

The Uniting Church in Australia  
Synod of Victoria and Tasmania

ABN 39 703 442 583

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# Annual Report

**For the year ended 31 December 2018**

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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 4.

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# UNITING CHURCH IN AUSTRALIA - SYNOD OF VICTORIA AND TASMANIA

## FINANCIAL REPORT - 31 DECEMBER 2018

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# UNITING CHURCH IN AUSTRALIA - SYNOD OF VICTORIA AND TASMANIA

## Organisation Particulars

Standing Committee: **Chairperson/Moderator**  
Rev. Sharon Hollis

Managers: **General Secretary**  
Rev. Dr. Mark Lawrence

**Mission Resourcing Unit  
(Formerly Department of Administration and Finance)**

**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

Trustees: The Uniting Church in Australia Property Trust (Victoria)  
The Uniting Church in Australia Property Trust (Tas)  
Property Officer/Secretary  
Mr James Milne

Website address: [www.victas.uca.org.au](http://www.victas.uca.org.au)

# UNITING CHURCH IN AUSTRALIA - SYNOD OF VICTORIA AND TASMANIA

## STANDING COMMITTEE REPORT FOR YEAR ENDED 31 DECEMBER 2018

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 2018. 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

The following persons were Standing Committee members of the Synod during or since the end of the financial year:

Rev Stan Clarke	Mr John Diprose OAM	Rev Peter Greenwood (from Oct 18)
Ms Anna Harrison	Mr Ron Gowland	Rev Graeme Harrison (from Jul 18)
Ms Jen Shields	Dr Jessica Hatley-Browne	Rev Tim Matton-Johnson (to Dec 18)
Rev Sani Vaeluaga	Rev Denise Liersch	Rev Dr Robyn Whitaker (to Jul 18)
Ms Carlynn Nunn	Rev Sharon Hollis	Rev Robin Yang (to Dec 18)
Mr Lindsay Oates	Rev Dr Mark Lawrence	
Ms Helen Collins	Mr Dan Wootton	

### 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

The operating result for the year is a deficit of \$8,386,000 which compares to \$823,000 in surplus in 2017.

During 2018 UCA Funds Management's operations were deconsolidated. A loss of \$2,867,000 associated with the loss of control of these operations has been recorded in the results of the Synod. At 1 January 2018, the movement of fair value in investments in UCA Growth Portfolio and UCA Australian Equities Portfolio has been recognised in profit or loss according to AASB 9. As a result there was a loss of \$5,722,000 due a downturn in financial market towards end of 2018.

### REVIEW OF FINANCIAL POSITION

The overall net asset position of the Synod decreased from approximately \$284m to \$275m. Most of the Synod's assets are held in investments in UCA Enhanced Cash Portfolio, UCA Growth Portfolio and UCA Australian Equities Portfolio. Investments have declined primarily due a downturn in financial markets towards the end of 2018, which is reflected by lower 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.

### AUDITORS INDEPENDENCE DECLARATION

A copy of the Auditor's independence Declaration as required under s 60-40 of the Australian Charities and Not-for-profits Commission Act 2012 is included in page 5 of this financial report.

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



General Secretary  
Rev Dr Mark Lawrence



Chairperson/Moderator  
Rev Sharon Hollis

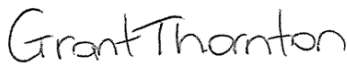
Dated this 15th day of June 2019

## 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 2018, 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 AUDIT PTY LTD  
Chartered Accountants



A C Pitts  
Partner - Audit & Assurance

Melbourne, 15 June 2019

## 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 2018, 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 2018 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.

### 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 2018, 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, 15 June 2019



# UNITING CHURCH IN AUSTRALIA - SYNOD OF VICTORIA AND TASMANIA

## STANDING COMMITTEE DECLARATION FOR THE YEAR ENDED 31 DECEMBER 2018

The Standing Committee declare that the financial statements and notes set out on pages 10 to 25.

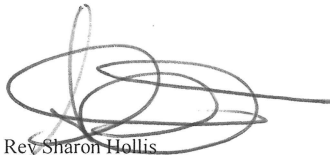
- (a) comply with Accounting Standards in Australia and other mandatory professional reporting requirements; and
- (b) give a true and fair view of the Synod's financial position as at 31 December 2018 and of its performance, as represented by the results of its operations, changes in equity and its 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 Sharon Hollis

