



Baptist Churches
of NSW & ACT

Financial Statements 2024

for the
2025 Annual General Meeting of the
Baptist Association of NSW & ACT



Allen Sibley
Chair – Assembly Council

Rev Dr Steve Bartlett
Director of Ministries

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Baptist Union of NSW.....YEAR ENDED 31 DEC 2024

AFFILIATED ORGANISATIONS

Morling College Limited.....YEAR ENDED 31 DEC 2024

Morling Foundation Limited.....YEAR ENDED 31 DEC 2024

Baptist Business College Limited (Bedford College).....YEAR ENDED 31 DEC 2024

Baptist Foundation of NSW Limited.....YEAR ENDED 30 JUNE 2024

Baptist Financial Services Australia Limited.....YEAR ENDED 31 DEC 2024

Baptist Churches of NSW Property Trust.....YEAR ENDED 30 APRIL 2024

2024 Financial Results

The Association's surplus of \$5.4m is made up of an operating surplus of \$881k, surplus from other ministries of \$472k, a surplus from Designated Funds of \$2.9m, extraordinary income of \$584k and other comprehensive income of \$478k. During 2024, we have continued to focus on building up resources for the Gen1K vision by further consolidating funds with the aim of efficiency and mobilising resources for strategic initiatives. Some further funds have become available from closed churches and are included in the surplus from Designated Funds. Below is a summary of our 2024 financial results:-

	Actual	Budget	Diff \$	Diff %
Operations				
Income	5,543	5,681	-138	-2%
Expenses	-4,662	-5,638	976	-17%
Surplus/ (deficit) from operations	881	43	838	1949%
Other Ministries	1,056	200	856	428%
Surplus/ (deficit) from operations including other ministries	1,937	243	1,694	697%
Designated funds	2,986	52	2,934	5642%
Other comprehensive income	478	-	478	0%
Total surplus for the year	5,401	295	5,106	1731%

Our operating surplus of \$881k is 17% above budget due to timing of expenses being deferred.

The figures for other ministries include Kiah Ridge, GodSpace and our Regional Ministries (Greater West for Christ, Riverina District Baptist Association, H100, TSS, Western Districts, Canberra Region, South Coast and Northern Rivers). Other ministries is above budget due to surpluses above budget made in Regional Ministries during the year and also changes to the future direction for GodSpace whereby all future surpluses will be retained toward future redevelopment initiatives for our SRE Curriculum.

The surplus from Designated Funds is above budget due to the proceeds from the sale of properties of closed churches which are used to support the GEN1K Vision.

Church Partnership Support Budget 2025

The Operating budget for 2025 is a net deficit of \$183k. The Church Partnership Support Budget of \$1.55m only covers a quarter of our annual operating costs of \$6.3m. We continue to work diligently so that the operating budget can be balanced over the long term and as the Association requires increasing resources to support churches in an ever-increasingly complex environment.

CHURCH PARTNERSHIP SUPPORT BUDGET 2025

\$(000)

Budgeted Church Partnership Support Budget	1,550
How these contributions are utilised in ministry:	
Leadership Development	-261
Baptist Youth Ministries	-457
Children and Families	-152
SRE	-133
Accreditation and Recognition	-243
Mission and Church Development	-183
Church Witness	-177
Church Multiplication	-487
Church Health	-293
Global Mission	-208
Strategic Support and Regional Development	-406
Standards	-278
Communications and Events	-511
Ministries Management	-782
Operations	-856
Information Technology	-506
Human Resources	-87
Balance Ministry Services	10
Contribution to Morling	-150
Contribution to Baptist Union of Australia	-114
Total Ministry Allocations	-6,273
These ministries are funded by income from:	
Church partnership contributions	1,550
Grants	1,215
Greater Wester for Christ	69
Transform Southern Sydney	60
Legacy Fund	400
Baptist Financial Services Ltd	1,000
Insurance Operations	412
Investment Fund	752
Tax Deductable Fund	17
Arncliffe Fund	100
Gen1K Fund	515
Income excluding designated funds	6,090
Operating deficit	- 183



MORLING
COLLEGE

Financial Statements

For the Year Ended 31 December 2024

Morling College Limited
ABN 64 122 588 309

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www.morling.edu.au

Morling College Limited

ABN 64 122 588 309

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Morling College Limited

ABN 64 122 588 309

Directors' Report
31 December 2024

The directors present their report on Morling College Limited ("the Company") for the financial year ended 31 December 2024.

General information

Directors

Notwithstanding that there is no legal requirement for the directors to prepare this directors report, the Directors of Morling College Limited submit herewith the Annual Financial Report of the Company for the financial year ended 31 December 2024 and report as follows:

The names of the directors in office at any time during, or since the end of, the year are:

Names	Position
Rev. Angelo Gratsounas	Chair
Dr Beverley Moore	Director
Rev. Dr Brian Powell	Director
Mrs Helen Blanch	Director
Rev. Matthew Arkapaw	Director
Mrs Lonni Aylett	Director
Rev. James Kim	Director
Rev. Paul Mosiejczuk	Director
Dr Sylvia Collinson	Director
Dr Graeme Chatfield	Director
Dr William Peirson	Director
Mr Stephen Welsh	Director
Mrs Kathryn Sinclair	Director
Mr Andrew McCafferty	Director (since the end of the year)

Directors have been in office since the start of the financial year to the date of this report unless otherwise stated.

Review of operations

The operating surplus/(deficit) before depreciation, interest, and extraordinary items amounted to \$353,004 (2023: (\$396,178)).

The operating (deficit) of the Company before extraordinary items was (\$1,672,497) (2023: (\$2,517,278)).

Extraordinary items, comprising amounts provided by Morling Foundation towards construction costs was \$28,258 (2023: \$66,290).

The net increase in cash per the Statement of Cash Flows was \$823,139 (2023: \$42,441).

Principal activities

The principal activities of Morling College Limited during the financial year was the conduct of a Tertiary College for Christian Ministry training and associated activities.

There were no significant changes in the nature of the Company's principal activities during the financial year.

Morling College Limited

ABN 64 122 588 309

Directors' Report

31 December 2024

General information (cont'd)

Objectives and Strategies

Morling College's objective is committed to equipping and shaping Christ-Centred followers to impact the world.

We are passionate about living out three values:

1. Christ is Central
2. People Matter
3. Education is transformative

Morling College aims to achieve this objective and live out these values through strategies which:

- Mobilise people for ministry, mission, and the workplace.
- Cultivate personal and whole-of-life formation
- Pursue excellence and innovation in Education and Research
- Foster community among our staff and students
- Facilitate worldview engagement among our students
- Provide ongoing training to pastors, churches, professionals (including educators, counsellors and chaplains) and others
- Support and partner with congregations and likeminded organisations
- Steward our resources wisely to effectively develop leaders for the church and beyond

Members' guarantee

Morling College Limited is a company limited by guarantee. In the event of, and for the purpose of winding up of the company, the amount capable of being called up from each member and any person or association who ceased to be a member in the year prior to the winding up, is limited to \$20 per member subject to the provisions of the company's constitution.

At 31 December 2024 the collective liability of members was \$20 (2023: \$20).

Morling College Limited

ABN 64 122 588 309

Directors' Report

31 December 2024


Resourcing the Morling Vision


To date the Macquarie Park land sale proceeds have enabled the construction and use on the remaining site of the new Ministry and Learning Centre (MALC), Residential College and four townhouses to replace all the accommodation lost. In 2024 construction began on the Macquarie Rise commercial and residential property which, together with the other development and the ongoing management of funds in the Morling Foundation, is essential to provide income which will partly cover the ongoing operational costs of Morling College. This has been actioned without requiring increased denominational grants but rather reducing denominational costs by co-location on the Macquarie Park site.

Auditor's independence declaration

The auditor's independence declaration in accordance with section 60-40 of the *Australian Charities and Not-for-profits Commission Act 2012* for the year ended 31 December 2024 has been received and can be found on page 4 of the financial report.

Signed in accordance with a resolution of the Board of Directors:

Director: 
Rev. Angelo Gratsounas

Director: 
Rev. Matthew Arkapaw

Dated this8th..... day ofApril..... 2025



Auditor's Independence Declaration to the Responsible Persons of Morling College Limited

I declare that, to the best of my knowledge and belief, during the year ended 31 December 2024, there have been:

- (i) no contraventions of the auditor independence requirements as set out in section 60-40 of the *Australian Charities and Not-for-profits Commission Act 2012* in relation to the audit; and
- (ii) no contraventions of any applicable code of professional conduct in relation to the audit.

WSC Group - Audit Pty Ltd

A handwritten signature in black ink, appearing to read 'A F Gilbert'.

A F Gilbert, CA
Director

Dated this9th.....day ofApril.....2025

Statement of Profit or Loss and Other Comprehensive Income

For the Year Ended 31 December 2024

	Note	2024 \$	2023 \$
Operating Revenue			
Tuition income		4,010,514	3,729,137
Residential accomodation income		3,066,344	2,966,445
Donations, subsidies and bequests	4	2,541,567	2,704,556
Other operating income		499,996	412,508
Interest income		44,818	55,467
Total operating revenue		10,163,239	9,868,113
Operating Expenses			
Employee benefits expense	6	(6,824,441)	(6,741,965)
Tuition expenses		(786,091)	(776,869)
Property & occupancy expenses		(867,882)	(811,770)
Administration expenses		(691,822)	(874,609)
Marketing expenses		(191,332)	(313,840)
Catering expenses		(117,570)	(457,252)
Library expenses		(190,875)	(218,437)
Other expenses		(140,222)	(69,551)
Total operating expenses		(9,810,235)	(10,264,291)
Surplus/(deficit) before depreciation and interest		353,004	(396,178)
Depreciation and amortisation expense	5	(1,955,452)	(2,081,064)
Finance costs	5	(70,049)	(40,036)
Surplus/(deficit) from operations		(1,672,497)	(2,517,278)
Extraordinary income items			
Contributions received for development costs (Morling Foundation)	5	28,258	66,290
Other non-operating expenses		(28,258)	(66,290)
(Deficit) for the year		(1,672,497)	(2,517,278)
Total comprehensive income for the year		(1,672,497)	(2,517,278)

Morling College Limited

ABN 64 122 588 309

Statement of Financial Position

As At 31 December 2024

	Note	2024 \$	2023 \$
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	9	2,409,242	1,586,103
Trade and other receivables	10	404,691	195,880
Inventories	11	19,940	24,626
Other assets	12	355,994	320,642
TOTAL CURRENT ASSETS		3,189,867	2,127,251
NON-CURRENT ASSETS			
Investments in associates	8	4,331,728	-
Property, plant and equipment	13	43,996,743	49,938,448
Investment properties	14	2,470,316	2,470,316
Intangible assets	15	116,177	157,486
TOTAL NON-CURRENT ASSETS		50,914,964	52,566,250
TOTAL ASSETS		54,104,831	54,693,501
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	17	811,858	808,487
Employee benefits	20	497,862	472,914
Other financial liabilities	19	1,191,379	911,286
TOTAL CURRENT LIABILITIES		2,501,099	2,192,687
NON-CURRENT LIABILITIES			
Borrowings	18	4,300,114	3,590,114
Employee benefits	20	556,935	519,782
TOTAL NON-CURRENT LIABILITIES		4,857,050	4,109,895
TOTAL LIABILITIES		7,358,149	6,302,582
NET ASSETS		46,746,682	48,390,919
EQUITY			
Restricted Funds	21	37,689,358	42,190,808
Unrestricted Funds	21	9,057,324	6,200,111
TOTAL EQUITY		46,746,682	48,390,919

The accompanying notes form part of these financial statements.

