

The Uniting Church in Australia Synod of Victoria and Tasmania

ABN 39 703 442 583

For the year ended 31 December 2019

This financial report covers The Uniting Church in Australia - Synod of Victoria and Tasmania as an individual entity.

The Uniting Church in Australia - Synod of Victoria and Tasmania is a non-profit entity, created under The Uniting Church in Australia Act - Victoria No. 9021 and The Uniting Church in Australia Act - Tasmania No. 38

The Uniting Church in Australia - Synod of Victoria and Tasmania.

130 Little Collins Street

Melbourne VIC 3000

A description of the nature of the Synod's operations and its principal activities is included in the Standing Committee report on page 2.



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Organisation Particulars

Standing Committee:

Chairperson/Moderator

Rev. Denise Liersch

Managers:

General Secretary

Rev. Dr. Mark Lawrence

Secretariat

Associate General Secretary

Ms. Isabel Thomas Dobson

Mission Resourcing Unit

Executive Officer

Ms. Pauline McGillivray (to January 2019)

Mr. Sam Nicholas (from March 2019)

Equipping Leadership for Mission

Executive Director

Rev. Dr. Jenny Byrnes

Synod Office:

130 Little Collins Street

Melbourne VIC 3000

Auditors:

Grant Thornton Audit Pty Ltd

Collins Square Tower 5

727 Collins St

Docklands VIC 3008

Bankers:

Westpac Banking Corporation

Melbourne Office

360 Collins St

Melbourne VIC 3000



Standing Committee Report

The Standing Committee presents their report together with the financial statements for The Uniting Church in Australia Synod of Victoria and Tasmania (the "Synod") for the year ended 31 December 2019. The units of the Synod include:

- General Secretary office
- Mission Resource Unit (Formerly Department of Administration and Finance)
- Equipping Leadership for Mission (formerly the Commission for Mission and the Centre for Theology and Ministry)
- Uniting Aboriginal and Islanders Christian Congress in Victoria and Tasmania
- Bequests and trusts under the management of The Uniting Church in Australia Property Trust (Victoria) and the Uniting Church in Australia Property Trust (Tasmania).

Standing Committee Members

Rev Stan Clarke	Rev Denise Liersch	Rev Peter Greenwood (to May 2019)
Mr Ron Gowland	Mr Lindsay Oates	Mr John Diprose OAM (to July 2019)
Ms Anna Harrison	Rev Carlynne Nunn	Rev Graeme Harrison (to July 2019)
Dr Jessica Hateley-	Rev Sharon Hollis	Ms Helen Collins (to July 2019)
Browne Mrs Jen Shields	Rev Dr Mark Lawrence	Rev Ikani Vaitohi (from July 2019)
Rev Sani Vaeluaga	Mr Dan Wootton (to July 2019)	Ms Adara Liersch (from July 2019)
		Ms Lisa Carey (from July 2019)

Principal Activities

The Synod's principal activity is to have general oversight, direction and administration of the Uniting Church's worship witness and service within its bounds.

There have been no significant changes in the nature of these activities during the year.

Review of Operations

In summary, the operating result for the year is a surplus of \$57.258M which compares to a deficit of (\$8.386M) in 2018. Major contributing items to the 2019 surplus were:

- a gain of \$20.585M from sale of office premises at 130 Little Collins St Melbourne.
- a gain of \$18.271M relating to transmission of Investment from U Ethical Growth Portfolio to U Ethical Australian Equities Portfolio.
- a gain of \$13.874M relating to fair value increase of investments in U Ethical Australian Equities Portfolio. This was due to the rebound in the financial market in 2019. This impact is also reflected in the value of the investments held on balance sheet.

Review of Financial Position

The overall net asset position of the Synod increased from approximately \$275m to \$332m. Most of the Synod's assets are held in investments in U Ethical Enhanced Cash Portfolio, U Ethical Growth Portfolio and U Ethical Australian Equities Portfolio.



Investments have increased primarily due a boost in financial markets towards the end of 2019, which is reflected by higher investment values.

Members' Benefits

A member of the standing committee, Dr Jessica Hatley-Browne, was engaged through an entity named Centre for Evidence and Implementation to work for the Voluntary Assisted Dying Project during the course of the year.

Post-reporting Date Events

Coronavirus [COVID-19]

In March 2020, the World Health Organization declared the outbreak of a novel coronavirus (COVID-19) as a pandemic, which continues to spread throughout Australia. The spread of COVID-19 has caused significant volatility in Australia and international markets. There is significant uncertainty around the breadth and duration of business disruptions related to COVID-19, as well as its impact on the Australian and international economies. The coronavirus outbreak in March 2020 will affect the Synod investment value which is line with global stock market shifts. Also the large-scale quarantines, travel restriction and social-distancing measures will drive a fall in mission and service giving, revenue from camping sites etc.

The value of financial assets held by the Synod at 13 June 2020 show a decline in value of 8% from the valuation recorded within the financial statements at 31 December 2019. Financial markets remain highly volatile.

The Synod is eligible for the Job Keeper government subsidy.

Accounts Simplification Project

A project is underway to reduce the number trial balance accounts in order to improve processing and the flow of information across the organisation.

This report is made in accordance with a resolution of the Standing Committee.

Auditor's Independence Declaration

To the Standing Committee of The Uniting Church in Australia Synod of Victoria and Tasmania

In accordance with the requirements of section 60-40 of the *Australian Charities and Not-for-profits Commission Act 2012*, as lead auditor for the audit of The Uniting Church in Australia Synod of Victoria and Tasmania for the year ended 31 December 2019, I declare that, to the best of my knowledge and belief, there have been:

- a) no contraventions of the auditor independence requirements of the Australian Charities and Not-for-profits Commission Act 2012 in relation to the audit; and
- b) no contraventions of any applicable code of professional conduct in relation to the audit.