Standing Committee Chairperson/  
Moderator



Rev Dr Mark Lawrence

General Secretary

Melbourne

Dated this 15th day of June 2019

UNITING CHURCH IN AUSTRALIA - SYNOD OF VICTORIA AND TASMANIA

STATEMENT OF PROFIT OR LOSS & OTHER COMPREHENSIVE INCOME  
FOR THE YEAR ENDED 31 DECEMBER 2018

	Note	2018 \$'000	2017 \$'000
<b>Revenue</b>			
Mission & service giving		3,046	3,118
Grants		232	283
Gifts, donations & bequests		5,290	8,555
Sales, fees & tariffs		17,063	18,258
Net proceeds from insurance activities		1,703	1,291
		<u>27,334</u>	<u>31,505</u>
<b>Other revenue</b>			
Interest revenue		8,832	9,557
Proceeds from the sale of Church properties		3,258	2,498
Gain on sale of investments		86	194
Other revenue		1,099	879
		<u>13,275</u>	<u>13,128</u>
<b>Total revenue</b>		<u>40,609</u>	<u>44,633</u>
<b>Expenses</b>			
Employee benefits expense		20,246	22,033
Depreciation and amortisation expense	2	1,378	1,488
Grants expense		8,048	7,494
Cost of goods sold and conference expense		1,657	1,755
Consulting and legal fee expense		2,102	2,108
Motor vehicle and travelling expense		407	603
Repairs, maintenance, property expenses and rent expense		2,240	2,074
Postage, telephone, printing and stationery expense		579	728
Borrowing costs		144	158
Other expenses		3,605	2,100
<b>Total expenses</b>		<u>40,406</u>	<u>40,541</u>
<b>Operating profit</b>		<u>203</u>	<u>4,092</u>
Gain/(loss) on revaluation of financial assets		(5,722)	-
<b>Surplus/(deficit) from continuing operations</b>		<u>(5,519)</u>	<u>4,092</u>
<b>Discontinued operations</b>			
Deficit from discontinued operation	21	<u>(2,867)</u>	<u>(3,269)</u>
<b>Deficit from operations</b>		<u>(8,386)</u>	<u>823</u>
<b>Other comprehensive income</b>			
<b>Items that may be reclassified subsequently to profit or loss</b>			
Unrealised gains on investments		-	10,931
<b>Total comprehensive income/(loss) for the year</b>		<u>(8,386)</u>	<u>11,754</u>

*The above Statement of Profit or Loss & Other Comprehensive Income should be read in conjunction with the accompanying notes.*

UNITING CHURCH IN AUSTRALIA - SYNOD OF VICTORIA AND TASMANIA

STATEMENT OF FINANCIAL POSITION  
AS AT 31 DECEMBER 2018

	Note	2018 \$'000	2017 \$'000
<b>ASSETS</b>			
<b>Current assets</b>			
Cash and cash equivalents	3	1,022	1,488
Receivables	4	9,693	6,450
Inventories		177	169
Investments	5	104,728	109,521
Other current assets	7	4,246	4,141
<b>Total current assets</b>		<b>119,866</b>	<b>121,769</b>
<b>Non-current assets</b>			
Investments	6	164,285	171,981
Receivables	8	5,624	5,818
Property, plant and equipment	9	36,799	36,308
Intangible assets	10	1,423	930
<b>Total Non-current assets</b>		<b>208,131</b>	<b>215,037</b>
<b>Total assets</b>		<b>327,997</b>	<b>336,806</b>
<b>LIABILITIES</b>			
<b>Current liabilities</b>			
Trade and other payables	11	7,649	6,641
Short-term provisions	12	7,486	7,228
Short-term borrowings	13	4,113	4,538
Other current liabilities	14	20,307	21,421
<b>Total current liabilities</b>		<b>39,555</b>	<b>39,828</b>
<b>Non-current liabilities</b>			
Long-term borrowings	15	1,445	1,595
Other liabilities	15	11,688	11,688
Long-term provisions	15	174	174
<b>Total non-current liabilities</b>		<b>13,307</b>	<b>13,457</b>
<b>Total liabilities</b>		<b>52,862</b>	<b>53,285</b>
<b>Net assets</b>		<b>275,135</b>	<b>283,521</b>
<b>EQUITY</b>			
Synod funds	16(a)	275,135	246,969
Reserve	16(b)	-	36,552
<b>Total equity</b>		<b>275,135</b>	<b>283,521</b>

*The above Statement of Financial Position should be read in conjunction with the accompanying notes.*

UNITING CHURCH IN AUSTRALIA - SYNOD OF VICTORIA AND TASMANIA

STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 31 DECEMBER 2018

	Note	Reserves \$'000	Synod Funds \$'000	Total Equity \$'000
<b>Balance as at 1 January 2017</b>		25,738	246,029	271,767
Surplus for the year		-	823	823
Movement in unrealised gains on investments	16(b)	10,931	-	10,931
Transfer between equity balances	16(b)	(117)	117	-
<b>Total comprehensive income for the year</b>		<u>10,814</u>	<u>940</u>	<u>11,754</u>
<b>Balance as at 31 December 2017</b>		<u>36,552</u>	<u>246,969</u>	<u>283,521</u>
<b>Balance as at 1 January 2018</b>		36,552	246,969	283,521
Adjustment on initial application of AASB 9	16(b)	(36,552)	36,552	
<b>Adjusted balance as at 1 January 2018</b>		<u>-</u>	<u>283,521</u>	<u>283,521</u>
Deficit for the year		-	(8,386)	(8,386)
<b>Total comprehensive income/(loss) for the year</b>		<u>-</u>	<u>(8,386)</u>	<u>(8,386)</u>
<b>Balance as at 31 December 2018</b>		<u>-</u>	<u>275,135</u>	<u>275,135</u>