Statement of Changes in Equity

For the Year Ended 31 December 2024

	Unrestricted Funds \$	Restricted Funds \$	Other Unrestricted Funds \$	Total \$
Balance at 1 January 2024				
Accumulated Funds	5,879,359	-	-	5,879,359
Scholarship Reserve	-	12,234	-	12,234
Library Reserve	-	1,890	-	1,890
Morling Foundation Construction Development Contribution Reserve	-	42,176,684	-	42,176,684
Capital Works Reserve	-	-	320,752	320,752
Balance at 1 January 2023	5,879,359	42,190,808	320,752	48,390,919
(Deficit) for the year	(1,672,497)	-	-	(1,672,497)
Transfers from/(to) Scholarship Reserve	(28,700)	28,700	-	-
Transfer from/(to) Library Reserve	455	(455)	-	-
Transfer from/(to) Contribution Reserve	4,529,695	(4,529,695)	-	-
Transfer from/(to) Capital Works Reserve	(26,018)	-	26,018	-
Balance at 31 December 2024	8,710,554	37,689,358	346,770	46,746,682
Balance at 1 January 2023				
Accumulated Funds	6,842,071	-	-	6,842,071
Scholarship Reserve	-	30,400	-	30,400
Library Reserve	-	2,057	-	2,057
Morling Foundation Construction Development Contribution Reserve	-	43,493,652	-	43,493,652
Capital Works Reserve	-	-	387,553	387,553
Anniversary Reserve	-	-	149,765	149,765
Balance at 1 January 2023	6,842,071	43,526,109	537,318	50,905,498
(Deficit) for the year	(2,517,280)	-	-	(2,517,280)
Transfer from/(to) Scholarship Reserve	18,166	(18,166)	-	-
Transfer from/(to) Library Reserve	167	(167)	-	-
Transfer from/(to) Contribution Reserve	1,316,967	(1,316,967)	-	-
Transfer from/(to) Capital Works Reserve	66,802	-	(66,802)	-
Transfer from/(to) Anniversary Reserve	149,766	-	(149,766)	-
Balance at 31 December 2023	5,879,360	42,190,809	320,750	48,390,919

Statement of Cash Flows
For the Year Ended 31 December 2024

	2024	2023
Note	\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES:		
Receipts from students, donors, and other parties	10,189,703	9,461,693
Payments to suppliers and employees	(9,641,721)	(10,451,125)
Interest received	44,818	55,467
Interest paid	(70,049)	(40,036)
Net cash provided by/(used in) operating activities	25 522,751	(974,001)
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchase of property, plant and equipment	(371,491)	(186,954)
Payments for intangible assets	(38,121)	(57,502)
Net cash provided by/(used in) investing activities	(409,612)	(244,456)
CASH FLOWS FROM FINANCING ACTIVITIES:		
Proceeds from borrowings	710,000	1,260,898
Net cash provided by/(used in) financing activities	710,000	1,260,898
Net increase/(decrease) in cash and cash equivalents held	823,139	42,441
Cash and cash equivalents at beginning of year	1,586,103	1,543,662
Cash and cash equivalents at end of financial year	9 2,409,242	1,586,103

The accompanying notes form part of these financial statements.

Notes to the Financial Statements

For the Year Ended 31 December 2024

The financial report covers Morling College Limited as an individual entity. Morling College Limited ("the Company") is a not-for-profit Company, registered and domiciled in Australia.

The functional and presentation currency of Morling College Limited is Australian dollars.

Comparatives are consistent with prior years, unless otherwise stated.

1 Basis of Preparation

The financial statements are general purpose financial statements that have been prepared in accordance with the Australian Accounting Standards - Simplified Disclosures and the *Australian Charities and Not-for-profits Commission Act 2012*.

2 Summary of Significant Accounting Policies

(a) Revenue and other income

Rental income

Investment property revenue is recognised on a straight-line basis over a period of the lease term so as to reflect a constant periodic rate of return on the net investment.

Other income

Other income is recognised on an accruals basis when the Company is entitled to it.

Tuition income

Tuition revenues and related fees received are brought to account in the year to which they relate. Uncollected fees at balance date are reviewed and a provision for impairment is raised if recovery is doubtful. Donations and bequests are brought to account when received. Baptist Union of NSW & ACT and Morling Foundation grants and donations are brought to account on an accrual basis. All revenue is stated net of any GST.

(b) Income Tax

The Company is exempt from income tax under Division 50 of the *Income Tax Assessment Act 1997*.

(c) Goods and services tax (GST)

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

Receivables and payables are stated inclusive of GST.

Cash flows in the statement of cash flows are included on a gross basis and the GST component of cash flows arising from investing and financing activities which is recoverable from, or payable to, the taxation authority is classified as operating cash flows.

Notes to the Financial Statements

For the Year Ended 31 December 2024

2 Summary of Significant Accounting Policies (cont'd)

(d) Restricted Funds and Reserves

From time to time amounts are received by way of donation through special appeal or unsolicited receipts which are designated for a particular purpose. These amounts are set aside directly to a fund designated for that purpose. Other amounts received for the general purposes of the College are included in the Income Statement of the College as revenue. The College also designates amounts out of general funds for particular purposes, for example for refurbishment of buildings, introduction of technology etc. These are classified as reserves. These funds are transferred to the College general funds at times that best assist the College's overall cash flow requirements and may occur in a period after the expense was incurred. For the Morling Residential facility, the College sets aside to Capital Works Reserve an amount for future major refurbishment, the amount being based on income of the facility.

(e) Inventories

Inventories acquired at no cost, or for nominal consideration are valued at the current replacement cost as at the date of acquisition, which is the deemed cost.

(f) Property, plant and equipment

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

Items of property, plant and equipment acquired for significantly less than fair value have been recorded at the acquisition date fair value.

Buildings

Buildings are measured using the cost model.

Plant and equipment

Plant and equipment are measured using the cost model.

Depreciation

Property, plant and equipment, excluding freehold land, is depreciated on a straight-line basis over the assets useful life to the Company, commencing when the asset is ready for use.

The depreciation rates used for each class of depreciable asset are shown below:

Fixed asset class	Depreciation rate
Buildings	2.5%
Plant and Equipment	10-15%
Motor Vehicles	20%
Computer Equipment	15-50%

At the end of each annual reporting period, the depreciation method, useful life and residual value of each asset is reviewed. Any revisions are accounted for prospectively as a change in estimate.

Notes to the Financial Statements

For the Year Ended 31 December 2024

2 Summary of Significant Accounting Policies (cont'd)

(g) Financial instruments

Financial assets

All recognised financial assets are subsequently measured in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

Classification

On initial recognition, the Company classifies its financial assets into the following categories, those measured at:

- amortised cost

Financial assets are not reclassified subsequent to their initial recognition unless the Company changes its business model for managing financial assets.

Amortised cost

Assets measured at amortised cost are financial assets where:

- the business model is to hold assets to collect contractual cash flows; and
- the contractual terms give rise on specified dates to cash flows are solely payments of principal and interest on the principal amount outstanding.

The Company's financial assets measured at amortised cost comprise trade and other receivables and cash and cash equivalents in the statement of financial position.

Subsequent to initial recognition, these assets are carried at amortised cost using the effective interest rate method less provision for impairment.

Interest income, foreign exchange gains or losses and impairment are recognised in profit or loss. Gain or loss on derecognition is recognised in profit or loss.

When determining whether the credit risk of a financial assets has increased significant since initial recognition and when estimating ECL, the Company considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis based on the Company's historical experience and informed credit assessment and including forward looking information.

The Company uses the presumption that an asset which is more than 30 days past due has seen a significant increase in credit risk.

The Company uses the presumption that a financial asset is in default when:

- the other party is unlikely to pay its credit obligations to the Company in full, without recourse to the Company to actions such as realising security (if any is held); or

Notes to the Financial Statements

For the Year Ended 31 December 2024

2 Summary of Significant Accounting Policies (cont'd)

(g) Financial instruments (cont'd)

Financial assets (cont'd)

- the financial assets is more than 90 days past due.

Credit losses are measured as the present value of the difference between the cash flows due to the Company in accordance with the contract and the cash flows expected to be received. This is applied using a probability weighted approach.

Trade receivables

Impairment of trade receivables have been determined using the simplified approach in AASB 9 which uses an estimation of lifetime expected credit losses. The Company has determined the probability of non-payment of the receivable and multiplied this by the amount of the expected loss arising from default.

The amount of the impairment is recorded in a separate allowance account with the loss being recognised in finance expense. Once the receivable is determined to be uncollectable then the gross carrying amount is written off against the associated allowance.

Where the Company renegotiates the terms of trade receivables due from certain customers, the new expected cash flows are discounted at the original effective interest rate and any resulting difference to the carrying value is recognised in profit or loss.

Other financial assets measured at amortised cost

Impairment of other financial assets measured at amortised cost are determined using the expected credit loss model in AASB 9. On initial recognition of the asset, an estimate of the expected credit losses for the next 12 months is recognised. Where the asset has experienced significant increase in credit risk then the lifetime losses are estimated and recognised.

Financial liabilities

The Company measures all financial liabilities initially at fair value less transaction costs, subsequently financial liabilities are measured at amortised cost using the effective interest rate method.

The financial liabilities of the Company comprise trade payables, and other loans.

(h) Intangible assets

Software

Software has a finite life and is carried at cost less any accumulated amortisation and impairment losses. It has an estimated useful life of between one and three years.

(i) Cash and cash equivalents

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

Notes to the Financial Statements

For the Year Ended 31 December 2024

2 Summary of Significant Accounting Policies (cont'd)

(j) Employee benefits

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

Employee benefits expected to be settled more than one year after the end of the reporting period have been measured as the accrued liability to be made for those benefits. Changes in the measurement of the liability are recognised in profit or loss.