Grant Thornton

GRANT THORNTON AUDIT PTY LTD
Chartered Accountants



A C Pitts
Partner - Audit & Assurance

Melbourne, 13 June 2020

Independent Auditor's Report

To the Standing Committee of The Uniting Church in Australia Synod of Victoria and Tasmania

Report on the audit of the financial report

Opinion

We have audited the financial report of The Uniting Church in Australia Synod of Victoria and Tasmania (the "Synod"), which comprises the statement of financial position as at 31 December 2019, and the statement of profit or loss, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and the Standing Committee declaration.

In our opinion, the financial report of The Uniting Church in Australia Synod of Victoria and Tasmania has been prepared in accordance with the *Australian Charities and Not-for-profits Commission Act 2012*, including:

- a giving a true and fair view of the Synod's financial position as at 31 December 2019 and of its financial performance for the year then ended; and
- b complying with Australian Accounting Standards – Reduced Disclosure Requirements and the *Australian Charities and Not-for profits Commission Regulation 2013*.

Basis for opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Synod in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of matter – COVID-19

We draw attention to Note 24 of the financial report, which describes the circumstances relating to the material subsequent event regarding COVID-19 and the uncertainty surrounding any potential financial impact on the financials. Our opinion is not modified in respect of this matter.

Information Other than the Financial Report and Auditor's Report

The Standing Committee of the Synod is responsible for the other information. The other information obtained at the date of this auditor's report is information included in the Standing Committee Report for the year ended 31 December 2019, but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Standing Committee for the financial report

The Standing Committee of the Synod is responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards – Reduced Disclosure Requirements and the *Australian Charities and Not-for-profits Commission Act 2012*. This responsibility includes such internal control as the Standing Committee determines are necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the Standing Committee is responsible for assessing the Synod's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Standing Committee either intend to liquidate the Synod or to cease operations, or have no realistic alternative but to do so.

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

Auditor's responsibilities 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 the Australian Auditing Standards, we exercise professional judgement 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 Synod's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Standing Committee.
- Conclude on the appropriateness of the Standing Committee'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 Synod'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 Synod 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.

Grant Thornton

Grant Thornton Audit Pty Ltd
Chartered Accountants



A C Pitts

Partner – Audit & Assurance

Melbourne, 13 June 2020



Standing Committee Declaration

The Standing Committee declare that the financial statements and notes set out on pages 9 to 36.

- a. comply with Accounting Standards in Australia and other mandatory professional reporting requirements; and
- b. give a true and fair view of the Synod's financial position as at 31 December 2019 and of its performance, as represented by the results of its operations, changes in equity and its cash flows, for the financial year ended on that date.

In the Standing Committee's opinion:

- a. there are reasonable grounds to believe that the Synod will be able to pay its debts as and when they become due and payable.
- b. the financial statements and notes satisfy the requirements of the Australian Charities and Not-for-profits Commission Act 2012.

Signed in accordance with subsection 60.15(2) of the Australian Charities and Not-for-profit Commission Regulation 2013.

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

Rev. Denise Liersch
Standing Committee
Chairperson/Moderator

Rev Dr Mark Lawrence

General Secretary

Melbourne

Dated this 13th day of June 2020

Statement of Profit or Loss and Other Comprehensive Income

For the year ended 31 December 2019	Notes	2019	2018
Revenue		\$'000	\$'000
Mission & service giving		2,992	3,046
Grants		196	232
Gifts, donations & bequests		5,009	5,290
Sales, fees & tariffs	4	17,357	17,063
Net proceeds from insurance activities		1,205	1,703
Revenue		26,759	27,334
Interest revenue		10,905	8,832
Proceeds from the sale of Church properties		2,361	3,258
Gain on sale of investments		-	86
Other revenue		1,171	1,099
Other revenue		14,437	13,275
Total revenue		41,196	40,609
Expenses			
Employee benefits expense		19,575	20,246
Depreciation and amortisation expense	11,12	1,642	1,378
Grants expense		10,290	8,048
Cost of goods sold and conference expense		1,620	1,657
Consulting and legal fee expense		1,438	2,102
Motor vehicle and travelling expense		403	407
Repairs, maintenance, property expenses		2,260	2,240
Postage, telephone, printing and stationery expense		479	579
Borrowing costs		115	144
Other expenses		2,128	3,605
Total Expenses		39,950	40,406
Operating profit		1,246	203
Gain on sale of office premises and other properties		23,867	-
Increment/(decrement) of fair value of financial assets		32,145	(5,722)
Surplus/(deficit) from continuing operations		57,258	(5,519)
Deficit from discontinued operation	23	-	(2,867)
Surplus/(deficit) from operations		57,258	(8,386)
Total comprehensive income/(loss) for the year		57,258	(8,386)

Statement of Financial Position

As at 31 December 2019	Notes	2019 \$'000	2018 \$'000
Assets			
Current			
Cash and cash equivalents	5	240	1,022
Trade and other receivables	6	8,384	9,693
Inventories		207	177
Investments	7	133,763	104,728
Other current assets	9	3,921	4,246
Current assets		146,515	119,866
Non-current			
Investments	8	197,456	164,285
Trade and other receivables	10	4,755	5,624
Property, plant and equipment	11	32,037	36,799
Intangible assets	12	1,619	1,423
Non-current assets		235,867	208,131
Total assets		382,382	327,997
Liabilities			
Current			
Trade and other payables	13	15,317	7,649
Short-term provisions	14	8,234	7,486
Short-term borrowings	15	135	4,113
Other liabilities	16	25,020	20,307
Current liabilities		48,706	39,555
Long-term borrowings	17	902	1,445
Other liabilities	17	220	11,688
Long-term provisions	17,19	161	174
Non-current liabilities		1,283	13,307
Total liabilities		49,989	52,862
Net assets		332,393	275,135
Equity			
Synod Funds	18	332,393	275,135
Total equity		332,393	275,135

This statement should be read in conjunction with the notes to the financial statement

