

# **The Vine Baptist Church**

**ABN 91 005 534 105**

## **Financial Report**

**For the Year Ended 31 December 2018**

# The Vine Baptist Church

ABN 91 005 534 105

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For the Year Ended 31 December 2018

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# The Vine Baptist Church

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## Statement of Income and Expenditure and Other Comprehensive Income For the Year Ended 31 December 2018

	2018 \$	2017 \$
<b>Income</b>		
General offering	889,642	797,579
Missions offering	29,343	29,950
Designated gifts and offering	14,552	20,445
Grants from BUV and other Baptist agencies	38,189	25,000
Other income	8,342	13,008
	<u>980,068</u>	<u>885,982</u>
<b>Expenditure</b>		
Employee benefits expense	(636,905)	(565,582)
Mission expenses	(75,162)	(68,916)
Property expenses	(57,424)	(83,564)
BUV ministry contribution	(29,771)	(20,892)
Interest expense	(9,514)	(11,299)
Insurance expense	(12,730)	(7,953)
Equipment expenses	(6,001)	(5,941)
Refugee ministry expenses	(5,067)	(27,447)
Other expenses	(58,318)	(76,487)
	<u>(890,892)</u>	<u>(868,081)</u>
<b>Surplus/(deficit) for the year</b>	<u>89,176</u>	<u>17,901</u>
<b>Total comprehensive income for the year</b>	<u>89,176</u>	<u>17,901</u>

The accompanying notes form part of these financial statements.

# The Vine Baptist Church

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## Statement of Financial Position

As at 31 December 2018

	Note	2018 \$	2017 \$
<b>ASSETS</b>			
CURRENT ASSETS			
Cash and cash equivalents	2	137,257	103,477
Other assets	4	4,337	1,723
TOTAL CURRENT ASSETS		141,594	105,200
NON-CURRENT ASSETS			
Property, plant and equipment	3	1,169,675	1,169,675
TOTAL NON-CURRENT ASSETS		1,169,675	1,169,675
TOTAL ASSETS		1,311,269	1,274,875
<b>LIABILITIES</b>			
CURRENT LIABILITIES			
Trade and other payables	5	13,780	10,298
Borrowings	6	33,180	33,180
Employee benefits	7	51,161	61,793
Other financial liabilities	8	-	38,189
TOTAL CURRENT LIABILITIES		98,121	143,460
NON-CURRENT LIABILITIES			
Borrowings	6	209,108	205,595
Employee benefits	7	31,723	42,679
TOTAL NON-CURRENT LIABILITIES		240,831	248,274
TOTAL LIABILITIES		338,952	391,734
NET ASSETS		972,317	883,141
<b>EQUITY</b>			
Reserves		67,807	47,280
Retained earnings		904,510	835,861
TOTAL EQUITY		972,317	883,141

The accompanying notes form part of these financial statements.

# The Vine Baptist Church

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## Statement of Changes in Equity For the Year Ended 31 December 2018

2018

	Retained Earnings	Property Maintenance Reserve	Building Fund Reserve	Total
	\$	\$	\$	\$
Balance at 1 January 2018	835,861	30,000	17,280	883,141
Surplus/(deficit) for the year	89,176	-	-	89,176
Transfers between retained earnings and reserves	(20,527)	-	20,527	-
Balance at 31 December 2018	904,510	30,000	37,807	972,317

2017

	Retained Earnings	Property Maintenance Reserve	Building Fund Reserve	Total
	\$	\$	\$	\$
Balance at 1 January 2017	805,240	30,000	30,000	865,240
Surplus/(deficit) for the year	17,901	-	-	17,901
Transfers between retained earnings and reserves	12,720	-	(12,720)	-
Balance at 31 December 2017	835,861	30,000	17,280	883,141

The accompanying notes form part of these financial statements.

# The Vine Baptist Church

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## Statement of Cash Flows

For the Year Ended 31 December 2018

	<b>2018</b>	<b>2017</b>
<b>Note</b>	<b>\$</b>	<b>\$</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>		
Receipts from members, donors and customers	<b>955,444</b>	941,870
Payments to suppliers and employees	<b>(915,663)</b>	(872,420)
Interest paid	<b>(9,514)</b>	(11,299)
Net cash provided by/(used in) operating activities	<b>10 30,267</b>	58,151
<b>CASH FLOWS FROM FINANCING ACTIVITIES:</b>		
Borrowings procured/(repaid)	<b>3,513</b>	(21,881)
Net cash provided by/(used in) financing activities	<b>3,513</b>	(21,881)
Net increase/(decrease) in cash and cash equivalents held	<b>33,780</b>	36,270
Cash and cash equivalents at beginning of year	<b>103,477</b>	67,207
Cash and cash equivalents at end of financial year	<b>2 137,257</b>	103,477

The accompanying notes form part of these financial statements.