(k) Economic dependence

The Company received donations and grants of \$150,000 from the Baptist Union of New South Wales & ACT, \$2,009,453 (last year \$1,301,929) from the Morling Foundation and \$161,908 from the Tinsley Bequest (last year \$149,050). At the date of this report the Directors have no reason to believe that recurrent grants and donations similar to these will not continue.

3 Critical Accounting Estimates and Judgments

Those charged with governance make estimates and judgements during the preparation of these financial statements regarding assumptions about current and future events affecting transactions and balances.

These estimates and judgements are based on the best information available at the time of preparing the financial statements, however as additional information is known then the actual results may differ from the estimates.

The significant estimates and judgements made have been described below.

Key estimates - impairment of property, plant and equipment

The Company assesses impairment at the end of each reporting period by evaluating conditions specific to the Company that may be indicative of impairment triggers. Recoverable amounts of relevant assets are reassessed using value-in-use calculations which incorporate various key assumptions.

Key estimates - useful lives of assets

The Company has certain financial assets and liabilities which are measured at fair value. Where fair value has not able to be determined based on quoted price, a valuation model has been used. The Company 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.

Key estimates - employee benefits provisions

As described in the accounting policies, 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.

Notes to the Financial Statements

For the Year Ended 31 December 2024

3 Critical Accounting Estimates and Judgments (cont'd)

Key estimates - receivables

The receivables at reporting date have been reviewed to determine whether there is any objective evidence that any of the receivables are impaired. An impairment provision is included for any receivable where the entire balance is not considered collectible. The impairment provision is based on the best information at the reporting date.

Key estimates - going concern

Judgement has been exercised in considering the impacts that the net deficit for the year ended 31 December 2024 may have on the Company based on known information. Notwithstanding this, the Directors have determined that the going concern basis (which contemplates continuity of normal activities and realisation of assets and settlement of liabilities in the normal course of operations) is appropriate, having regard to the ongoing support of the Morling Foundation Limited, which has committed to providing financial support to the Company for the next 12 months from the date of the financial report.

Notes to the Financial Statements

For the Year Ended 31 December 2024

4 Revenue and Other Income

Donations, subsidies and bequests

	2024	2023
	\$	\$
<i>Donations & subsidies - related parties</i>		
Donations - Morling Foundation Ltd	2,009,453	1,301,929
Donations - Morling College (Tinsley Bequest) Ltd	161,908	149,050
Subsidy - Baptist Union of NSW	150,000	150,000
	2,321,361	1,600,979
<i>Donations from other parties</i>		
Donations - other	215,206	1,024,261
Bequests	5,000	79,316
	2,541,567	2,704,556

5 Result for the Year

The result for the year includes the following specific items:

After recognising as income:

Interest income on financial assets at amortised cost	44,818	55,467
Contributions to development costs (Morling Foundation)	28,258	66,290
	73,076	121,757

After charging as expense:

Depreciation and amortisation expense		
- Depreciation expense	(1,955,452)	(2,028,832)
- Amortisation expense	-	(52,232)
	(1,955,452)	(2,081,064)
Bad debts expense	(7,690)	(2,405)
Interest paid	(70,049)	(40,036)
	(2,033,191)	(2,123,505)

Morling College Limited

ABN 64 122 588 309

Notes to the Financial Statements For the Year Ended 31 December 2024

6 Employee benefits expense

	2024	2023
	\$	\$
Salaries, wages and other benefits	6,090,061	6,282,183
Superannuation contributions	644,521	607,323
Workers compensation	27,757	31,171
Annual leave expense	2,930	(93,827)
Long service leave expense	59,172	(84,885)
	<u>6,824,441</u>	<u>6,741,965</u>

7 Auditors' Remuneration

WSC Group - Audit Pty Ltd

- auditing the financial statements:

Total

15,000	14,500
<u>15,000</u>	<u>14,500</u>

8 Interests in Associates

Baptist Development Trust No. 2

The Company has entered into an arrangement with Baptist Development Trust No. 2, in which it will contribute certain assets and expenditure towards redevelopment of land at 122 Herring Road, Macquarie Park NSW, over which the Company holds a long-term lease. At the conclusion of the project, the Company will be reimbursed for its contribution (representing development costs and campus buildings formerly constructed by the Company and demolished as part of the redevelopment) and receive a share of profit.

This investment is carried at cost.

Carrying amount of the investment	4,331,728	-
-----------------------------------	------------------	---

9 Cash and Cash Equivalents

Cash on hand	2,293	1,118
Cash at bank - at call	2,406,949	1,584,985
	<u>2,409,242</u>	<u>1,586,103</u>

Notes to the Financial Statements

For the Year Ended 31 December 2024

10 Trade and other receivables

	2024	2023
	\$	\$
CURRENT		
Trade receivables	402,236	199,937
Less: provision for impairment	-	(4,057)
Net trade receivables	402,236	195,880
Other receivables	2,455	-
Total current trade and other receivables	404,691	195,880

The carrying value of trade receivables is considered a reasonable approximation of fair value due to the short-term nature of the balances.

The maximum exposure to credit risk at the reporting date is the fair value of each class of receivable in the financial statements.

11 Inventories

At cost:

Inventories - Press and other promotional merchandise	19,940	24,626
	19,940	24,626

12 Other Assets

CURRENT

Prepayments	355,994	320,642
	355,994	320,642

Notes to the Financial Statements

For the Year Ended 31 December 2024

13 Property, plant and equipment

(a) Property Plant and Equipment - detailed table

Buildings

At cost	53,792,283	58,423,946
Accumulated depreciation	(10,364,843)	(10,115,361)
	43,427,440	48,308,585

Capital works in progress

At cost	30,958	917,836
	30,958	917,836

Plant and equipment

At cost	884,734	895,719
Accumulated depreciation	(574,303)	(611,029)
Total plant and equipment	310,431	284,690

Furniture, fixtures and fittings

At cost	1,123,167	1,134,074
Accumulated depreciation	(1,018,255)	(913,038)
	104,912	221,036

Motor vehicles

At cost	43,271	43,271
Accumulated depreciation	(43,271)	(43,271)
	-	-

Computer equipment

At cost	926,857	903,465
Accumulated depreciation	(803,855)	(697,164)
	123,002	206,301

Total property, plant and equipment

	43,996,743	49,938,448
--	-------------------	-------------------

Notes to the Financial Statements

For the Year Ended 31 December 2024

13 Property, plant and equipment (cont'd)

(b) Movements in carrying amounts

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

	Capital Works in Progress	Buildings	Plant and Equipment	Furniture, Fixtures and Fittings	Motor Vehicles	Computer Equipment	Total
	\$	\$	\$	\$	\$	\$	\$
Year ended 31 December 2024							
WDV at the beginning	917,836	48,308,585	284,690	221,036	-	206,301	49,938,448
Additions	30,958	138,597	116,210	52,428	-	33,298	371,491
Items written off	(2,700)	-	(10,325)	(12,170)	-	(821)	(26,016)
Transfers	(915,136)	(3,416,592)	-	-	-	-	(4,331,728)
Depreciation expense	-	(1,603,150)	(80,144)	(156,382)	-	(115,776)	(1,955,452)
Balance at the end of the year	30,958	43,427,440	310,431	104,912	-	123,002	43,996,743

Notes to the Financial Statements

For the Year Ended 31 December 2024

14 Investment Properties

	2024	2023
	\$	\$
<i>Residential investment properties</i>		
At cost	2,470,316	2,470,316
	2,470,316	2,470,316

15 Intangible Assets

<i>Computer software</i>		
Cost	177,783	173,308
Accumulated amortisation and impairment	(113,431)	(72,180)
Net carrying value	64,352	101,128
<i>Website Development</i>		
Cost	42,125	42,771
Accumulated amortisation and impairment	(24,189)	(12,243)
Net carrying value	17,936	30,528
<i>Online Content Development</i>		
Cost	68,881	50,831
Accumulated amortisation and impairment	(34,992)	(25,001)
Net carrying value	33,889	25,830
Total Intangible assets	116,177	157,486

16 Leases

Company as a lessee

Information relating to leases in place and associated balances and transactions are provided below.

Concessionary leases

The Company leases the land on which the College campus is constructed. The land is leased under a long-term agreement with a related party with significantly below-market terms and conditions principally to enable it to further its objectives. The market value of the lease has not been independently assessed. The Company is dependent on this lease to further its objectives. The Company has elected to measure the right-of-use asset arising from the concessionary leases at cost which based on the associated lease liability. As the lease is for no consideration between lessor and lessee, the value of the asset and liability arising is nil.

Notes to the Financial Statements

For the Year Ended 31 December 2024

17 Trade and Other Payables

	2024	2023
	\$	\$
CURRENT		
Trade payables	564,431	522,221
GST, PAYGW and FBT payable	36,018	67,853
Superannuation payable	211,036	210,157
Credit cards	373	8,256
	811,858	808,487

Trade and other payables are unsecured, non-interest bearing and are normally settled within 30 days. The carrying value of trade and other payables is considered a reasonable approximation of fair value due to the short-term nature of the balances.

18 Borrowings

NON-CURRENT		
Long-term loans from Morling Foundation	4,300,114	3,590,114
	4,300,114	3,590,114

19 Other Financial Liabilities

CURRENT		
Deferred income	1,003,093	719,080
Accommodation bonds payable	188,286	192,206
Total	1,191,379	911,286

20 Employee Benefits

CURRENT		
Provision for long service leave	22,019	-
Provision for annual leave	475,843	472,914
	497,862	472,914
NON-CURRENT		
Provision for long service leave	556,935	519,782
	1,054,797	992,696

Notes to the Financial Statements

For the Year Ended 31 December 2024

21 Restricted and Unrestricted Funds

	2024	2023
	\$	\$
Unrestricted Funds		
<i>Accumulated Funds</i>		
Opening balance	5,879,359	6,842,071
Transfers in/(out)	4,503,692	1,554,568
(Deficit)/Surplus for the year	(1,672,497)	(2,517,280)
	8,710,554	5,879,359
<i>Capital Works Reserve</i>		
Opening balance	320,752	387,554
Transfers in/(out)	26,018	(66,802)
	346,770	320,752
<i>Anniversary Reserve</i>		
Opening balance	-	149,766
Transfers in/(out)	-	(149,766)
	-	-
Total Unrestricted Funds	9,057,324	6,200,111
Restricted Funds		
<i>Scholarship Reserve</i>		
Opening balance	12,234	30,400
Transfers in/(out)	28,700	(18,166)
	40,934	12,234
<i>Library Reserve</i>		
Opening balance	1,890	2,057
Transfers in/(out)	(455)	(167)
	1,435	1,890
<i>Morling Foundation - Construction Development Reserve</i>		
Opening balance	42,176,684	43,493,651
Transfers in/(out)	(4,529,695)	(1,316,967)
	37,646,989	42,176,684
Total Restricted Funds	37,689,358	42,190,808

22 Financial Risk Management

The Company is exposed to a variety of financial risks through its use of financial instruments.