Statement of Changes in Equity

For the year ended 31 December 2019	Notes	Synod Funds	Total equity
		\$'000	\$'000
Balance at 1 January 2018		283,521	283,521
Deficit for the year		(8,386)	(8,386)
Total comprehensive income for the year		(8,386)	(8,386)
Balance at 31 December 2018		275,135	275,135
Balance at 1 January 2019		275,135	275,135
Surplus for the year		57,258	57,258
Total comprehensive income for the year		57,258	57,258
Balance at 31 December 2019		332,393	332,393

This statement should be read in conjunction with the notes to the financial statements

Statement of Cash Flows

For the year ended 31 December 2019	Notes	2019 \$'000	2018 \$'000
Operating services			
Receipts from presbytery/congregation contributions		2,992	3,124
Receipts from operations and activities		33,880	28,200
Grants to organisations and individuals		(10,290)	(8,049)
Payments to suppliers and employees		(27,569)	(37,093)
Interest received		10,905	8,832
Net cash provided by/(used in) operating activities		9,918	(4,986)
Investing activities			
Payment for property, plant and equipment	11	(2,248)	(1,665)
Payment for intangible assets	12	(678)	(819)
Payments for investments		(211,091)	(68,689)
Proceeds from sale of property, plant and equipment		29,718	12
Proceeds from sale of investments		181,085	72,749
Proceeds from sale of Church properties		2,361	3,313
Net cash provided by / (used in) investing activities		(853)	4,901
Financing activities			
Funds received from/(advanced to) related parties		869	194
Proceeds from/(Repayment to) loan advances		(5,111)	(425)
Proceeds from/(Repayment to) borrowings		(5,605)	(150)
Net cash from / (used in) financing activities		(9,847)	(381)
Net change in cash and cash equivalents		(782)	(466)
Cash and cash equivalents, beginning of year		1,022	1,488
Cash and cash equivalents, end of year	5	240	1,022

This statement should be read in conjunction with the notes to the financial statements

Notes to the Financial Statements

1 General Information and statement of compliance

This financial report is a general purpose financial report and has been prepared in accordance with Accounting Standards-Reduced Disclosure Requirements and other authoritative pronouncements of the Australian Accounting Standards Board and the Australian Charities and Not-for-Profit Commission Act 2012. All amounts are stated in Australian Dollars, which is the functional and presentational currency of the Synod. Amounts are presented to the nearest thousand dollars unless otherwise stated.

It is prepared in accordance with the historical cost convention, except for certain assets which, as noted, are at fair value. Unless otherwise stated the accounting policies adopted are consistent with those of the previous year.

The financial statements comprise the following operations controlled by the Synod:

- General Secretary office
- Mission Resourcing Unit (Formerly Department of Administration and Finance)
- the Synod's Equipping Leadership for Mission (Formerly Commission for Mission, Centre for Theology & Ministry and Camping)
- the results for Uniting Aboriginal and Islander and Christian Congress in Victoria and Tasmania
- bequests and trusts under the management of The Uniting Church in Australia Property Trust (Victoria) and The Uniting Church in Australia Property Trust (Tasmania)

Control has been determined to exist on the basis that the Synod has the power to govern the financial and operating policies of those operations.

The financial statements include all controlled operations from the date the control commences until the date that control ceases.

All balances and transactions from activities within the operations the Synod controls have been eliminated.

The financial report does not include the operations of the following entities for which the Synod does not have direct control:

- Uniting Ethical Investors Limited (previously known as UCA Funds Management)
- Uniting AgeWell Limited
- Uniting Church congregations and Presbyteries
- Uniting Church schools and University Colleges
- Uniting agencies (formerly UnitingCare agencies)
- Uniting Church Parish Missions
- Epworth Hospital
- Uniting Housing

Where appropriate, comparative information has been restated or reclassified to ensure comparability with the current reporting period.

The financial report was approved by the Standing Committee as at 13th June 2020.

2 Changes in accounting policies

2.1 New standards adopted as at 1 January 2019

AASB 15 Revenue from Contracts with Customers

AASB 15 replaces AASB 118 Revenue, and several revenue-related Interpretations. The new Standard has been applied as at 1 January 2019 using the modified retrospective approach. Under this method, the cumulative effect of initial application is recognised as an adjustment to the opening balance of retained earnings at 1 January 2019 and comparatives are not restated. In accordance with the transition guidance, AASB 15 has only been applied to contracts that are incomplete as at 1 January 2019. The standard provides a single comprehensive model for revenue recognition. The core principle of the standard is that revenue recognised should depict the transfer of promised goods or services at an amount that reflects the consideration to which the Synod expects to be entitled in exchange for those goods or services.

AASB 1058 Income of not for profit entities

The Synod has adopted the recognition and measurement requirements of AASB 1058 from 1 January 2019. The standard replaces AASB 1004 Contributions in respect to income recognition requirements of not-for-profit entities.

The timing of income recognition under AASB 1058 is dependent upon whether the transaction gives rise to a liability or other performance obligation at the time of receipt.

Income under the standard is recognised where:

- An asset is received in a transaction, such as by way of grant, bequest or donation;
- There has either been no consideration transferred, or the consideration paid is significantly less than the asset fair value; and
- Where the intention is to principally enable the entity to further its objectives.

For transfers of financial assets to the entity which enable it to acquire or construct a recognisable non-financial asset, the entity must recognise a liability amounting to the excess of the fair value of the transfer received over any related amounts recognised.

Related amounts recognised may relate to:

- Contributions by owners
- AASB 15 revenue or contract liability recognised;
- Lease liabilities in accordance with AASB 16;
- Financial instruments in accordance with AASB 9; or
- Provision in accordance with AASB 137

There has been no significant impact to the synod as a result of applying AASB 15 and AASB 1058. Most income from transactions such as bequest, donations or government grants and similar will continue to be recognised up front under AASB 1058. However, if the agreements for any of these include conditions that are 'enforceable' and 'sufficiently specific', there will be a contract liability and revenue will be recognised under AASB 15 when (or as) 'performance obligations' are satisfied by the provision of goods or services.

