements of policies set by the Uniting Church Investment Committee and is appropriate to meet the needs of unit holders. The Uniting Church Investment Committee's responsibility also includes such internal control as the Uniting Church Investment Committee determines is necessary to enable the preparation and fair presentation of a financial report that is free from material misstatement, whether due to fraud or error.

### **Auditor's Responsibility**

Our responsibility is to express an opinion on the financial report based on our audit. We have conducted our audit in accordance with Australian Auditing Standards. Those standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the fund's preparation and fair presentation of the financial report 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 fund's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Uniting Church Investment Committee, as well as evaluating the overall presentation of the financial report.

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

### **Independence**

In conducting our audit, we have complied with the independence requirements of the Australian professional accounting bodies.



### Opinion

In our opinion the financial report presents fairly, in all material respects, the financial position of UC Invest Dividend Income Fund as at 31 December 2013, and its financial performance and its cash flows for the year then ended in accordance with the basis of preparation described in note 1 to the financial report.

### Basis of Accounting

Without modifying our opinion, we draw attention to Note 1 to the financial report, which describes the basis of accounting. The financial report has been prepared to assist UC Invest Dividend Income Fund meet the financial reporting requirements of policies set by the Uniting Church Investment Committee. As a result, the financial report may not be suitable for another purpose.

A handwritten signature in blue ink that reads 'BDO'.

BDO Audit (SA) Pty Ltd

A handwritten signature in blue ink, appearing to read 'I J Painter', with a long horizontal flourish extending to the right.

I J Painter  
Director

Adelaide, 21 March 2013