The Company's overall risk management plan seeks to minimise potential adverse effects due to the unpredictability of financial markets.

The most significant financial risks to which the Company is exposed to are described below:

Specific risks

Notes to the Financial Statements

For the Year Ended 31 December 2024

22 Financial Risk Management (cont'd)

- Liquidity risk
- Credit risk
- Market risk - interest rate risk

Financial instruments used

The principal categories of financial instrument used by the Company are:

- Trade receivables
- Cash at bank
- Term loans and line of credit
- Trade and other payables

Objectives, policies and processes

Those charged with governance have overall responsibility for the establishment of Morling College Limited's financial risk management framework. This includes the development of policies covering specific areas such as foreign exchange risk, interest rate risk, liquidity risk, credit risk and the use of derivatives.

Risk management policies and systems are reviewed regularly to reflect changes in market conditions and Morling College Limited's activities.

The day-to-day risk management is carried out by Morling College Limited's finance function under policies and objectives which have been approved by those charged with governance. The Chief Financial Officer has been delegated the authority for designing and implementing processes which follow the objectives and policies. This includes monitoring the levels of exposure to interest rate and foreign exchange rate risk and assessment of market forecasts for interest rate and foreign exchange movements.

Those charged with governance receive regular reports which provide details of the effectiveness of the processes and policies in place.

Mitigation strategies for specific risks faced are described below:

Liquidity risk

Liquidity risk arises from the Company's management of working capital and the finance charges and principal repayments on its debt instruments. It is the risk that the Company will encounter difficulty in meeting its financial obligations as they fall due.

The Company's policy is to ensure that it will always have sufficient cash to allow it to meet its liabilities as and when they fall due. The Company maintains cash and marketable securities to meet its liquidity requirements for up to 30-day periods. Funding for long-term liquidity needs is additionally secured by an adequate amount of committed credit facilities and the ability to sell long-term financial assets.

Notes to the Financial Statements

For the Year Ended 31 December 2024

22 Financial Risk Management (cont'd)

Liquidity risk (cont'd)

The Company manages its liquidity needs by carefully monitoring scheduled debt servicing payments for long-term financial liabilities as well as cash-outflows due in day-to-day business.

Liquidity needs are monitored in various time bands, on a day-to-day and week-to-week basis, as well as on the basis of a rolling 30-day projection. Long-term liquidity needs for a 180-day and a 360-day period are identified monthly.

At the reporting date, these reports indicate that the Company expected to have sufficient liquid resources to meet its obligations under all reasonably expected circumstances and will not need to draw down any of the financing facilities.

The timing of cash flows presented in the table to settle financial liabilities reflects the earliest contractual settlement dates and does not reflect management's expectations that banking facilities will be rolled forward. The amounts disclosed in the table are the undiscounted contracted cash flows and therefore the balances in the table may not equal the balances in the statement of financial position due to the effect of discounting.

Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in a financial loss to the Company.

Credit risk arises from cash and cash equivalents, derivative financial instruments and deposits with banks and financial institutions, as well as credit exposure to wholesale and retail customers, including outstanding receivables and committed transactions.

The credit risk for liquid funds and other short-term financial assets is considered negligible, since the counterparties are reputable banks with high quality external credit ratings.

Trade receivables

Trade receivables consist of a large number of customers, spread across diverse industries and geographical areas. Ongoing credit evaluation is performed on the financial condition of accounts receivable.

The Company has adopted a policy of only dealing with creditworthy counterparties as a means of mitigating the risk of financial loss from defaults. The risk management committee has established a credit policy under which each new customer is analysed individually for creditworthiness before the Company's standard payment and delivery terms and conditions are offered. The Company review includes external ratings, if they are available, financial statements, credit agency information and industry information. Credit limits are established for each customer and the utilisation of credit limits by customers is regularly monitored by line management. Customers who subsequently fail to meet their credit terms are required to make purchases on a prepayment basis until creditworthiness can be re-established.

Those charged with governance receive regular reports summarising the turnover, trade receivables balance and aging profile of each of the key customers individually and the Company's other customers analysed by industry sector as well as a list of customers currently transacting on a prepayment basis or who have balances in excess of their credit limits.

The Company's exposure to credit risk is influenced mainly by the individual characteristics of each customer. However, management also considers the factors that may influence the credit risk of its customer base, including the default risk associated with the industry and country in which the customers operate.

Management considers that all the financial assets that are not impaired for each of the reporting dates under review

Notes to the Financial Statements

For the Year Ended 31 December 2024

22 Financial Risk Management (cont'd)

Credit risk (cont'd)

are of good credit quality, including those that are past due.

The Company has no significant concentration of credit risk with respect to any single counterparty or group of counterparties.

(i) Interest rate risk

The Company is exposed to interest rate risk as funds are borrowed at fixed rates. Borrowings issued at fixed rates expose the Company to fair value interest rate risk.

23 Related Parties

(a) The Company's main related parties:

Associates - refer to Note 8.

The Company's main related parties are as follows:

Key management personnel - refer to Note 24.

Associates - these include close family members of key management personnel and entities that are controlled or significantly influenced by those key management personnel or their close family members.

The Company's associates are:

Baptist Union of New South Wales

The Baptist Union of New South Wales ("the Association") provides funding from its Ministry Budget to the Company, and provides guidance and Counsel to the College. The Association also provides limited administrative assistance.

The Association is the registered owner of the land and buildings on which the main campus is situated, which is used by Morling College under a long-term lease for a 99-year term, entered into in 2010, for notional consideration. The Association also holds 2 strata units in trust for the College, classed as investment properties in the Company's financial statements.

The Association also has partial occupancy rights of the Ministry And Learning Centre owned by the Company, for no consideration apart from reimbursement of outgoings.

Notes to the Financial Statements

For the Year Ended 31 December 2024

23 Related Parties (cont'd)

(a) The Company's main related parties: (cont'd)

Morling Foundation Limited

Morling Foundation Limited is a incorporated company limited by guarantee whose objects are advancing, promoting and encouraging the purposes of Morling College and to act as trustee for trusts which may be established for the benefit of the College. Morling Foundation operates a Public Ancillary Fund for the ultimate benefit of Morling College Limited activities and donations to this public fund are tax deductible to the donor.

The Foundation has provided an interest-only loan of \$900,000 (2023: \$900,000) related to investment property purchases by the Company, in addition to a 5-year zero-interest loan of \$808,552 for operating purposes (2023: \$600,000) and an interest-only loan of \$1,400,000 secured by investment property (2023: \$1,400,000). During the year ended 31 December 2024, the Foundation provided a further interest-free loan of \$650,000.

Morling College (Tinsley Bequest) Limited

Morling College (Tinsley Bequest) Limited is the custodian of funds bequested for the establishment and operation of a Centre for Evangelism and Global Mission. The Centre was opened in March 1999. It operates as a separate activity ("Tinsley Institute") within Morling College. The Trust contributed \$161,908 (2023: \$149,050) for the Institute and for scholarships.

(b) Transactions with related parties

Transactions between related parties are on normal commercial terms and conditions no more favourable than those available to other parties unless otherwise stated.

The following transactions occurred with related parties:

	2024	2023
	\$	\$
Receipts from:		
Baptist Union of New South Wales	285,951	281,635
Morling College (Tinsley Bequest)	161,908	149,050
Morling Foundation	2,037,711	1,368,219
Payments to:		
Baptist Union of New South Wales	(55,117)	-
Receivables from:		
Baptist Union of New South Wales	20,178	673
Morling Foundation	63	4,670
Payables to:		
Baptist Union of New South Wales	-	(659)
Morling Foundation	(17,126)	-
Loans from:		
Morling Foundation	(4,300,114)	(3,590,114)

Notes to the Financial Statements

For the Year Ended 31 December 2024

24 Key Management Personnel Remuneration

The key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the company, directly or indirectly, including any Director of the company. Key management personnel (KMP) in 2024 comprised the College Principal, Chief Academic Officer, Chief Community Life Officer, Chief Operating Officer, and Chief Administrative Officer. The aggregate compensation of the KMP during the year comprising amounts payable or provided for by the College or related entities, but excluding out of pocket expense reimbursements, was \$794,023 (2023: \$873,299).

No director received any remuneration.

25 Cash Flow Information

Reconciliation of net income to net cash provided by operating activities:

	2024	2023
	\$	\$
(Deficit)/Surplus for the year	(1,672,497)	(2,517,280)
Non-cash flows in profit:		
- depreciation and amortisation	1,955,452	2,081,064
- net loss on disposal of property, plant and equipment	-	7,134
- donation of property	-	(850,000)
- impairment of receivables	7,690	-
Changes in assets and liabilities:		
- (increase)/decrease in trade and other receivables	(208,611)	(4,251)
- (increase)/decrease in prepayments	(35,352)	(85,879)
- (increase)/decrease in inventories	4,686	3,696
- increase/(decrease) in trade and other payables	409,282	570,227
- increase/(decrease) in provisions	62,101	(178,712)
Cashflows from operations	522,751	(974,001)

26 Members' Guarantee

The Company is incorporated under the *Corporations Act 2001* and is a Company limited by guarantee. If the Company is wound up, the constitution states that each member is required to contribute a maximum of \$ 20 each towards meeting any outstandings and obligations of the Company. At 31 December 2024 the number of members was 1 (2023: 1).

27 Contingencies

In the opinion of the directors, the Company did not have any contingencies at 31 December 2024 (31 December 2023: None).

28 Events after the end of the Reporting Period

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

Morling College Limited

ABN 64 122 588 309

Notes to the Financial Statements

For the Year Ended 31 December 2024

29 Statutory Information

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


Morling College Limited
122 Herring Road
Macquarie Park NSW 2113

Responsible Persons' Declaration

The responsible persons declare that in the responsible persons' opinion:

- there are reasonable grounds to believe that the registered entity is able to pay all of its debts, as and when they become due and payable; and
- the financial statements and notes satisfy the requirements of the *Australian Charities and Not-for-profits Commission Act 2012*.
- The amount of Australian Government financial assistance expended during the reporting period was for the purposes for which it was intended, and Morling College Limited has complied with applicable legislation, contracts, agreements, and program guidelines in making expenditure.

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


Responsible person
Rev. Angelo Gratsounas


Responsible person
Rev. Matthew Arkapaw

Dated this8th..... day ofApril..... 2025



Independent Audit Report to the members of Morling College Limited

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of Morling College Limited, which comprises the statement of financial position as at 31 December 2024, the statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and the responsible persons' declaration.