# The Vine Baptist Church

ABN 91 005 534 105

## Notes to the Financial Statements

For the Year Ended 31 December 2018

### 1 Summary of Significant Accounting Policies

#### (a) Basis of preparation

The financial report covers The Vine Baptist Church as an individual entity. The Vine Baptist Church is a not-for-profit unincorporated association, domiciled in Australia. The entity is a constituent member church of the Baptist Union of Victoria.

In the Council Members' opinion the entity is not a reporting entity since there are unlikely to exist users of the financial statements who are not able to command the preparation of reports tailored so as to satisfy specifically all of their information needs. These special purpose financial statements have been prepared to meet the reporting requirements of the members.

The financial statements have been prepared in accordance with the significant accounting policies described below, which the Council Members have determined are appropriate to meet the needs of the members. Such accounting policies are consistent with the previous period unless otherwise stated. The financial statements have been prepared on an accruals basis and are based on historical costs modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and financial liabilities.

#### (b) Revenue and other income

Donations and gifts, including tithes and offerings, are recognised as revenue on receipt.

Grants are recognised as revenue in accordance with the progressive fulfilment of the terms and conditions of the funding. Where grants are received to provide funding to cover specific objectives, the funding is recognised as a liability for grants received in advance, until such time these objectives are met. Grants that are general in nature and do not pertain the fulfilment of specific objectives are recognised as revenue on receipt.

#### (c) Income Tax

The entity is a charity registered with the Australian Charities and Not-for-profits Commission. Accordingly, it is exempt from income tax under Division 50 of the *Income Tax Assessment Act 1997*.

#### (d) Goods and services tax (GST)

Revenue, expenses and assets are recognised net of the amount of goods and services tax (GST), except where the amount of GST incurred is not recoverable from the Australian Taxation Office (ATO). Receivables and payable are stated inclusive of GST.

Cash flows in the statement of cash flows are included 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 operating cash flows.

#### (e) Financial instruments

Financial instruments are recognised initially on the date that the entity becomes party to the contractual provisions of the instrument. On initial recognition, all financial instruments are measured at fair value plus transaction costs.

The entity measures all financial liabilities initially at fair value less transaction costs, subsequently financial liabilities are measured at amortised cost.

# The Vine Baptist Church

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## Notes to the Financial Statements

For the Year Ended 31 December 2018

### 1 Summary of Significant Accounting Policies

#### (f) Cash and cash equivalents

Cash and cash equivalents comprises cash on hand, demand deposits and short-term investments which are readily convertible to known amounts of cash and which are subject to an insignificant risk of change in value.

#### (g) Property, plant and equipment

Property, plant and equipment is carried at cost less, where applicable, any accumulated impairment.

The entity only capitalises the cost of purchasing land, buildings and significant capital improvements and equipment purchases. Assets with a useful life of five years or less are not capitalised. Property, plant and equipment are not depreciated.

At the end of each annual reporting period, each asset is reviewed for indicators of impairment. Where impairment exists, the asset is written-down to its estimated recoverable amount. The recoverable amount is the higher of the fair value of the asset less estimated cost to sell, and the depreciated replacement cost (cost of purchasing new less estimated depreciation based on age and condition) of the asset.

#### Land titles

As the entity is unincorporated, it cannot legally hold title to any land in its use. The relevant titles to land recognised by the entity are held by the Baptist Union of Victoria as trustee for The Vine Baptist Church. Land has been recognised as an asset of the entity where it has a beneficial ownership interest in the land and ongoing rights to occupy and use the land in accordance with its obligations as a constituent member church of the Baptist Union of Victoria.

#### (h) Employee benefits

Provision is made for entity's liability for employee benefits arising from services rendered by employees to the end of the reporting period. Employee benefits have been measured at the amounts expected to be paid when the liability is settled.



# The Vine Baptist Church

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## Notes to the Financial Statements

For the Year Ended 31 December 2018

### 2 Cash and Cash Equivalents

	2018	2017
	\$	\$
Cash on hand	502	668
Cash at bank	136,755	102,809
	<u>137,257</u>	<u>103,477</u>

### 3 Property, plant and equipment

Land and buildings		
At cost	<u>1,147,575</u>	<u>1,147,575</u>
Total land and buildings	<u>1,147,575</u>	<u>1,147,575</u>
Church seating		
At cost	<u>22,100</u>	<u>22,100</u>
Total church seating	<u>22,100</u>	<u>22,100</u>
Total property, plant and equipment	<u>1,169,675</u>	<u>1,169,675</u>