AASB 16 Leases

AASB 16 leases replaced AASB 117 leases and some lease related interpretations. AASB 16 requires all leases to be accounted for "on balance sheet" by lessees, other than short term and low value asset

leases. AASB 16 provides new guidance on the application of the definition of lease and on sale and lease back accounting. For contracts in place at the date of initial application, the Synod has elected to apply the definition of a lease from AASB 117 and interpretation 4 and has not applied AASB 16 to arrangements that were previously not identified as leases under AASB 117 and interpretation 4.

At 1 January 2019, the initial adoption of AASB 16 did not have a material impact on the transactions and balances recognised in the financial statements.

2.2 Standards that are not effective and have not been early adopted

Certain new and revised accounting standards and interpretations have been published that are not mandatory for the 31 December 2019 reporting period. The Synod does not plan to adopt the standards early. Standards are not expected to have a material impact on the transactions and balances recognised in the financial statements.

3 Summary of accounting policies

3.1 Revenue

The Synod recognises revenue as follows:

Sale of Goods

Revenue from sale of goods is recognised at the amount that reflects the consideration to which the Synod is expected to be entitled in exchange for transferring goods.

Government grant income without sufficiently specific and enforceable performance obligations

Government grant funds received by the Synod that do not have sufficiently specific and enforceable performance obligations are recognised as income on receipt of the funds.

Government grant revenue with sufficiently specific and enforceable performance obligations

Government grant funds received by the Synod that have sufficiently specific and enforceable performance obligations, in accordance with AASB 15, are recognised as a contract liability on receipt and are recognised as revenue, over time, as the Synod satisfies its performance obligations.

Fees & tariffs

Fees charged for care or services provided to clients are recognised when and as the care or service is provided. Rendering of fees and tariffs revenue is recognised over time on the basis that the Synod's performance does not create an asset with an alternative use to the Synod and the Synod has an enforceable right to payment for performance complete to date.

Donations and bequests

Donation income is recognised when the Synod gains control of the funds and are recognised as income when the funds have been provided to further the Synod's objectives for no consideration and when the funds provided do not give rise to an obligation.

Bequests are recognised when the legacy is received. Revenue from legacies comprising bequests of shares or other property are recognised at fair value, being the market value of the shares or property at the date the Synod becomes legally entitled to the shares or property.

Interest and investment income

Interest income is recognised on an accrual basis using the effective interest method. Investment income is recognised at the time the right to receive payment is established.

Mission and service giving

The Synod accrues mission & service giving by congregations relating to the reporting period which are received after year end and before the books of account are closed.

Proceeds from sale of Church property

Income for the Synod's share of proceeds of congregational property is recognised according to the application of Property Sale Proceeds policy.

This policy applies a tiered application of sharing between the congregation and the wider Church (the Synod). Funds are recognised after settlement and provided no exemptions which apply.

Insurance activities

Net proceeds from insurance activities is recognised on the basis of insurance premiums income net of premiums paid to insurers. Income is recognised when the right to receive the insurance premium has been established as there are no other performance obligations.

All income is stated net of the amount of Goods and Service Tax (GST).

Other revenue

Other revenue is recognised when it is received or when the right to receive payment is established.

3.2 Operating expenses

Operating expenses are recognised in profit or loss upon utilisation of the service or at the date of their origin.

3.3 Intangible assets

Recognition of intangible assets

Data warehouse is capitalised only if the expenditure can be measured reliably, the product or process is technically and commercially feasible, future economic benefits are probable and the Synod intends to and has sufficient resources to complete development and to use or sell the asset. Otherwise, it is recognised in profit or loss as incurred.

Subsequent measurement

All intangible assets are accounted for using the cost model whereby capitalised costs are amortised on a straight-line basis over their estimated useful lives, as these assets are considered finite. Residual values and useful lives are reviewed at each reporting date. In addition, they are subject to impairment testing as described in Note 3.6. The following useful lives are applied:

- Data Warehouse: 4 years

Amortisation has been included within depreciation and amortisation.

Subsequent expenditures on the maintenance of data warehouse are expensed as incurred.

When an intangible asset is disposed of, the gain or loss on disposal is determined as the difference between the proceeds and the carrying amount of the asset, and is recognised in profit or loss within other income or other expenses.

3.4 Property, plant and equipment

Land

Land is measured at cost less any impairment losses.

As no finite useful life for land can be determined, related carrying amounts are not depreciated.

Buildings, plant and other equipment

Buildings, plant and other equipment (comprising fittings and furniture) are initially recognised at acquisition cost, including any costs directly attributable to bringing the assets to the location and condition necessary for it to be capable of operating in the manner intended by the Synod

Buildings, plant and other equipment are subsequently measured using the cost model, cost less subsequent depreciation and impairment losses.

Depreciation is recognised on a straight-line basis to write down the cost less estimated residual value of buildings, plant and other equipment. The following useful lives are applied:

- Buildings: 50 years
- Infrastructure: 20 years
- Equipment, fixture & fittings: 5 - 20 years
- Computer equipment: 3 years
- Motor vehicles: 4 - 10 years

Material residual value estimates and estimates of useful life are updated as required, but at least annually.

Gains or losses arising on the disposal of property, plant and equipment are determined as the difference between the disposal proceeds and the carrying amount of the assets and are recognised in profit or loss within other income or other expenses.

3.5 Property settlement in trust

Property settlements in trust represent sale proceeds received from the sale of church property where a decision on the distribution of proceeds is yet to be determined or the settlement is incomplete.

3.6 Impairment of assets

Assets subject to annual depreciation or amortisation are reviewed for impairment when events or circumstances arise that indicate that the carrying amount of the asset may be impaired. An impairment loss is recognised where the carrying amount of the asset exceeds its recoverable amount. The recoverable amount of an asset is defined as the higher of its fair value less costs to sell and value in use. For a not-for-profit entity, value in use is determined based on the depreciated replacement cost of the asset.

Assets with indefinite life are tested annually for impairment.