In our opinion the financial report of Morling College Limited has been prepared in accordance with Division 60 of the *Australian Charities and Not-for-profits Commission Act 2012*, including:

- (i) giving a true and fair view of the Company's financial position as at 31 December 2024 and of its financial performance for then year ended; and
- (ii) complying with Australian Accounting Standards - Simplified Disclosures and Division 60 of 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 Company in accordance with the auditor independence requirements of the *Australian Charities and Not-for-profits Commission Act 2012* (ACNC Act) and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (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.

Responsibilities of Responsible Entities for the Financial Report

The responsible persons of the Company are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards - Simplified Disclosures and the ACNC Act, and for such internal control as the responsible entities determine is 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 responsible persons are responsible for assessing the Company'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 responsible entities either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

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



Independent Audit Report to the members of Morling College Limited

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 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 the 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 Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the responsible entities.
- Conclude on the appropriateness of the responsible entities' 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 Company'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 Company 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.

WSC GROUP - AUDIT PTY LTD

A handwritten signature in black ink, appearing to read 'A F Gilbert'.

A F Gilbert, CA

Director
Dated this9th..... day ofApril.....2025



Financial Statements

For the Year Ended 31 December 2024

Morling Foundation Limited

ABN 22 104 797 739

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For the Year Ended 31 December 2024

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Morling Foundation Limited

ABN 22 104 797 739

Directors' Report
31 December 2024

The directors present their report on Morling Foundation Limited for the financial year ended 31 December 2024.

General information

Directors

The names of the directors in office at any time during, or since the end of, the year are:

Names

Rev. Dr. Tim MacBride	Chair
Rev. Dr. Stephen Bartlett	Deputy Chair
Peter McCrindle	Company Secretary
Brian McSweeney	Director
David Slinn	Director
Lonni Aylett	Director
Geoffrey Moore	Director

Directors have been in office since the start of the financial year to the date of this report unless otherwise stated.

Principal activities and significant changes in nature of activities

The principal activities of Morling Foundation Limited during the financial year were the investment and management of funds and the promotion and resourcing of theological education through the activities of Morling College.

There were no significant changes in the nature of Morling Foundation Limited 's principal activities during the financial year

Short term objectives

The Company's short and long term objectives are to facilitate the activities of Morling College in accordance with the Constitution of the Company.

The strategies to achieve the objectives are:

- To hold fundraising and awareness events
- To promote the objectives and activities of Morling College
- To raise funds for the long term benefits of the College
- To invest funds not currently required for the appropriate time horizon.
- To provide support and encouragement to the College

Members' guarantee

Morling Foundation Limited is a company limited by guarantee. In the event of, and for the purpose of winding up of the company, the amount capable of being called up from each member and any person or association who ceased to be a member in the year prior to the winding up, is limited to \$ 50 for members that are corporations and \$ 50 for all other members, subject to the provisions of the company's constitution.

Morling Foundation Limited

ABN 22 104 797 739

Directors' Report
31 December 2024

General information (Cont'd)

Members' guarantee (Cont'd)

At 31 December 2024 the collective liability of members was \$ 350 (2023: \$ 350).

Operating results and review of operations for the year

Operating results

The loss of the Company after providing for income tax amounted to \$ (1,281,107) (2023: \$ (795,458)).

Auditor's independence declaration

The auditor's independence declaration in accordance with section 60-40 of the *Australian Charities and Not-for-profits Commission Act 2012* for the year ended 31 December 2024 has been received and can be found on page 3 of the financial report.

Signed in accordance with a resolution of the Board of Directors:

Director: 

Director: 

Dated this 8th day of April 2025

Morling Foundation Limited

ABN 22 104 797 739



Auditor's Independence Declaration to the Directors of Morling Foundation Limited

I declare that, to the best of my knowledge and belief, during the year ended 31 December 2024, there have been:

- (i) no contraventions of the auditor independence requirements as set out in section 60-40 of the *Australian Charities and Not-for-profits Commission Act 2012* in relation to the audit; and
- (ii) no contraventions of any applicable code of professional conduct in relation to the audit.

WSC GROUP - AUDIT PTY LTD

A handwritten signature in black ink, appearing to read 'AF Gilbert'.

AF Gilbert CA
Director

09 / 04 / 2025

Morling Foundation Limited

ABN 22 104 797 739

Statement of Profit or Loss and Other Comprehensive Income For the Year Ended 31 December 2024

		2024	2023
	Note	\$	\$
Donations & other income	4	600	1,525
Investment revenue	5	565,365	616,800
Distributions to Morling College Ltd		(1,932,675)	(1,402,028)
Other operating expenses		(12,948)	(11,444)
Loss on disposal of investments		(94,561)	(311)
Deficit before income tax		(1,474,219)	(795,458)
Income tax expense		-	-
Deficit for the year		(1,474,219)	(795,458)
Other comprehensive income, net of income tax			
Fair value movements on investments held at FVOCI		193,112	308,350
Total comprehensive income for the year		(1,281,107)	(487,108)

The accompanying notes form part of these financial statements.

Morling Foundation Limited

ABN 22 104 797 739

Statement of Financial Position

As At 31 December 2024

	Note	2024 \$	2023 \$
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	6	678,078	655,839
Trade and other receivables	7	1,655	13,768
Other financial assets	8	1,544,599	2,934,510
Loans and advances	9	747,517	447,972
Other assets	10	86,232	112,972
TOTAL CURRENT ASSETS		3,058,081	4,165,061
NON-CURRENT ASSETS			
Other financial assets	8	3,508,504	4,567,178
Loans and advances	9	7,166,614	6,308,062
TOTAL NON-CURRENT ASSETS		10,675,118	10,875,240
TOTAL ASSETS		13,733,199	15,040,301
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	11	1,767	27,762
TOTAL LIABILITIES		1,767	27,762
NET ASSETS		13,731,432	15,012,539
EQUITY			
Reserves		278,269	85,157
Accumulated funds		13,453,163	14,927,382
TOTAL EQUITY		13,731,432	15,012,539

The accompanying notes form part of these financial statements.

Morling Foundation Limited

ABN 22 104 797 739

Statement of Changes in Equity For the Year Ended 31 December 2024

2024

	Accumulated Funds	Financial Asset Reserve	Total
	\$	\$	\$
Balance at 1 January 2024	14,927,382	85,157	15,012,539
Deficit for the year	(1,474,219)	-	(1,474,219)
Total other comprehensive income for the period	-	193,112	193,112
Balance at 31 December 2024	13,453,163	278,269	13,731,432

2023

	Accumulated Funds	Financial Asset Reserve	Total
	\$	\$	\$
Balance at 1 January 2023	15,722,839	(223,193)	15,499,646
Deficit for the year	(795,458)	-	(795,458)
Total other comprehensive income for the period	-	308,350	308,350
Balance at 31 December 2023	14,927,382	85,157	15,012,539

The accompanying notes form part of these financial statements.

Morling Foundation Limited

ABN 22 104 797 739

Statement of Cash Flows

For the Year Ended 31 December 2024

	2024	2023
Note	\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES:		
Receipts from investments and donors	604,819	614,689
Payments to suppliers and for donations	(1,971,557)	(1,407,221)
Net cash provided by/(used in) operating activities	18 (1,366,738)	(792,532)
CASH FLOWS FROM INVESTING ACTIVITIES:		
Proceeds from sale of financial assets	2,663,631	756,549
Purchase of financial assets	(99,060)	(54,200)
Loans to related parties - payments made	(1,175,594)	(1,347,498)
Net cash provided by/(used in) investing activities	1,388,977	(645,149)
CASH FLOWS FROM FINANCING ACTIVITIES:		
Net increase/(decrease) in cash and cash equivalents held	22,239	(1,437,681)
Cash and cash equivalents at beginning of year	655,839	2,093,520
Cash and cash equivalents at end of financial year	6 678,078	655,839

The accompanying notes form part of these financial statements.

Notes to the Financial Statements

For the Year Ended 31 December 2024

The financial report covers Morling Foundation Limited as an individual entity. Morling Foundation Limited is a not-for-profit Company, registered and domiciled in Australia.

The functional and presentation currency of Morling Foundation Limited is Australian dollars.

Comparatives are consistent with prior years, unless otherwise stated.

1 Basis of Preparation

The financial statements are general purpose financial statements that have been prepared in accordance with the Australian Accounting Standards - Simplified Disclosures and the *Australian Charities and Not for profits Commission Act 2012*.

The financial statements have been prepared on an accruals basis and are based on historical costs modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and financial liabilities.

Significant accounting policies adopted in the preparation of these financial statements are presented below and are consistent with prior reporting periods unless otherwise stated.

2 Summary of Significant Accounting Policies

(a) Revenue and other income

Revenue from contracts with customers

The core principle of AASB 15 is that revenue is recognised on a basis that reflects the transfer of promised goods or services to customers at an amount that reflects the consideration the Company expects to receive in exchange for those goods or services.

Generally the timing of the payment for sale of goods and rendering of services corresponds closely to the timing of satisfaction of the performance obligations, however where there is a difference, it will result in the recognition of a receivable, contract asset or contract liability.

None of the revenue streams of the Company have any significant financing terms as there is less than 12 months between receipt of funds and satisfaction of performance obligations.

Specific revenue streams

The revenue recognition policies for the principal revenue streams of the Company are:

Interest Income

Interest income is recognised on an accruals basis.

Donations

Donations are recognised as revenue when the Company gains control of the asset.

Other income

Other income is recognised on an accruals basis when the Company is entitled to it.

Notes to the Financial Statements

For the Year Ended 31 December 2024

2 Summary of Significant Accounting Policies (Cont'd)

(b) Income tax

The Company is exempt from income tax under Division 50 of the *Income Tax Assessment Act 1997*.

(c) Goods and services tax (GST)

The Company was registered for GST from 1 May 2023. Revenue, expenses and assets are recognised net of the amount of goods and services tax (GST), except where the amount of GST incurred is not recoverable from the Australian Taxation Office (ATO).

Receivables and payables are stated inclusive of GST.

Cash flows in the statement of cash flows are included on a gross basis and the GST component of cash flows arising from investing and financing activities which is recoverable from, or payable to, the taxation authority is classified as operating cash flows.

(d) Volunteer services

No amounts are included in the financial statements for services donated by volunteers.

(e) Financial instruments

Financial instruments are recognised initially on the date that the Company becomes party to the contractual provisions of the instrument.

On initial recognition, all financial instruments are measured at fair value plus transaction costs (except for instruments measured at fair value through profit or loss where transaction costs are expensed as incurred).

Financial assets

All recognised financial assets are subsequently measured in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

Classification

On initial recognition, the Company classifies its financial assets into the following categories, those measured at:

- amortised cost
- fair value through other comprehensive income - equity instrument (FVOCI - equity)

Financial assets are not reclassified subsequent to their initial recognition unless the Company changes its business model for managing financial assets.