*The above Statement of Changes in Equity should be read in conjunction with the accompanying notes.*

UNITING CHURCH IN AUSTRALIA - SYNOD OF VICTORIA AND TASMANIA

STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED 31 DECEMBER 2018

	Note	2018 \$'000	2017 \$'000
<b>Cash flows from operating activities</b>			
Receipts from presbytery/congregation contributions		3,124	3,074
Receipts from operations and activities		28,200	45,588
Grants to organisations and individuals		(8,049)	(7,872)
Payments to suppliers and employees		(37,093)	(40,340)
Interest received		8,832	9,843
<b>Net cash inflow/(outflow) from operating activities</b>		<u>(4,986)</u>	<u>10,293</u>
<b>Cash flows from investing activities</b>			
Payment for property, plant and equipment	9	(1,665)	(965)
Payment for intangible assets	10	(819)	(335)
Payments for investments		(68,689)	(130,011)
Proceeds from sale of property, plant and equipment		12	42
Proceeds from sale of investments		72,749	111,251
Proceeds from sale of Church properties		3,313	2,498
<b>Net cash inflow/(outflow) from investing activities</b>		<u>4,901</u>	<u>(17,520)</u>
<b>Cash flows from financing activities</b>			
Funds received from/(advanced to) related parties		194	(6)
Proceeds from/(Repayment to) loan advances		(425)	1,205
Proceeds from/(Repayment to) borrowings		(150)	5,677
<b>Net cash inflow/(outflow) from financing activities</b>		<u>(381)</u>	<u>6,876</u>
<b>Net movement in cash held</b>		(466)	(351)
Cash at the beginning of the financial year		<u>1,488</u>	<u>1,839</u>
<b>Cash at the end of the financial year</b>	3	<u><u>1,022</u></u>	<u><u>1,488</u></u>

*The above Statement of Cash Flows should be read in conjunction with the accompanying notes.*

# UNITING CHURCH IN AUSTRALIA - SYNOD OF VICTORIA AND TASMANIA

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018

### NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

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 Resource 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.

On 1 January 2018 the Synod ceased control over the operations listed in note 21.

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:

UCA Funds Management  
Uniting AgeWell  
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 15th June 2019.

#### (a) 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 equipment:

Buildings, plant and equipment are initially recognised at acquisition cost or manufactured cost included any cost directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in a manner intended by the Synod.

Building plant and equipment are subsequently measured using the cost model, costs 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 equipment. The following useful lives are applied:

	2018	2017
Buildings	50 Years	50 Years
Computer Equipment	3 Years	3 Years
Office Furniture and Equipment	5 Years	5 Years
Motor Vehicles	5.56 Years	5.56 Years

#### (b) Intangible assets

Development expenditure 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 to initial recognition, development expenditure is measured at cost less accumulated amortisation and any accumulated impairment losses.

Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure, including expenditure on internally generated goodwill and brands, is recognised in profit or loss as incurred.

Amortisation is calculated to write off the cost of intangible assets less their estimated residual values using the straight-line method over their estimated useful lives, and is generally recognised in profit or loss.

# UNITING CHURCH IN AUSTRALIA - SYNOD OF VICTORIA AND TASMANIA

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018

### NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### (b) Intangible assets (continued)

In 2017, to comply with AASB138 the accounting policy related to expenditure incurred in development of Data Warehouse is changed so that expenditure is recognised as intangible asset instead of property, plant and equipment. As a result of this change, there is an transfer of \$807,000 from computer equipment to intangible asset in 2017.

#### (c) 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.

#### (d) Employee benefits

##### Short term employee benefits:

Short term employee benefits are benefits that are expected to be settled within 12 months after the end of the period in which the employee rendered the related service. These benefits include wages and salaries, non-monetary benefits, sick leave and annual 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 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.

#### (e) 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.

#### (f) Investments

In-line with Synod regulations all excess funds are invested in UCA Funds Management. Funds invested in the UCA Funds Management are recognised as current and non-current investments.

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

After 1 January 2018, funds invested in the UCA Growth Portfolio and UCA Australian Equities are classified as financial assets at fair value through profit or loss under AASB 9. For FVTPL, all fair value movements are included in profit or loss as income or expenses.