3.7 Financial instruments

Recognition, initial measurement and derecognition

Financial assets and financial liabilities are recognised when the Synod becomes a party to the contractual provisions of the financial instrument, and are measured initially at fair value adjusted by transactions costs, except for those carried at fair value through profit or loss, which are measured initially at fair value. Subsequent measurement of financial assets and financial liabilities are described below.

Financial assets are derecognised when the contractual rights to the cash flows from the financial asset expire, or when the financial asset and all substantial risks and rewards are transferred. A financial liability is derecognised when it is extinguished, discharged, cancelled or expires.

Classification and subsequent measurement of financial assets

Except for those trade receivables that do not contain a significant financing component and are measured at the transaction price, all financial assets are initially measured at fair value adjusted for transaction costs (where applicable).

For the purpose of subsequent measurement, financial assets are classified into the following categories upon initial recognition:

- amortised cost
- fair value through profit or loss (FVPL)

Classifications are determined by both:

- The entities business model for managing the financial asset
- The contractual cash flow characteristics of the financial assets

All income and expenses relating to financial assets that are recognised in profit or loss are presented within finance costs, finance income or other financial items, except for impairment of trade receivables, which is presented within other expenses.

Subsequent measurement financial assets

Financial assets at amortised cost

Financial assets are measured at amortised cost if the assets meet the following conditions (and are not designated as FVPL):

- they are held within a business model whose objective is to hold the financial assets and collect its contractual cash flows
- the contractual terms of the financial assets give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding

After initial recognition, these are measured at amortised cost using the effective interest method. Discounting is omitted where the effect of discounting is immaterial. The Synod's cash and cash equivalents, trade and most other receivables and funds invested in U Ethical Enhanced Cash Portfolio fall into this category of financial instruments.

Financial assets at fair value through profit or loss (FVPL)

Financial assets that are held within a different business model other than 'hold to collect' or 'hold to collect and sell' are categorised at fair value through profit and loss. Further, irrespective of business model financial assets whose contractual cash flows are not solely payments of principal and interest are accounted for at FVPL. Funds invested in the U Ethical Growth Portfolio and U Ethical Australian Equities fall into this category.

Impairment of Financial assets

AASB 9's impairment requirements use more forward looking information to recognize expected credit losses - the 'expected credit losses (ECL) model'. Instruments within the scope of the requirements included loans and other debt-type financial assets measured at amortised cost, trade receivables that are not measured at fair value through profit or loss.

The Synod considers a broader range of information when assessing credit risk and measuring expected credit losses, including past events, current conditions, reasonable and supportable forecasts that affect the expected collectability of the future cash flows of the instrument.

In applying this forward-looking approach, a distinction is made between:

- financial instruments that have not deteriorated significantly in credit quality since initial recognition or that have low credit risk ('Stage 1') and
- financial instruments that have deteriorated significantly in credit quality since initial recognition and whose credit risk is not low ('Stage 2').

'Stage 3' would cover financial assets that have objective evidence of impairment at the reporting date.

'12-month expected credit losses' are recognised for the first category while 'lifetime expected credit losses' are recognised for the second category.

Measurement of the expected credit losses is determined by a probability-weighted estimate of credit losses over the expected life of the financial instrument.

Trade and other receivables

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less allowance for credit losses.

The collectability of the trade and other receivables are reviewed on an ongoing basis. Individual debts which are known to be uncollectable are written off when identified. The Synod recognises an allowance for credit losses based upon anticipated lifetime losses of trade receivables. The anticipated lifetime losses are determined with reference to historical experience and are regularly reviewed and updated.

Classification and measurement of financial liabilities

The Synod's financial liabilities include borrowings and trade and other payables.

Financial liabilities are initially measured at fair value, and, where applicable, adjusted for transaction costs.

Subsequently, financial liabilities are measured at amortised cost using the effective interest method.

All interest-related charges are reported in profit or loss are included within finance costs or finance income.

3.8 Inventories

Inventories are measured at the lower of cost or net realisable value. Costs are assigned on a first-in first-out basis for stationery stock and on an average cost basis for other inventories.

3.9 Tax exemption

The Synod is exempt from payment of income tax under Section 50-5 of the Australian Income Tax Assessment Act 1997.

3.10 Cash and cash equivalents

Cash and cash equivalents comprise of cash on hand, working capital cash account, and operating cash accounts for other agencies such as Narana.

3.11 Insurance fund operations

Insurance Fund Operations, as included in Synod Funds and Reserves, arranges the following major insurance covers for the Church in Victoria and Tasmania:

- Property (Industrial Special Risks)
- Public and Products Liability
- Professional Indemnity
- Fidelity
- Directors/Officers/Employment practices liability

The Synod carries a significant level of self-insurance (deductibles). The deductibles are funded by the Insurance Reserve.

3.12 Employee benefits

Short-term employee benefits

Short-term employee benefits are benefits, other than termination benefits, that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service. Examples of such benefits include wages and salaries, non-monetary benefits and accumulating sick leave. Short-term employee benefits are measured at the undiscounted amounts expected to be paid when the liabilities are settled.

Long-term employee benefits

The employee benefits arising from annual leave and long service leave which are not to be settled within 12 months after the end of the period in which the employees rendered the related service. The benefits are measured at the present value of the expected future payments to be made to employees. The expected future payments include anticipated future salary inflation, experience of employee departures, periods of service, and are discounted at rates determined by reference to market yields at the end of the reporting period on high quality corporate bonds that have maturity dates that approximate the timing of the estimated future cash outflows.

3.13 Project receivables

Project receivables are amounts to be collected by the Synod, which resulted from funds provided by the Synod to assist with property projects.

The property projects relate to the following;

- a. Expenses incurred for the development of property held by the Synod and amounts are to be refunded by development partners; or
- b. The funds provided to congregations to assist with the development of the congregation's properties, and the amounts will be returned to the synod upon successful development of the properties.

3.14 Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Taxation Office. In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense. Receivables and payables in the statement of financial position are shown inclusive of GST.

Cash flows are presented in the statement of cash flows on a gross basis, except for the GST components of investing and financing activities, which are disclosed as operating cash flows.