Amortised cost

Notes to the Financial Statements

For the Year Ended 31 December 2024

2 Summary of Significant Accounting Policies (Cont'd)

(e) Financial instruments (Cont'd)

Financial assets (Cont'd)

The Company's financial assets measured at amortised cost comprise trade and other receivables and cash and cash equivalents in the statement of financial position.

Subsequent to initial recognition, these assets are carried at amortised cost using the effective interest rate method less provision for impairment.

Interest income, foreign exchange gains or losses and impairment are recognised in profit or loss. Gain or loss on derecognition is recognised in profit or loss.

Fair value through other comprehensive income

Equity instruments

The Company has a number of strategic investments in listed and unlisted entities over which they do not have significant influence nor control. The Company has made an irrevocable election to classify these equity investments as fair value through other comprehensive income as they are not held for trading purposes.

These investments are carried at fair value with changes in fair value recognised in other comprehensive income (financial asset reserve). On disposal any balance in the financial asset reserve is transferred to retained earnings and is not reclassified to profit or loss.

Dividends are recognised as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognised in OCI.

Impairment of financial assets

Impairment of financial assets is recognised on an expected credit loss (ECL) basis for the following assets:

- financial assets measured at amortised cost
- debt investments measured at FVOCI

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECL, the Company considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis based on the Company's historical experience and informed credit assessment and including forward looking information.

The Company uses the presumption that an asset which is more than 30 days past due has seen a significant increase in credit risk.

The Company uses the presumption that a financial asset is in default when:

- the other party is unlikely to pay its credit obligations to the Company in full, without recourse to the Company to actions such as realising security (if any is held); or

Notes to the Financial Statements

For the Year Ended 31 December 2024

2 Summary of Significant Accounting Policies (Cont'd)

(e) Financial instruments (Cont'd)

Financial assets (Cont'd)

- the financial assets is more than 90 days past due.

Credit losses are measured as the present value of the difference between the cash flows due to the Company in accordance with the contract and the cash flows expected to be received. This is applied using a probability weighted approach.

(f) Cash and cash equivalents

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

3 Critical Accounting Estimates and Judgments

The directors make estimates and judgements during the preparation of these financial statements regarding assumptions about current and future events affecting transactions and balances.

These estimates and judgements are based on the best information available at the time of preparing the financial statements, however as additional information is known then the actual results may differ from the estimates.

The significant estimates and judgements made have been described below.

Key estimates - fair value of financial instruments

The Company has certain financial assets and liabilities which are measured at fair value. Where fair value has not able to be determined based on quoted price, a valuation model has been used. The inputs to these models are observable, where possible, however these techniques involve significant estimates and therefore fair value of the instruments could be affected by changes in these assumptions and inputs.

4 Revenue and Other Income

	2024	2023
	\$	\$
<i>Other income</i>		
- Donations	600	-
- GST refunds from Morling College	-	1,525
Total Revenue	600	1,525

Notes to the Financial Statements

For the Year Ended 31 December 2024

5 Finance Income and Expenses

Finance income

	2024	2023
	\$	\$
<i>Interest income</i>		
Assets measured at amortised cost interest charged on trade and other receivables	64,080	27,887
Assets measured at amortised cost	64,080	27,887
<i>Investment income</i>		
- Relating to investments held at FVOCI at the end of the reporting period	501,285	588,913
Total finance income	565,365	616,800

6 Cash and Cash Equivalents

Cash at bank and in hand	540,061	66,504
Other cash and cash equivalents	138,017	589,335
	678,078	655,839

7 Trade and Other Receivables

CURRENT		
GST receivable	1,655	2,384
Related party receivables - Morling College	-	11,384
Total current trade and other receivables	1,655	13,768

8 Other Financial Assets

Financial assets at fair value

CURRENT

Equity securities - at fair value through Other Comprehensive Income	1,544,599	2,934,510
	1,544,599	2,934,510

NON-CURRENT

Equity securities - at fair value through Other Comprehensive Income	3,508,504	4,567,178
	3,508,504	4,567,178

Morling Foundation Limited

ABN 22 104 797 739

Notes to the Financial Statements For the Year Ended 31 December 2024

9 Loans and Advances

	2024 \$	2023 \$
CURRENT		
Loans to other related parties	747,517	447,972
	<u>747,517</u>	<u>447,972</u>
NON-CURRENT		
Loans to Morling College Ltd	4,300,114	3,441,562
Receivable from other related parties	2,866,500	2,866,500
	<u>7,166,614</u>	<u>6,308,062</u>

10 Other Non-Financial Assets

CURRENT		
Accrued income	86,232	112,972
	<u>86,232</u>	<u>112,972</u>

11 Trade and Other Payables

CURRENT		
Trade payables	1,767	23,092
Payable to Morling College Ltd	-	4,670
	<u>1,767</u>	<u>27,762</u>

Trade and other payables are unsecured, non-interest bearing and are normally settled within 30 days. The carrying value of trade and other payables is considered a reasonable approximation of fair value due to the short-term nature of the balances.

12 Financial Risk Management

Financial assets

Held at amortised cost		
Cash and cash equivalents	678,078	655,839
Trade and other receivables	7,915,786	6,769,802
Equity securities - at fair value through Other Comprehensive Income	5,053,103	7,501,688
Total financial assets	<u>13,646,967</u>	<u>14,927,329</u>

Financial liabilities

Financial liabilities measured at amortised cost	1,767	27,762
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Notes to the Financial Statements

For the Year Ended 31 December 2024

12 Financial Risk Management (Cont'd)

Total financial liabilities

1,767	27,762
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13 Members' Guarantee

The Company is incorporated under the *Corporations Act 2001* and is a Company limited by guarantee. If the Company is wound up, the constitution states that each member is required to contribute a maximum of \$ 50 each towards meeting any outstanding obligations of the Company. At 31 December 2024 the number of members was 7 (2023: 7).

The Constitution of the Foundation prohibits any distribution of the Foundation's income or assets to members. The Foundation operates two Deductible Gift Recipient Funds, Morling Foundation Building Fund (ABN 19 339 473 114), and Morling Foundation Public Fund (ABN 19 339 473 114), donations to either of which are tax deductible to the donor.

14 Key Management Personnel Disclosures

The Directors received no remuneration for their role as Directors. Peter McCrindle and Tim MacBride received remuneration from Morling College Limited, a related party, in the normal course of their engagement with the College as Chief Operating Officer and Principal respectively. Apart from this, the Directors are of the opinion that there are no other related party transactions with the Directors.

15 Auditors' Remuneration

	2024	2023
	\$	\$
Remuneration of the auditor		
- auditing the financial statements	2,250	2,200
Total	2,250	2,200

16 Contingencies

In the opinion of the Directors, the Company did not have any contingencies at 31 December 2024 (31 December 2023:None).

17 Related Parties

(a) The Company's main related parties are as follows:

The Directors exercise control over the Company. Morling College Limited and The Baptist Union of New South Wales & ACT are considered to be related parties to the Foundation by virtue of the ability of these entities to significantly influence or control decisions at Board Meetings in accordance with the Constitution of the Company.

Key management personnel - refer to Note 14.

Other related parties include close family members of key management personnel and entities that are controlled or significantly influenced by those key management personnel or their close family members.

Notes to the Financial Statements

For the Year Ended 31 December 2024

17 Related Parties (Cont'd)

(b) Transactions with related parties

Transactions between related parties are on normal commercial terms and conditions no more favourable than those available to other parties unless otherwise stated.

The following transactions occurred with related parties:

	Expenses	Income	Other	Balance outstanding Owed to the company	Owed by the company
	\$	\$	\$	\$	\$
Other related parties					
Distributions to Morling College	1,932,675	-	-	17,126	63
Loan receivable - Morling College	-	-	-	4,300,114	-
Interest on loans to Morling College	-	64,079	-	-	-

(c) Loans to/from related parties

Unsecured loans are made to related parties on an arm's length basis with no fixed repayment terms.

	Opening balance	Closing balance	Interest not charged	Interest paid/payable
	\$	\$	\$	\$
Loans to related parties				
2024	6,756,034	4,300,114	-	64,079
2023	5,408,536	6,756,034	-	27,887

No interest is earned on the loans to Morling College Limited except on the secured loans of \$2,300,000. These loans are secured by properties acquired by Morling College, with interest payable at an amount equal to the net income derived from the property during the term of the loan and any surplus in the event of sale. Repayment terms are 30 years from original loan advance date or immediately upon sale of secured property or 6 months after the Company gives notice to Morling College Ltd requiring repayment of the loan.

Notes to the Financial Statements

For the Year Ended 31 December 2024

18 Cash Flow Information

(a) Reconciliation of result for the year to cashflows from operating activities

Reconciliation of net income to net cash provided by operating activities:

	2024	2023
	\$	\$
Deficit for the year	(1,281,107)	(795,458)
Non-cash flows in profit:		
- net (gain)/loss on disposal of investments	94,561	311
Changes in assets and liabilities:		
- (increase)/decrease in trade and other receivables	12,113	(13,768)
- (increase)/decrease in other assets	(219,046)	10,133
- increase/(decrease) in trade and other payables	26,740	6,250
Cashflows from operations	<u>(1,366,739)</u>	<u>(792,532)</u>

19 Events After the End of the Reporting Period

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

20 Statutory Information

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

122 Herring Road
MACQUARIE PARK NSW 2113

Morling Foundation Limited

ABN 22 104 797 739

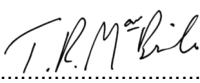
Directors' Declaration

The directors declare that in their opinion:

- there are reasonable grounds to believe that the registered entity is able to pay all of its debts, as and when they become due and payable; and
- 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*.

Director 

Director 

Dated this 8th day of April 2025

Independent Audit Report to the members of Morling Foundation Limited

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of Morling Foundation Limited (the Company), which comprises the statement of financial position as at 31 December 2024, the statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and the responsible persons' declaration.

In our opinion, the accompanying financial report of the Company is in accordance with the *Australian Charities and Not for profits Commission Act 2012*, including:

- (i) giving a true and fair view of the Company's financial position as at 31 December 2024 and of its financial performance for the year ended; and
- (ii) complying with Australian Accounting Standards and the *Australian Charities and Not for profits Commission Regulations 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 Company in accordance with the auditor independence requirements of the *Australian Charities and Not for profits Commission Act 2012* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (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 confirm that the independence declaration required by the *Australian Charities and Not for profits Commission Act 2012*, which has been given to the directors of the Company, would be in the same terms if given to the directors as at the time of this auditor's report.

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

Responsibilities of Directors for the Financial Report

The directors of the Company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Australian Charities and Not for profits Commission Act 2012* and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the Company'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 directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.