Prior to 1 Jan 2018, funds invested in the UCA Growth Portfolio and UCA Australian Equities are classified as Available for sale investments (AFS) under AASB 139. AFS investments are measured at fair value. Gains and losses are recognised in other comprehensive income and reported within the Unrealised Gains reserve within equity, except for impairment losses which are recognised in profit and loss. When the asset is disposed of or is determined to be impaired the cumulative gain or loss recognised in other comprehensive income is reclassified from the equity.

The interest earned on the investments is recognised in profit or loss within revenue.

##### Financial assets at amortised cost

Funds invested in UCA enhanced cash portfolio are classified as current investments and valued at amortised cost. Interest earned on the investments is recognised in profit or loss within revenue.

#### (g) 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

#### (h) Tax exemption

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

#### (i) Receivables

Trade and other receivables are recognised at the original invoice amount less allowance for any uncollectible amounts.

The collectability of the trade and other receivables are reviewed on an ongoing basis. The trade and other receivables are written off if deemed uncollectible, and a provision for doubtful debtors is recognised when there is doubt regarding the collectability of the trade and other receivable balance.

#### (j) Trade and other creditors

These amounts represent liabilities for goods and services provided to the Synod prior to the end of the financial year and which are unpaid. The amounts are unsecured and are usually paid within 30 days of recognition.

# UNITING CHURCH IN AUSTRALIA - SYNOD OF VICTORIA AND TASMANIA

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018

### NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

Where applicable, GST incurred by the Synod, that is not recoverable from the Australian Taxation Office, has been recognised as part of the transaction to which it applies. Receivables and payables are stated exclusive of GST.

The amount of any GST recoverable from, or payable to, the Australian Taxation Office is included as a receivable or payable in the Statement of Financial Position.

#### (l) Income

##### *Grants, contributions*

Income is recognised when the right to receive the grant or contribution has been established.

##### *Gifts, donations & bequests*

Income is recognised when the right to receive the gift, donation or bequest has been established.

##### *Sale of goods*

Income from sale of goods is recognised upon delivery of goods to customers.

##### *Fees & tariffs*

Income is recognised when the right to receive the fee or tariff has been established.

##### *Insurance premiums*

Income is recognised when the right to receive the insurance premium has been established

##### *Interest*

Interest income is recognised on a time-proportionate basis using the effective interest method.

##### *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 there no exemption applied

All income is stated net of the amount of goods and services tax (GST).

#### (m) 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.

#### (n) Property settlements 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.

#### (o) 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.



# UNITING CHURCH IN AUSTRALIA - SYNOD OF VICTORIA AND TASMANIA

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018

### NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### (p) 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 the next financial year are discussed below.

##### *Provision for impairment of receivables*

The provision for impairment of receivables 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.

#### (q) Change in accounting policy

New standards adopted as at 1 January 2018

##### **AASB 9 Financial Instruments**

AASB 9 Financial Instruments replaces AASB 139 Financial Instruments: Recognition and Measurement. It makes major changes to the previous guidance on the classification and measurement of financial assets and introduces an 'expected credit loss' model for impairment of financial assets.

When adopting AASB 9, the Synod has applied transitional relief and opted not to restate prior periods. Differences arising from the adoption of AASB 9 in relation to classification, measurement, and impairment are recognised in opening retained earnings as at 1 January 2018.

The adoption of AASB 9 has impacted the following areas:

Available for sale financial assets under AASB 139 included Funds invested in the UCA Growth Portfolio and UCA Australian Equities of \$171,981,000 at 31 December 2017. These were reclassified to fair value through profit or loss (FVPL) under AASB 9. \$31,633,000 was transferred from the available for sale financial assets reserve to retained earnings at 1 January 2018.

##### Impairment of financial assets :

Loans receivable are carried at amortised cost and change from based on indicative evidence of impairment to impairment based on '12-month expected credit losses' or 'lifetime expected credit losses' depending on whether there has been a 'significant increase in credit risk since inception. No impact expected for the Synod to the extent that there is adequate security.

Impairment of receivables are changed from based on indicative evidence of impairment to use of a provision matrix.

## UNITING CHURCH IN AUSTRALIA - SYNOD OF VICTORIA AND TASMANIA

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018

**NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**
**Reconciliation of financial instruments on adoption of AASB 9**

On the date of initial application, 1 January 2018, the financial instruments of the Synod were reclassified as follows,