3.15 Critical 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, estimates and assumptions on historical experience and on other various factors, including expectations of future events, "management believes to be reasonable under the circumstances. The resulting accounting judgements and estimates will seldom equal the related actual results. The judgements, estimates and assumptions that have a significant risk to the carrying amounts of assets and liabilities (refer to the respective notes) within the next financial year are discussed below.

Allowance for credit losses

The allowance for credit losses assessment requires a degree of estimation and judgement. The level of provision is assessed by taking into account the ageing of receivables, historical collection rates and specific knowledge of the individual parties' financial position.

Estimation of useful lives of assets

The Synod determines the estimated useful lives and related depreciation and amortisation charges for its property, plant and equipment and finite life intangible assets. The useful lives could change significantly as a result of technical innovations or some other event. The depreciation and amortisation charge will increase where the useful lives are less than previously estimated lives, or technically obsolete or non-strategic assets that have been abandoned or sold will be written off or written down.

Impairment of non-financial assets

The Synod assesses impairment of non-financial assets at each reporting date by evaluating conditions specific to the Synod and to the particular asset that may lead to impairment. If an impairment trigger exists, the recoverable amount of the asset is determined. This involves fair value less costs of disposal or value-in-use calculations, which incorporate a number of key estimates and assumptions.

Employee benefits provision

The liability for employee benefits expected to be settled more than 12 months from the reporting date are recognised and measured at the present value of the estimated future cash flows to be made in respect of all employees at the reporting date. In determining the present value of the liability, estimates of attrition rates and pay increases through promotion and inflation have been taken into account.

4 Revenue from contracts with customers

The Synod's revenue is analysed as follows for each major product and service category (excluding revenue from discontinued operations):

	2019	2018
	\$'000	\$'000
Sales, fees and tariffs		
Institutional contribution	4,595	3,575
Sales of merchants	611	524
Commercial accommodation	6,269	7,289
Professional services	5,882	5,675
	17,357	17,063

5 Cash and cash equivalents

Cash and cash equivalents consist the following:

	2019	2018
	\$'000	\$'000
Cash at bank and on hand	240	1,022
Cash and cash equivalents	240	1,022

Deposits at call

The deposits are bearing floating interest rates at 0.01% (2018 at an average of between 0.01% and 0.1%).

6 Current assets - receivables

Trade and other receivables consist of the following:

	2019	2018
	\$'000	\$'000
Current		
Trade receivables, gross	1,808	2,928
Allowance for credit losses	(200)	(134)
	1,608	2,794
Other receivables	6,776	6,899
	8,384	9,693

The carrying amounts disclosed above are the Synod's maximum possible credit risk exposure in relation to these instruments.

The movement in the allowance for credit losses can be reconciled as follows:

	2019	2018
	\$'000	\$'000
Reconciliation of allowance for credit losses		
Balance 1 January	134	112
Debt recovered	(19)	(27)
Allowance for expected credit losses	85	49
Balance 31 December	200	134

7 Current assets - investments

	2019	2018
	\$'000	\$'000
Financial assets at amortised cost		
Deposits in U Ethical Enhanced Cash Portfolio	133,763	104,433
Deposits in U Ethical Enhanced Cash Trust	-	294
Other	-	1
	133,763	104,728

The investments listed above may be designated for specific use by the Synod or specified by a trust or bequest. As such these funds are not able to be freely used by the Synod for purposes other than which they are specified.

8 Non-current assets – investments

	2019	2018
	\$'000	\$'000
Financial assets at fair value through profit or loss		
Deposits in U Ethical Growth Portfolio	307	123,360
Deposits in U Ethical Australian Equities Trust	197,149	40,925
	197,456	164,285

The investments listed above may be designated for specific use by the Synod or specified by a trust or bequest. As such these funds are not able to be freely used by the Synod for purposes other than which they are specified.

9 Current assets - other

	2019	2018
	\$'000	\$'000
Current assets - other		
Prepayment	3,921	4,246
	3,921	4,246

10 Non current assets –receivables

	2019	2018
	\$'000	\$'000
Interest bearing		
Loans to ministers, students and Church Institutions - unsecured (a)	2,029	1,414
Non-interest bearing		
Loans to Church Institutions - unsecured	14	251
Project receivables - unsecured	2,712	3,959
	4,755	5,624

- (a) Loans to ministers and students - These loans are provided to assist with purchase of motor vehicle, houses or to assist while students undertake education at Centre for Theology and Ministry. Interest rates vary between 1.6% and 4.3% depending on the type of loan. Loan terms are between 3 and 10 years.

11 Property, plant and equipment

	2019	2018
	\$'000	\$'000
Land and buildings		
Land		
At cost	12,109	12,694
	12,109	12,694
Building		
At cost	21,632	31,031
Less: Accumulated depreciation	(5,343)	(9,749)
	16,289	21,282
Total Land And Buildings	28,398	33,976
Plant and equipment		
Infrastructure		
At cost	2,161	1,973
Less: Accumulated depreciation	(928)	(864)
	1,233	1,109
Equipment, Fixture & Fittings		
At cost	3,136	3,078
Less: Accumulated depreciation	(2,104)	(2,135)
	1,032	943
Computer equipment		
At cost	2,053	6,760
Less: Accumulated depreciation	(1,707)	(6,349)
	346	411
Motor Vehicles		
At cost	91	92
Less: Accumulated depreciation	(70)	(87)
	21	5
Capital WIP		
At cost	1,007	355
	1,007	355
Total Plant And Equipment	3,639	2,823
Total Property, Plant And Equipment	32,037	36,799

Asset Category - 2019	Balance at 1 Jan 2019	Additions	Disposals	Depreciation	Transfer	Balance at 31 Dec 2019
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Land	12,694	415	(1,000)	-	-	12,109
Building	21,282	55	(4,846)	(632)	430	16,289
Infrastructure	1,109	68	(4)	(74)	134	1,233
Equipment, Fixture & Fittings	943	77	-	(181)	193	1,032
Computer equipment	411	197	-	(233)	(29)	346
Motor Vehicles	5	-	-	(6)	22	21
Capital WIP	355	1,436	-	-	(784)	1,007
Total	36,799	2,248	(5,850)	(1,126)	(34)	32,037