Independent Audit Report to the members of Morling Foundation Limited

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 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 the financial report.

WSC GROUP - AUDIT PTY LTD

A handwritten signature in black ink, appearing to read 'A F Gilbert'.

A F Gilbert, CA
Director

Dated this 9th day of April 2025



Financial Statements

For the Year Ended 31 December 2024

Baptist Business College Limited
(trading as Bedford College)
ABN 99 000 049 187
www.bedford.edu.au

Baptist Business College Ltd (trading as Bedford College)

ABN 99 000 049 187

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Baptist Business College Ltd (trading as Bedford College)

ABN 99 000 049 187

Directors' Report 31 December 2024

The directors present their report on Baptist Business College Limited (trading as Bedford College) for the financial year ended 31 December 2024.

General information

Directors

The names of the directors in office at any time during or since the end of the financial year are as follows:

Names	Position	Appointed/Resigned
Cathy Monro	Chair	
David Slinn	Director	
Matthew Fletcher	Director	
Peter Smith	Director	
Phillip Nash	Director	
Belinda Flatters	Director	Appointed - 13 February 2024

Information on directors

The names, qualifications, experience and special responsibilities of each person who has been a director during the year are:

Cathy Monro <i>Qualifications</i> <i>Experience</i>	Chair, appointed 10/12/2019; Director, appointed 18/10/2016 PhD (Health Sciences); B. Intl and Global Studies (Hons): MAICD Academic, Faculty of Medicine & Health, University of Sydney; former Assembly Council member, Baptist Churches of NSW & ACT; former Director and Committee Chair, Ashfield Baptist Homes Ltd; former Business Administrator, Ashfield Baptist Childcare Inc.
David Slinn <i>Qualifications</i> <i>Experience</i>	Director, appointed 18/02/2020 B.Com; LLB; LLM; Ad. Dip Fin. Licensing; FCA; MAICD CEO, Baptist Financial Services Australia Limited; Assembly Council member and Chair of Finance, Audit and Risk Committee, Baptist Churches of NSW & ACT; Director, Morling Foundation.
Matthew Fletcher <i>Qualifications</i> <i>Experience</i>	Director, appointed 12/10/2021 BCom; B.Min; CPA Senior Consultant, Resolve Consulting; former Financial Controller, Compassion Australia
Peter Smith <i>Qualifications</i> <i>Experience</i>	Director, appointed 1/08/2010; Secretary, 18/02/2020-25/07/2023 MBA; GAICD CIO, Mission Australia; CIO Asia Pac, Wolters Kluwer NV

Baptist Business College Ltd (trading as Bedford College)

ABN 99 000 049 187

Directors' Report

31 December 2024

General information (cont'd)

Information on directors (cont'd)

Phillip Nash	Director, appointed 27/01/2021
<i>Qualifications</i>	MBA; BA; Dip. Teaching; TTC
<i>Experience</i>	Executive Principal, Melos Foundation; former Principal, Green Point Christian College
Belinda Flatters	Director, appointed 13/02/2024
<i>Qualifications</i>	Dip Law SAB, FGIA, GAICD
<i>Experience</i>	Company Secretary, Catholic Healthcare Limited; former Company Secretary, RSL Lifecare Limited; former Director, Hornsby Ku-ring-gai Women's Shelter; former Director, Northcross Christian School

Directors have been in office since the start of the financial year to the date of this report unless otherwise stated.

The Company's mission as a Baptist ministry is to:

- Be a Christian educational provider equipping people with vocational educational and training, for lives serving the community
- Be an innovative provider of quality training, prioritising student care in a Christian environment, enhancing success through strategic industry partnerships.

The Company's objectives are to:

- become recognised as a leading Christian VET provider in Australia
- prioritise Christian care and service through the whole student journey
- establish an operationally sustainable organisation
- establish a national strategy

Performance measures

The financial performance of the Company is measured against the budget drafted by management and adopted by the Board. It includes review of student numbers, revenue and expenses and cash flows.

Members' guarantee

Baptist Business College Limited is a company limited by guarantee. In the event of, and for the purpose of winding up of the company, the amount capable of being called up from each member and any person or association who ceased to be a member in the year prior to the winding up, is limited to \$ 2 for members that are corporations and \$ 2 for all other members, subject to the provisions of the company's constitution.

At 31 December 2024 the collective liability of members was \$ 40 (2023: \$ 38)

Baptist Business College Ltd (trading as Bedford College)

ABN 99 000 049 187

Directors' Report 31 December 2024

General information (cont'd)

Review of operations

The operating deficit of the Company amounted to \$ (1,673,657) (2023: deficit of \$621,911).

Principal activities and significant changes in nature of activities

The principal activities of the College during the financial year were to provide education and training with a Christian worldview. The College is a Registered Training Organisation which equips people with vocational educational and training, for lives serving the community. During the year, an arrangement was entered into for the training of 24 students from Anglicare NSW South NSW West and ACT.

There were no significant changes in the nature of the College's principal activities during the financial year.

Meetings of directors

During the financial year, 9 meetings of directors were held, 6 meetings of the Finance, Risk and Audit Committee were held, and 4 meetings of the Governance & Nominations Committee were held. Attendances by each director during the year were as follows:

	Directors' Meetings		Finance, Risk & Audit Committee		Governance & Nominations Committee	
	Number eligible to attend	Number attended	Number eligible to attend	Number attended	Number eligible to attend	Number attended
Cathy Monro	9	9	6	6	4	4
David Slinn	9	7	6	3	-	-
Matthew Fletcher	9	8	6	6	-	-
Peter Smith	9	8	6	5	-	-
Phillip Nash	9	7	-	-	4	4
Belinda Flatters	9	9	-	-	3	2

Indemnification and insurance of officers and auditors

No indemnities have been given or insurance premiums paid, during or since the end of the financial year, for any person who is or has been an officer or auditor of Baptist Business College Ltd trading as Bedford College.

Baptist Business College Ltd (trading as Bedford College)

ABN 99 000 049 187

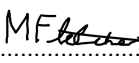
Directors' Report
31 December 2024

Auditor's independence declaration

The auditor's independence declaration in accordance with section 60-40 of the *Australian Charities and Not-for-profits Commission Act 2012* for the year ended 31 December 2024 has been received and can be found on page 5 of the financial report.

Signed in accordance with a resolution of the Board of Directors:

Director: 
Cathy Monro

Director: 
Matthew Fletcher

Dated this30th..... day ofApril..... 2025



Auditor's Independence Declaration to the Directors of Baptist Business College Ltd trading as Bedford College

I declare that, to the best of my knowledge and belief, during the year ended 31 December 2024, there have been:

- (i) no contraventions of the auditor independence requirements as set out in section 60-40 of the *Australian Charities and Not-for-profits Commission Act 2012* in relation to the audit; and
- (ii) no contraventions of any applicable code of professional conduct in relation to the audit.

WSC GROUP - AUDIT PTY LTD

A handwritten signature in black ink, appearing to read 'AF Gilbert'.

AF Gilbert CA
Director

30 / 04 / 2025

Baptist Business College Ltd (trading as Bedford College)

ABN 99 000 049 187

Statement of Profit or Loss and Other Comprehensive Income
For the Year Ended 31 December 2024

		2024	2023
			(Restated)
	Note	\$	\$
Revenue and other income			
Revenue	4	483,034	505,522
Finance income	5	631,181	810,061
Other income	4	539,538	496,439
		<u>1,653,753</u>	<u>1,812,022</u>
Operating Expenditure			
Employee benefits expense		(1,971,473)	(1,281,758)
Depreciation and amortisation expense		(35,781)	(279,538)
Advertising and marketing		(481,217)	(207,568)
Occupancy costs		(126,783)	(167,539)
Teaching expenses		(293,755)	(102,594)
Computer expenses		(83,223)	(76,183)
Other expenses		(335,179)	(318,751)
		<u>(3,327,410)</u>	<u>(2,433,933)</u>
(Deficit)/Surplus before income tax		(1,673,657)	(621,911)
Income tax expense		-	-
(Deficit)/Surplus for the year		(1,673,657)	(621,911)
Other comprehensive income, net of income tax			
Items that will not be reclassified subsequently to profit or loss			
Revaluation changes for property, plant and equipment		(346,292)	4,135,825
Items that will be reclassified to profit or loss when specific conditions are met			
Fair value movements on investments held at FVOCI		475,058	268,914
Other comprehensive income for the year, net of tax		128,766	4,404,739
Total comprehensive income/(loss) for the year		(1,544,891)	3,782,828

The accompanying notes form part of these financial statements.

Baptist Business College Ltd (trading as Bedford College)

ABN 99 000 049 187

Statement of Financial Position**As At 31 December 2024**

		2024	2023 (Restated)
	Note	\$	\$
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	7	1,426,441	4,575,775
Trade and other receivables	8	371,673	250,727
Inventories	9	9,572	7,301
Financial assets	10	9,203,338	7,685,677
TOTAL CURRENT ASSETS		11,011,024	12,519,480
NON-CURRENT ASSETS			
Financial assets	10	5,186,471	5,103,154
Property, plant and equipment	11	16,557,783	16,551,636
TOTAL NON-CURRENT ASSETS		21,744,254	21,654,790
TOTAL ASSETS		32,755,278	34,174,270
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	12	226,287	169,582
Employee benefits	15	150,284	106,197
Other financial liabilities	13	53,865	26,087
Other liabilities	14	40,903	43,571
TOTAL CURRENT LIABILITIES		471,339	345,437
NON-CURRENT LIABILITIES			
TOTAL LIABILITIES		471,339	345,439
NET ASSETS		32,283,939	33,828,831
EQUITY			
Reserves		6,775,453	6,646,687
Retained earnings		25,508,486	27,182,144
TOTAL EQUITY		32,283,939	33,828,831

The accompanying notes form part of these financial statements.

Baptist Business College Ltd (trading as Bedford College)

ABN 99 000 049 187

Statement of Changes in Equity
For the Year Ended 31 December 2024**2024**

	Retained Earnings	Asset Revaluation Surplus	FVOCI Reserve	Total
	\$	\$	\$	\$
Balance at 1 January 2024 (restated)	27,182,144	6,347,386	299,301	33,828,831
Deficit for the year	(1,673,657)	-	-	(1,673,657)
Total other comprehensive income	-	(346,292)	475,058	128,766
Balance at 31 December 2024	25,508,486	6,001,094	774,359	32,283,939

2023 (restated)

	Retained Earnings	Asset Revaluation Surplus	FVOCI Reserve	Total
	\$	\$	\$	\$
Balance at 1 January 2023	27,804,055	2,211,561	30,387	30,046,003
Deficit for the year	(621,911)	-	-	(621,911)
Total other comprehensive income (restated)	-	4,135,825	268,914	4,404,739
Balance at 31 December 2023 (restated)	27,182,144	6,347,386	299,301	33,828,831

The accompanying notes form part of these financial statements.