	Notes	Measurement Category		Closing balance 31	Carrying Amount	Opening
		Original AASB 139 category	New AASB 9 category	December 2017 (AASB 139)	Adoption of AASB 9	balance 1 January 2018 (AASB 9)
				\$'000	\$'000	\$'000
<b>Assets</b>						
<b>Current financial assets</b>						
<b>Cash and cash equivalent</b>	3	Amortised cost	Amortised cost	1,488	-	1,488
<b>Receivables</b>	4	Amortised cost	Amortised cost	6,450	-	6,450
<b>Investments</b>	5	Amortised cost	Amortised cost	109,521	-	109,521
<b>Non-current financial assets</b>						
<b>Investments</b>	6	Available for sale	FVPL	171,981	-	171,981
<b>Receivables</b>	8	Amortised cost	Amortised cost	5,818	-	5,818
<b>Liability</b>						
<b>Current liability</b>						
<b>Trade and other payables</b>	11	Other financial liability	Other financial liability	6,641	-	6,641
<b>Non-current liability</b>						
<b>Long-term borrowings</b>	15	Other financial liability	Other financial liability	11,688	-	11,688

**Reconciliation of the statement of financial position balances from AASB 139 to AASB 9 at 1 January 2018:**

	AASB 139 carrying amount	Re-classification	Re-measurement	AASB 9 carrying amount
	\$'000	\$'000	\$'000	\$'000
<b>Amortised cost</b>				
Closing balance 31 December 2017- AASB 139				
from Cash and cash equivalent	1,488	-	-	1,488
from receivables	6,450	-	-	6,450
from Investments	109,521	-	-	109,521
from non-current receivables	5,818	-	-	5,818
<b>Opening balance 1 January 2018 - AASB 9</b>				<b>123,277</b>
<b>Fair value through other comprehensive income (FVOCI) (including available for sale 2017)</b>				
Closing balance 31 December 2017 - AASB 139 - AFS	171,981	-	-	171,981
To FVPL - Investment in UCA GF and AEF	-	(171,981)	-	(171,981)
<b>Opening balance 1 January 2018 - AASB 9 - Debt FVOCI plus equity FVOCI</b>				<b>-</b>

**Reconciliation of equity for the impact of AASB 9 at 1 January 2018:**

	Reserve	Retained earnings
	\$'000	\$'000
Closing balance 31 December 2017 - AASB 139	36,552	246,969
Reclassify Investments in UCA GF and AEF from AFS to FVPL	(36,552)	31,633
<b>Opening balance 1 January 2018 - AASB 9</b>	<b>-</b>	<b>278,602</b>

UNITING CHURCH IN AUSTRALIA - SYNOD OF VICTORIA AND TASMANIA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018

**NOTE 2: SURPLUS FROM CONTINUING OPERATIONS**

**2018**  
**\$'000**

**2017**  
**\$'000**

Surplus from continuing operations includes the following specific expenses:

Depreciation and amortisation		
Buildings	506	732
Computer Equipment	280	281
Office Furniture and Equipment	278	246
Motor Vehicles	10	15
Motor Vehicles under finance lease	2	2
Data warehouse	302	212
Total depreciation and amortisation	<u>1,378</u>	<u>1,488</u>
Other charges against assets		
Bad and doubtful debts	49	-
	<u>49</u>	<u>-</u>
Rental expense relating to operating leases	<u>86</u>	<u>48</u>

**NOTE 3: CURRENT ASSETS - CASH ASSETS AND CASH EQUIVALENTS**

Cash at bank and on hand	<u>1,022</u>	<u>1,488</u>
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The above figure is shown in the statement of cash flows.

**Deposits at call**

The deposits are bearing floating interest rates at an average of between 0.01% and 0.1% (2017 between 0.01% and 0.03%).

**NOTE 4: CURRENT ASSETS - RECEIVABLES**

Trade debtors	2,928	2,020
Less: Provision for doubtful debts	<u>(134)</u>	<u>(112)</u>
	2,794	1,908
Other debtors	<u>6,899</u>	<u>4,542</u>
	<u>9,693</u>	<u>6,450</u>

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

<b>Reconciliation of provision for doubtful debts</b>	<b>2018</b>	<b>2017</b>
	<b>\$'000</b>	<b>\$'000</b>
Balance 1 January	112	112
Debts recovered	(27)	-
Doubtful Debts recognised	49	-
Balance 31 December	134	112

UNITING CHURCH IN AUSTRALIA - SYNOD OF VICTORIA AND TASMANIA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018

**NOTE 5: CURRENT ASSETS - INVESTMENTS**

	<b>2018</b>	<b>2017</b>
	<b>\$'000</b>	<b>\$'000</b>
Financial assets at amortised cost		
Deposits in UCA Enhanced Cash Portfolio	104,433	105,416
Deposits in Uniting Ethical Enhanced Cash Trust	294	284
Other	<u>1</u>	<u>3,821</u>
	<u><u>104,728</u></u>	<u><u>109,521</u></u>

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.

**NOTE 6: NON CURRENT ASSETS - INVESTMENTS**

Financial assets at fair value through profit or loss		
Deposits in UCA Growth Portfolio	123,360	127,009
Deposits in UCA Australian Equities Portfolio	<u>40,925</u>	<u>44,972</u>
	<u><u>164,285</u></u>	<u><u>171,981</u></u>

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.