Asset Category - 2018	Balance at 1 Jan 2018	Additions	Disposals	Depreciation	Transfer	Balance at 31 Dec 2018
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Land	5,975	335	-	-	6,384	12,694
Building	27,859	409	(68)	(575)	(6,343)	21,282
Infrastructure	866	307	(2)	(62)	-	1,109
Equipment, Fixture & Fittings	972	135	-	(146)	(18)	943
Computer equipment	464	235	(13)	(282)	7	411
Motor Vehicles	17	-	(1)	(11)	-	5
Capital WIP	155	244	-	-	(44)	355
Total	36,308	1,665	(84)	(1,076)	(14)	36,799

During 2019, the Synod modified the classification of fixed asset to reflect more appropriately the way in which economic benefits are derived from use. Prior year amounts were reclassified for consistency with year ended 31 December 2019.

12 Intangible assets

Detail of the Group's other intangible assets and their carrying amounts are as follows:

	2019	2018
	\$'000	\$'000
Data Warehouse	1,619	1,423
Balance 1 January	1,423	930
Transfers	34	14
Additions	678	819
Disposal	-	(38)
Amortisation	(516)	(302)
Balance 31 December	1,619	1,423

13 Current liabilities - trade and other payables

Trade and other payables recognised consist of the following:

	2019	2018
	\$'000	\$'000
Trade payables	8,331	1,385
Other creditors and accruals	2,707	2,239
Insurance claims outstanding	3,175	3,130
Income received in advance	1,104	895
Total trade and other payables	15,317	7,649

All above liabilities are short-term. The carrying values are considered to be a reasonable approximation of fair value.

14 Current liabilities – short term provisions

	2019	2018
	\$'000	\$'000
Ministers benefits	5,611	5,293
Employee benefits	1,849	1,919
Other provisions	774	274
Short term provisions	8,234	7,486

15 Short-term borrowings

Other liabilities can be summarised as following:

	2019	2018
	\$'000	\$'000
Loan-Insurance Premium	-	4,063
Loan-Camping (South East Water)	34	50
Loan - Development Funding	101	-
Other liabilities – current	135	4,113

- (a) The Synod has ceased twelve-month funding arrangement with Macquarie Pacific Funding for the Synod's insurance premiums in 2019.
- (b) Loans are unsecured loans and interest rate is at an average between 4.99% and 5.5% (2018: 4.99% to 5.5%).

16 Current liabilities - other

Other liabilities can be summarised as following:

	2019	2018
	\$'000	\$'000
Property settlements in trust	14,702	19,812
Development margin held in Trust	10,318	494
Other	-	1
Other liabilities – current	25,020	20,307

17 Non-current liabilities

	2019 \$'000	2018 \$'000
Long-term interest bearing borrowings:		
Loan - Development Funding	902	1,099
Loan - Uniting Church Mortgage Loan	-	346
	902	1,445
Other Liabilities:		
Development margin held in trust	-	11,428
Income received in advance	220	260
	220	11,688
Provisions:		
Employee entitlements	161	174
	161	174

Loans are unsecured loans and interest rate is at an average between 4.99% and 5.5% (2018: 4.99% to 5.5%).

18 Synod funds and reserves

	2019 \$'000	2018 \$'000
Synod Funds		
Not designated (i)	74,983	68,769
Designated by the Synod (ii)	117,693	86,158
Specified by trust/bequest (iii)	139,717	120,208
Total funds	332,393	275,135

i) Not Designated – These are reserves which are unrestricted and include Unearmarked Synod Funds, Bequests received for the Uniting Church in Australia with no restrictions as to their use or investment and the Mission Support Funds.

ii) Designated by the Synod – These reserves are for a specific purpose as decided by the Synod or a decision of a commission or board of the Synod.

iii) Specified by Trust/Bequest – These are reserves where the purpose is decided by a bequest or a trust. They are given for a specific purpose and the capital may need to be invested in perpetuity. Trust funds include donations received for specific appeals (including the Share Community Appeal).

19 Employee entitlements

Employee entitlement liabilities can be summarised as following:

	2019	2018
	\$'000	\$'000
Provision for employee entitlements		
Current (Note 14)	1,849	1,919
Non-current (Note 17)	161	174
Aggregate employee entitlement liability	2,010	2,093

20 Related party transactions

Standing committee members are appointed at each ordinary Synod meeting on a rotating basis.

The members listed below were appointed at the Synod meeting held in 2019 for a term up to the next Synod meeting.

Members of standing committee

The members listed below were appointed at the Synod meeting held in 2019 for a term up to the next Synod meeting.

Rev Stan Clarke	Ms Anna Harrison	Mrs Jen Shields
Mr Ron Gowland	Dr Jessica Hateley-Browne	Rev Sani Vaeluaga

The members listed below were appointed at the Synod meeting held in 2019 for a term up to 2022 Synod meeting.

Ms Lisa Carey	Rev Carlynne Nunn	Rev Ikani Vaitohi
Ms Adara Liersch	Mr Lindsay Oates	

The ex-officio members are listed below.

Rev Denise Liersch (Moderator)	Rev Sharon Hollis (Ex-Moderator)	Rev Dr Mark Lawrence (Gen Sec)
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The term of the members below concluded before or at the 2019 Synod meeting.

Ms Helen Collins	Mr Dan Wootton	Mr John Diprose
Rev Peter Greenwood	Rev Graeme Harrison	

20.1 Remuneration and retirement benefits of key management personnel

Income paid or payable, or otherwise made available, to Standing Committee members by the entity and related parties in connection with the management of affairs of the entity.