### 4 Other Assets

CURRENT		
Prepayments	<u>4,337</u>	<u>1,723</u>
	<u>4,337</u>	<u>1,723</u>

### 5 Trade and Other Payables

CURRENT		
Trade payables	7,197	6,800
Other payables	<u>6,583</u>	<u>3,498</u>
	<u>13,780</u>	<u>10,298</u>

### 6 Borrowings

CURRENT		
Secured liabilities:		
Bank loans	<u>33,180</u>	<u>33,180</u>
	<u>33,180</u>	<u>33,180</u>
NON-CURRENT		
Secured liabilities:		
Bank loans	<u>209,108</u>	<u>205,595</u>
	<u>209,108</u>	<u>205,595</u>

# The Vine Baptist Church

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## Notes to the Financial Statements

For the Year Ended 31 December 2018

### 7 Employee Benefits

	2018 \$	2017 \$
CURRENT		
Provision for employee benefits	51,161	61,793
	<u>51,161</u>	<u>61,793</u>
NON-CURRENT		
Provision for employee benefits	31,723	42,679
	<u>31,723</u>	<u>42,679</u>

### 8 Other Financial Liabilities

CURRENT		
Grants received in advance	-	38,189
	<u>-</u>	<u>38,189</u>

### 9 Reserves

#### Property Maintenance Reserve

This reserve represents funds set aside for future expected property maintenance requirements.

#### Building Fund Reserve

This reserve represents funds set aside for future property development. This reserve includes unspent building fund donations and general funds allocated from annual operating budgets.

### 10 Cash Flow Information

Reconciliation of result for the year to cashflows from operating activities:

Surplus deficit for the year	89,176	17,901
Changes in assets and liabilities:		
- (increase)/decrease in other assets	(2,614)	(623)
- increase/(decrease) in income in advance	(38,189)	34,778
- increase/(decrease) in trade and other payables	3,482	(8,780)
- increase/(decrease) in employee benefits	(21,588)	14,875
Cashflows from operations	<u>30,267</u>	<u>58,151</u>

# The Vine Baptist Church

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## Notes to the Financial Statements

For the Year Ended 31 December 2018

### 11 Events after the end of the Reporting Period

No matters or circumstances have arisen since the end of the financial year which significantly affected or may significantly affect the operations of the entity, the results of those operations or the state of affairs of the entity in future financial years.

### 12 Statutory Information

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

The Vine Baptist Church  
4/266 Bolton Street  
Eltham VIC 3095

# The Vine Baptist Church

ABN 91 005 534 105

## Council Members' Declaration

The council members have determined that the entity 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.

The council members of the entity declare that:

1. The financial statements and notes, as set out on pages 1 to 9, present fairly the entity's financial position as at 31 December 2018 and its performance for the year ended on that date in accordance with the accounting policies described in Note 1 to the financial statements; and
2. In the council members' opinion, there are reasonable grounds to believe that the entity will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the council members of The Vine Baptist Church.

Council Member ..... 

Council Member ..... 

Date: 26th September 2019

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE VINE BAPTIST CHURCH

**Report on the Financial Report**

*Opinion*

We have audited the accompanying financial report, being a special purpose financial report, of The Vine Baptist Church (the church), which comprises the statement of financial position as at 31 December 2018, the statement of income and expenditure and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and the council members' declaration.

In our opinion, the financial report presents fairly, in all material respects, the financial position of The Vine Baptist Church as at 31 December 2018 and its financial performance for the year then ended in accordance with the accounting policies described in Note 1 to the financial statements.

*Basis for Opinion*

The council of The Vine Baptist Church is responsible for the preparation of the financial report, and has determined that the basis of preparation described in Note 1 is appropriate to meet the need of the members. The council members' responsibility also includes such internal control as the committee determines is necessary to enable the preparation of a financial report that is free from material misstatement, whether due to fraud or error.

*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 Vine Baptist Church to meet the requirements of members. As a result, the financial report may not be suitable for another purpose.

Our opinion is not modified in respect of this matter.

*Council members' Responsibility for the Financial Report*

The church council is responsible for the preparation of the financial report that gives a true and fair view and have determined that the basis of preparation described in Note 1 to the financial report is appropriate to meet the needs of the members. The council members' responsibility also includes such internal control as the members determine is necessary to enable the preparation of a financial report that is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the church's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless the council members either intend to liquidate the church or to cease operations, or have no realistic alternative but to do so.

## *Auditor's Responsibility for the Audit of the Financial Report*

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

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

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Entity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Entity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

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



Matthew Hung, CA  
rdl.accountants

26<sup>th</sup> September 2019  
Blackburn, Victoria