**NOTE 7: CURRENT ASSETS - OTHER**

Prepayments	<u>4,246</u>	<u>4,141</u>
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**NOTE 8: NON CURRENT ASSETS - RECEIVABLES**

<b>Interest Bearing</b>		
Loans to ministers, students and Church Institutions - unsecured (a)	1,414	1,649
<b>Non-Interest Bearing</b>		
Loans to Church Institutions - unsecured	251	332
Project receivables	<u>3,959</u>	<u>3,837</u>
	<u><u>5,624</u></u>	<u><u>5,818</u></u>

(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 2.7% and 3.5% depending on the type of loan. Loan terms are between 3 and 10 years.

**NOTE 9: NON CURRENT ASSETS - PROPERTY, PLANT AND EQUIPMENT**

**LAND AND BUILDINGS**

<u>Land</u>		
At cost	<u>10,875</u>	<u>4,491</u>
	<u>10,875</u>	<u>4,491</u>
<u>Buildings</u>		
At cost	32,468	37,866
Less: Accumulated depreciation	<u>(8,436)</u>	<u>(7,893)</u>
	<u>24,032</u>	<u>29,973</u>
<b>TOTAL LAND AND BUILDINGS</b>	<u><u>34,907</u></u>	<u><u>34,464</u></u>

**PLANT AND EQUIPMENT**

<u>Computer equipment</u>		
At cost	6,949	8,014
Less: Accumulated depreciation	<u>(6,516)</u>	<u>(7,541)</u>
	<u>433</u>	<u>473</u>
<u>Office furniture and equipment</u>		
At cost	5,639	6,451
Less: Accumulated depreciation	<u>(4,537)</u>	<u>(5,251)</u>
	<u>1,102</u>	<u>1,200</u>

## UNITING CHURCH IN AUSTRALIA - SYNOD OF VICTORIA AND TASMANIA

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018

NOTE 9: NON CURRENT ASSETS - PROPERTY, PLANT AND EQUIPMENT (continued)	2018 \$'000	2017 \$'000
<u>Motor vehicles</u>		
At cost	70	135
Less: Accumulated depreciation	<u>(68)</u>	<u>(121)</u>
	<u>2</u>	<u>14</u>
<u>Motor vehicles under finance lease</u>		
At cost	74	74
Less: Accumulated depreciation	<u>(74)</u>	<u>(72)</u>
	<u>-</u>	<u>2</u>
<u>Capital WIP</u>		
At cost	<u>355</u>	<u>155</u>
	<u>355</u>	<u>155</u>
 TOTAL PLANT AND EQUIPMENT	 <u>1,892</u>	 <u>1,844</u>
TOTAL PROPERTY, PLANT AND EQUIPMENT	<u>36,799</u>	<u>36,308</u>

Asset Category - 2018	Balance at 1 Jan 2018 \$'000	Additions \$'000	Disposals \$'000	Depreciation \$'000	Transfer \$'000	Balance at 31 Dec 2018 \$'000
Land	4,491	-	-	-	6,384	10,875
Buildings	29,973	925	(17)	(506)	(6,343)	24,032
Computer equipment	473	240	(7)	(280)	7	433
Office furniture and equipment	1,200	256	(58)	(278)	(18)	1,102
Motor vehicles	14	-	(2)	(10)	-	2
Motor vehicles under finance lease	2	-	-	(2)	-	-
Capital WIP	155	688	-	-	(488)	355
<b>Total</b>	<b><u>36,308</u></b>	<b><u>2,109</u></b>	<b><u>(84)</u></b>	<b><u>(1,076)</u></b>	<b><u>(458)</u></b>	<b><u>36,799</u></b>

Asset Category - 2017	Balance at 1 Jan 2017 \$'000	Additions \$'000	Disposals \$'000	Depreciation \$'000	Transfer \$'000	Balance at 31 Dec 2017 \$'000
Land	4,491	-	-	-	-	4,491
Buildings	30,451	453	(209)	(732)	10	29,973
Computer equipment	1,314	131	(21)	(281)	(670)	473
Office furniture and equipment	1,369	79	(2)	(246)	-	1,200
Motor vehicles	31	-	(2)	(15)	-	14
Motor vehicles under finance lease	4	-	-	(2)	-	2
Capital WIP	-	302	-	-	(147)	155
<b>Total</b>	<b><u>37,660</u></b>	<b><u>965</u></b>	<b><u>(234)</u></b>	<b><u>(1,276)</u></b>	<b><u>(807)</u></b>	<b><u>36,308</u></b>

There is a transfer of \$6,384,000 from building to land in 2018 which is due to reclassification of UC camping property plant and equipment in 2018.