	2019	2018
	\$'000	\$'000
Management personnel remuneration	428	480
	428	480

20.2 Transactions with related entities

Related party transactions with Uniting Ethical Investors Limited

	2019	2018
	\$'000	\$'000
Income from related party transactions with Uniting Ethical Investors Limited		
Interest received on deposits in U Ethical managed funds	10,905	8,832
Institutional contribution	2,978	3,324
Information technology service provision	140	236
Leased office space	166	143
Accounting service provision	153	155
P&C Services	63	-
	14,405	12,690
Balance with Uniting Ethical Investors Limited from related party transactions		
Accounts receivable	64	349
	64	349

Related party transactions with Centre for Evidence and Implementation

	2019	2018
	\$'000	\$'000
Purchase of consulting services	49	12
	49	12

A member of the standing committee, Dr Jessica Hately-Browne, was engaged through an entity named Centre for Evidence and Implementation to work for the Voluntary Assisted Dying Project during the course of the year

Related party transactions with Uniting AgeWell Limited

	2019	2018
	\$'000	\$'000
Related party transactions with Uniting AgeWell Limited		
Information technology service provision	2,341	1,877
Leased office space	339	270
Legal and property fees	53	9
Institutional contribution	375	-
	3,108	2,156
The Synod's distribution to Uniting AgeWell Limited		
Interest on bequests	57	19
	57	19
Balance with Uniting AgeWell Limited from related party transactions		
Accounts receivable	1,095	887
	1,095	887

The Synod leases properties to Uniting AgeWell Limited with an annual rent of \$1.00 and lease term of 99 years. These payments are considered below market rate payments, and as such the leases are considered peppercorn leases.

Related party transactions with Uniting (Victoria and Tasmania) Limited

	2019	2018
	\$'000	\$'000
Income from related party transactions with Uniting (Victoria and Tasmania) Limited		
Institutional contribution	375	-
Legal and property fees	1,220	200
	1,595	200
Balance with Uniting (Victoria and Tasmania) Limited from related party transactions		
Accounts receivable	309	50
Accounts payable	(49)	(49)
	260	1

Other related party transactions

Through the course of its normal operations, the Synod will transact with other bodies within the Uniting Church. These operations will include the following activities for which the value of transactions is as per the amounts included in the statement of comprehensive income:

- Insurances
- Mission & Service Giving
- Grants paid
- Workers Compensation
- Levy for Ministers Long Service Leave, Sick leave and Ministers Awaiting Placement
- Fees for use of campsites
- Sales of books

There were no other related party transactions during the financial year.

21 Contingent liabilities

The Synod entered an agreement with the Australian Province of the Society of Jesus (Society) in relation to the Dalton McCaughey Library. Under this agreement if the agreement is terminated before the fifteenth anniversary of the commencement date (1/01/2007) the UCA shall pay the Society the remaining unamortised amount of the \$600,000 contribution, based on a straight line amortisation to a zero balance over fifteen years. If the agreement is terminated after fifteen years because of actions by the UCA, sale or change of use, the UCA will pay the Society 40% of an agreed professional valuation of the library.

Following on from the Child Sexual Abuse Royal Commission final report in November 2017, the Federal Government has announced it has implemented a Redress Scheme from 1 July 2018 and invited government and non-government Institutions to opt-in to the Scheme. Assembly & Synods are working collaboratively on a single response to the Commonwealth redress model. The Synod has future financial exposure to claims. It is not possible at the date of this report to reliably estimate all additional costs of this nature which may emerge in the future.

Synod executed a deed of guarantee that underwrites the unsecured loans to congregations and agencies from the Development Fund with total value of \$395,000.

22 Fair value of financial assets and liabilities

The fair value of cash and cash equivalents and non-interest bearing monetary financial assets and financial liabilities approximates their carrying amounts.

The net fair value of other monetary financial assets and financial liabilities is based upon market prices where a market exists or by discounting the expected future cash flows by the current interest rates for assets and liabilities with similar risk profiles.

All financial assets measured at fair value are based on level 1 inputs in the fair value hierarchy. No transfers across levels has occurred.

23 Discontinued operations

During 2018 Uniting Ethical Investors Limited (Formerly known as UCA Funds management) operational financials has been separated from the Synod Victoria and Tasmania financials and has recognised the flow of funds between the entities being the Synod and Uniting Ethical Investors Limited.

	2019	2018
	\$'000	\$'000
Cash flow generated/(used) in discontinued operations		
Revenue from operating activities	-	-
Net cash (used in)/ produced by operating activities	-	(148)
Net movement in cash and cash equivalents	-	(148)
Cash flow generated/(used) in discontinued operations		
Revenue from operating activities	-	-
Net cash (used in)/ produced by operating activities	-	(210)
Net movement in cash and cash equivalents	-	(210)

24 Post-reporting date events

Coronavirus [COVID-19]

In March 2020, the World Health Organization declared the outbreak of a novel coronavirus (COVID-19) as a pandemic, which continues to spread throughout Australia. The spread of COVID-19 has caused significant volatility in Australia and international markets. There is significant uncertainty around the breadth and duration of business disruptions related to COVID-19, as well as its impact on the Australian and international economies. The coronavirus outbreak in March 2020 will affect the Synod investment value which is line with global stock market shifts. Also the large-scale quarantines, travel restriction and social-distancing measures will drive a fall in mission and service giving, revenue from camping sites etc.

The value of financial assets held by the Synod at 13 June 2020 show a decline in value of 8% from the valuation recorded within the financial statements at 31 December 2019. Financial markets remain highly volatile.

The Synod is eligible for the Job Keeper government subsidy.

Accounts Simplification Project

A project is underway to reduce the number trial balance accounts in order to improve processing and the flow of information across the organisation.

25 Commitments

The synod has signed a 12-year lease agreement with Charter Hall Wholesale Management Limited for offices spaces. The lease agreement includes 8 extension options, each for a further 5 years. The lease contract has not commenced at 31 December 2019, but expected to commence in 2020.

The expected future lease payments for this contract are \$1,279,000 within one year, and \$10,639,000 within five years and \$19,558,000 for the remaining 12-year period.

The Synod will consider the renewal of the lease options during the 12th year of the lease.