NOTE 10: INTANGIBLE ASSETS	2018 \$'000	2017 \$'000
Data Warehouse	<u>1,423</u>	<u>930</u>
Balance 1 January	930	-
Transfers	458	807
Additions	381	335
Disposal	(44)	-
Amortisation	<u>(302)</u>	<u>(212)</u>
Balance 31 December	<u>1,423</u>	<u>930</u>

## NOTE 11: CURRENT LIABILITIES - TRADE &amp; OTHER PAYABLES

Trade creditors	1,385	1,595
Other creditors and accruals	2,239	1,786
Insurance claims outstanding	3,130	2,523
Income received in advance	<u>895</u>	<u>737</u>
	<u>7,649</u>	<u>6,641</u>

## NOTE 12: CURRENT LIABILITIES - SHORT TERM PROVISIONS

Ministers benefits	5,293	4,629
Employee benefits	1,919	2,325
Other provisions	<u>274</u>	<u>274</u>
	<u>7,486</u>	<u>7,228</u>

UNITING CHURCH IN AUSTRALIA - SYNOD OF VICTORIA AND TASMANIA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018

**NOTE 13: SHORT TERM BORROWINGS**

	2018 \$'000	2017 \$'000
Loan-Insurance Premium	4,063	4,474
Loan-Camping (South East Water)	50	64
	<u>4,113</u>	<u>4,538</u>

UCA has entered into an twelve month funding arrangement with Macquarie Pacific Funding (2017: Hunter Premium Funding) for the Synod's insurance premiums.

**NOTE 14: CURRENT LIABILITIES - OTHER**

Property settlements in trust	19,812	15,402
Development margin held in Trust	494	1,600
Amount payable to Uniting Victoria and Tasmania	-	3,800
Other	1	619
	<u>20,307</u>	<u>21,421</u>

**NOTE 15: NON CURRENT LIABILITIES**

**Long-term interest bearing borrowings:**

Loan - Development Funding	1,099	1,191
Loan - Uniting Church Mortgage Loan	346	404
	<u>1,445</u>	<u>1,595</u>

**Other Liabilities:**

Development margin held in trust	11,428	11,428
Income received in advance	260	260
	<u>11,688</u>	<u>11,688</u>

**Provisions:**

Employee entitlements	17	174
	<u>174</u>	<u>174</u>

**NOTE 16: SYNOD FUNDS AND RESERVES**

**(a) Synod Funds**

Not designated (i)	68,769	67,250
Designated by the Synod (ii)	86,158	78,643
Specified by trust/bequest (iii)	120,208	101,076
Total funds	<u>275,135</u>	<u>246,969</u>

(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).

**(b) RESERVES**

Asset revaluation reserve	-	4,919
The asset revaluation reserve records incremental gains on assets that have been remeasured to fair value.		

Unrealised gains/(losses) reserves	-	31,633
The unrealised gains/(losses) reserve records gains or losses on assets that have been designated as available-for-sale by the Synod.		

**Movements:**

Asset revaluation reserve		
Balance 31 December 2017	4,919	4,919
Adjustment	(4,919)	-
Balance 31 December 2018	<u>-</u>	<u>4,919</u>

Unrealised gains/(losses) Reserve		
Balance 31 December 2017	31,633	20,819
Adjustment on initial application of AASB 9	(31,633)	-
Unrealised valuation gains	-	11,123
Gain on sale transferred to profit	-	(192)
Transfer between equity balances	-	(117)
Balance 31 December 2018	<u>-</u>	<u>31,633</u>

UNITING CHURCH IN AUSTRALIA - SYNOD OF VICTORIA AND TASMANIA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018

**NOTE 17: EMPLOYEE ENTITLEMENTS**

	<b>2018</b>	<b>2017</b>
	<b>\$'000</b>	<b>\$'000</b>
<b>Employee entitlement liabilities</b>		
Provision for employee entitlements		
Current (Note 12)	1,919	2,325
Non-current (Note 15)	174	174
Aggregate employee entitlement liability	<u>2,093</u>	<u>2,499</u>

**NOTE 18: RELATED PARTIES**

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

The members listed below were appointed in Synod meeting held in 2017 for a term up to the next Synod meeting

Ms Helen Collins	Mr Ron Gowland	Ms Carlyne Nunn
Mr John Diprose OAM	Dr Jessica Hateley-Browne	Mr Lindsay Oates

The members listed below were appointed in Synod meeting held in 2017 for a term up to 2020 Synod meeting

Rev Stan Clarke	Ms Jen Shields	Rev Graeme Harrison
Ms Anna Harrison	Rev Sani Vaeluaga	

The ex-officio members listed below

Rev Denise Liersch (Moderator Elect)	Rev Sharon Hollis (Moderator)	Mr Dan Wootton (Ex-Moderator)
Rev Peter Greenwood (UAICC Vic)	Rev Dr Mark Lawrence (Gen Sec)	

The members listed below were concluded before or at the 2019 Synod meeting

Rev Dr Robyn Whitaker	Rev Robin Yang	Rev Tim Matton-Johnson
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**Remuneration and retirement benefits**

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.

	<b>2018</b>	<b>2017</b>
	<b>\$'000</b>	<b>\$'000</b>
Total key management personnel remuneration	<u>480</u>	<u>599</u>
	480	599

**Related party transactions with UCA Funds Management**

The Synod received the following income from related party transactions with UCA Funds Management (which is owned by the Uniting Church Property Trust and provides investment facilities for the Synod):

Management fees earned	-	7,306
Interest received on deposits in UCA managed funds	8,832	9,590
Grant received Development Fund	3,324	611
	<u>12,156</u>	<u>17,507</u>

The Synod received the following income from related party transactions with UCA Funds Management

Information technology service provision	236	-
Rent re office Space	143	-
Accounting service provision	155	-
	<u>534</u>	<u>-</u>

The Synod accounts include the following amounts from related party transactions with UCA Funds Management

Accounts receivable	<u>349</u>	<u>-</u>
	349	-

**Related party transactions with Uniting AgeWell**

The Synod received the following income from related party transactions with Uniting AgeWell

Information technology service provision	1,877	2,485
Rent re office Space	270	246
Legal and property fees	9	4
	<u>2,156</u>	<u>2,735</u>

The Synod distributed the following amounts to Uniting AgeWell

Interest on bequests	<u>19</u>	<u>35</u>
	19	35

The Synod accounts include the following amounts from related party transactions with Uniting AgeWell

Accounts receivable	<u>887</u>	<u>397</u>
	887	397

UNITING CHURCH IN AUSTRALIA - SYNOD OF VICTORIA AND TASMANIA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018

**NOTE 18: RELATED PARTIES (continued)**

	<b>2018</b>	<b>2017</b>
	<b>\$'000</b>	<b>\$'000</b>
<b>Related party transactions with Uniting Victoria and Tasmania</b>		
The Synod received the following income from related party transactions with Uniting Victoria and Tasmania		
Information technology service provision	-	17
Rent re office Space	-	25
Accounting service provision	-	30
Legal and property fees	200	55
	<u>200</u>	<u>127</u>
The Synod accounts include the following amounts from related party transactions with Uniting and Victoria Tasmania		
Accounts receivable	50	268
Amount payable	(49)	(3,800)
	<u>1</u>	<u>(3,532)</u>

**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.

**NOTE 19: CONTINGENT LIABILITIES**

In 2014 a bank guarantee in favour of Persephone Investment Pty Ltd was issued, which was the undertaking required as a condition of a commercial lease. The amount of guarantees was \$102,081 and will expire in March 2019. The commercial lease was undertaken by Connections UnitingCare who will maintain a balance in their Funds Management account equal or greater to the amount of this bank guarantee.

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 \$1.000m 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.

**NOTE 20: 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.

**NOTE 21: DISCONTINUED OPERATIONS**

During 2018 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 UCA Funds Management Ltd.

	<b>2018</b>	<b>2017</b>
	<b>\$'000</b>	<b>\$'000</b>
<b>Cash flow generated/(used) in discontinued operations</b>		
Revenue from operating activities		
Net cash (used in)/ produced by operating activities	-	(148)
Net movement in cash and cash equivalents	<u>-</u>	<u>(148)</u>



UNITING CHURCH IN AUSTRALIA - SYNOD OF VICTORIA AND TASMANIA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018

**NOTE 21: DISCONTINUED OPERATIONS (Continued)**

During 2017 the Standing Committee decided to merge the operations of UnitingCare agencies under one entity Uniting Victoria and Tasmania. This decision also included the transfer of the central administration function of UnitingCare, Kindergarten/Preschools operations and the appeals unit from the Synod to the new entity from 1 July 2017. Uniting Victoria and Tasmania did not give consideration to the Synod for the change in control. As a result of the change in control a deficit has been recognised in the financial statements of the Synod of \$3,278,000 representing the net operating result for the period 1 January 2017 to 30 June 2017 and the transfer of the net asset position of the operations transferred to Uniting Victoria and Tasmania at the time of the transfer. This does not reflect a deficit or a loss of control of the operations for the Uniting Church as a whole.

<b>Cash flow generated/(used) in discontinued operations</b>	<b>2018 \$'000</b>	<b>2017 \$'000</b>
Revenue from operating activities		
Net cash (used in)/ produced by operating activities	-	(210)
Net movement in cash and cash equivalents	-	(210)

**NOTE 22: EVENTS OCCURRING AFTER REPORTING DATE**

**National Redress Scheme**

On 29 March 2019, the Uniting Church in Australia has been officially recognised as an active participant in the National Redress Scheme for people who experienced institutional child sexual abuse.

**NOTE 23: COMMITMENTS**

There are no material capital, financing or operating commitments as at 31 December 2018 or 31 December 2017.