Baptist Business College Ltd (trading as Bedford College)

ABN 99 000 049 187

Statement of Cash Flows
For the Year Ended 31 December 2024

	2024	2023
Note	\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES:		
Receipts from customers	566,307	650,170
Payments to suppliers and employees	(3,371,667)	(2,765,451)
Dividends received	560,274	674,349
Rent received	212,985	425,707
Interest received	70,907	135,712
Net cash provided by/(used in) operating activities	23 (1,961,194)	(879,513)
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchase of property, plant and equipment	(388,222)	(86,568)
Purchase of financial assets	(799,918)	(6,349,106)
Net cash provided by/(used in) investing activities	(1,188,140)	(6,435,674)
CASH FLOWS FROM FINANCING ACTIVITIES:		
Net increase/(decrease) in cash and cash equivalents held	(3,149,334)	(7,315,187)
Cash and cash equivalents at beginning of year	4,575,775	11,890,962
Cash and cash equivalents at end of financial year	7 1,426,441	4,575,775

The accompanying notes form part of these financial statements.

Notes to the Financial Statements

For the Year Ended 31 December 2024

The financial report covers Baptist Business College Limited (trading as Bedford College) as an individual entity. Baptist Business College Limited is a not-for-profit Company, registered and domiciled in Australia.

The functional and presentation currency of the Company is Australian dollars.

Comparatives are consistent with prior years, unless otherwise stated in Note 18.

1 Basis of Preparation

The financial statements are general purpose financial statements that have been prepared in accordance with the Australian Accounting Standards - Simplified Disclosures and the *Australian Charities and Not for profits Commission Act 2012*.

The financial statements have been prepared on an accruals basis and are based on historical costs modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and financial liabilities.

Significant accounting policies adopted in the preparation of these financial statements are presented below and are consistent with prior reporting periods unless otherwise stated.

2 Summary of Significant Accounting Policies

(a) Revenue and other income

Revenue from contracts with customers

The core principle of AASB 15 is that revenue is recognised on a basis that reflects the transfer of promised goods or services to customers at an amount that reflects the consideration the Company expects to receive in exchange for those goods or services.

Generally the timing of the payment for sale of goods and rendering of services corresponds closely to the timing of satisfaction of the performance obligations, however where there is a difference, it will result in the recognition of a receivable, contract asset or contract liability.

None of the revenue streams of the Company have any significant financing terms as there is less than 12 months between receipt of funds and satisfaction of performance obligations.

Rental income

Investment property revenue is recognised on a straight-line basis over a period of the lease term so as to reflect a constant periodic rate of return on the net investment.

Grant revenue

Government grants are recognised at fair value where there is reasonable assurance that the grant will be received and all grant conditions will be met. Grants relating to expense items are recognised as income over the periods necessary to match the grant to the costs they are compensating. Grants relating to assets are credited to deferred income at fair value and are credited to income over the expected useful life of the asset on a straight-line basis.

Other income

Other income is recognised on an accruals basis when the Company is entitled to it.

Notes to the Financial Statements

For the Year Ended 31 December 2024

2 Summary of Significant Accounting Policies (cont'd)

(b) Income tax

The Company is exempt from income tax under Division 50 of the *Income Tax Assessment Act 1997*.

(c) Goods and services tax (GST)

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

Receivables and payables are stated inclusive of GST.

Cash flows in the statement of cash flows are included on a gross basis and the GST component of cash flows arising from investing and financing activities which is recoverable from, or payable to, the taxation authority is classified as operating cash flows.

(d) Volunteer services

No amounts are included in the financial statements for services donated by volunteers.

(e) Inventories

Inventories are measured at the lower of cost and net realisable value.

Inventories acquired at no cost, or for nominal consideration are valued at the current replacement cost as at the date of acquisition, which is the deemed cost.

(f) Property, plant and equipment

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

Land and buildings

Land and buildings are measured using the revaluation model.

Plant and equipment

Plant and equipment are measured using the cost model.

Notes to the Financial Statements

For the Year Ended 31 December 2024

2 Summary of Significant Accounting Policies (cont'd)

(f) Property, plant and equipment (cont'd)

Depreciation

Property, plant and equipment, excluding freehold land, is depreciated on a straight-line basis over the asset's useful life to the Company, commencing when the asset is ready for use.

The depreciation rates used for each class of depreciable asset are shown below:

Fixed asset class	Depreciation rate
Buildings	2.5%
Plant and Equipment	10%
Motor Vehicles	15%
Computer Equipment	33.33%

At the end of each annual reporting period, the depreciation method, useful life and residual value of each asset is reviewed. Any revisions are accounted for prospectively as a change in estimate.

(g) Financial instruments

Financial instruments are recognised initially on the date that the Company becomes party to the contractual provisions of the instrument.

On initial recognition, all financial instruments are measured at fair value plus transaction costs (except for instruments measured at fair value through profit or loss where transaction costs are expensed as incurred).

Financial assets

All recognised financial assets are subsequently measured in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

Classification

On initial recognition, the Company classifies its financial assets into the following categories, those measured at:

- amortised cost
- fair value through other comprehensive income - equity instrument (FVOCI - equity)

Financial assets are not reclassified subsequent to their initial recognition unless the Company changes its business model for managing financial assets.

Amortised cost

The Company's financial assets measured at amortised cost comprise trade and other receivables and cash and cash equivalents in the statement of financial position.

Notes to the Financial Statements

For the Year Ended 31 December 2024

2 Summary of Significant Accounting Policies (cont'd)

(g) Financial instruments (cont'd)

Financial assets (cont'd)

Subsequent to initial recognition, these assets are carried at amortised cost using the effective interest rate method less provision for impairment.

Interest income, foreign exchange gains or losses and impairment are recognised in profit or loss. Gain or loss on derecognition is recognised in profit or loss.

Fair value through other comprehensive income

Equity instruments

The Company has an investment in an unlisted entity over which they do not have significant influence nor control. The Company has made an irrevocable election to classify these equity investments as fair value through other comprehensive income as they are not held for trading purposes.

These investments are carried at fair value with changes in fair value recognised in other comprehensive income (financial asset reserve). On disposal any balance in the financial asset reserve is transferred to retained earnings and is not reclassified to profit or loss.

Dividends are recognised as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognised in OCI.

Impairment of financial assets

Impairment of financial assets is recognised on an expected credit loss (ECL) basis for the following assets:

- financial assets measured at amortised cost
- equity and debt investments measured at FVOCI

When determining whether the credit risk of a financial assets has increased significant since initial recognition and when estimating ECL, the Company considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis based on the Company's historical experience and informed credit assessment and including forward looking information.

The Company uses the presumption that an asset which is more than 30 days past due has seen a significant increase in credit risk.

The Company uses the presumption that a financial asset is in default when:

- the other party is unlikely to pay its credit obligations to the Company in full, without recourse to the Company to actions such as realising security (if any is held); or
- the financial assets is more than 90 days past due.

Notes to the Financial Statements

For the Year Ended 31 December 2024

2 Summary of Significant Accounting Policies (cont'd)

(g) Financial instruments (cont'd)

Financial assets (cont'd)

Credit losses are measured as the present value of the difference between the cash flows due to the Company in accordance with the contract and the cash flows expected to be received. This is applied using a probability weighted approach.

Trade receivables and contract assets

Impairment of trade receivables have been determined using the simplified approach in AASB 9 which uses an estimation of lifetime expected credit losses. The Company has determined the probability of non-payment of the receivable and contract asset and multiplied this by the amount of the expected loss arising from default.

The amount of the impairment is recorded in a separate allowance account with the loss being recognised in finance expense. Once the receivable is determined to be uncollectable then the gross carrying amount is written off against the associated allowance.

Where the Company renegotiates the terms of trade receivables due from certain customers, the new expected cash flows are discounted at the original effective interest rate and any resulting difference to the carrying value is recognised in profit or loss.

Other financial assets measured at amortised cost

Impairment of other financial assets measured at amortised cost are determined using the expected credit loss model in AASB 9. On initial recognition of the asset, an estimate of the expected credit losses for the next 12 months is recognised. Where the asset has experienced significant increase in credit risk then the lifetime losses are estimated and recognised.

Financial liabilities

The Company measures all financial liabilities initially at fair value less transaction costs, subsequently financial liabilities are measured at amortised cost using the effective interest rate method.

The financial liabilities of the Company comprise trade payables, bank and other loans and lease liabilities.

(h) Impairment of non-financial assets

At the end of each reporting period the Company determines whether there is evidence of an impairment indicator for non-financial assets.

Where an indicator exists and regardless for indefinite life intangible assets and intangible assets not yet available for use, the recoverable amount of the asset is estimated.

Where assets do not operate independently of other assets, the recoverable amount of the relevant cash-generating unit (CGU) is estimated.

The recoverable amount of an asset or CGU is the higher of the fair value less costs of disposal and the value in use. Value in use is the present value of the future cash flows expected to be derived from an asset or cash-generating unit.

Notes to the Financial Statements

For the Year Ended 31 December 2024

2 Summary of Significant Accounting Policies (cont'd)

(h) Impairment of non-financial assets (cont'd)

Where the recoverable amount is less than the carrying amount, an impairment loss is recognised in profit or loss.

Reversal indicators are considered in subsequent periods for all assets which have suffered an impairment loss.

(i) Cash and cash equivalents

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

(j) Leases

At inception of a contract, the Company assesses whether a lease exists.

Lessee accounting

The non-lease components included in the lease agreement have been separated and are recognised as an expense as incurred.

Exceptions to lease accounting

The Company has elected to apply the exceptions to lease accounting for both short-term leases (i.e. leases with a term of less than or equal to 12 months) and leases of low-value assets. The Company recognises the payments associated with these leases as an expense on a straight-line basis over the lease term.

(k) Employee benefits

Provision is made for the Company's liability for employee benefits, those benefits that are expected to be wholly settled within one year have been measured at the amounts expected to be paid when the liability is settled.

Employee benefits expected to be settled more than one year after the end of the reporting period have been measured at the present value of the estimated future cash outflows to be made for those benefits. In determining the liability, consideration is given to employee wage increases and the probability that the employee may satisfy vesting requirements.

Notes to the Financial Statements

For the Year Ended 31 December 2024

3 Critical Accounting Estimates and Judgments

The directors make estimates and judgements during the preparation of these financial statements regarding assumptions about current and future events affecting transactions and balances.

These estimates and judgements are based on the best information available at the time of preparing the financial statements, however as additional information is known then the actual results may differ from the estimates.

The significant estimates and judgements made have been described below.

Key estimates - impairment of property, plant and equipment

The Company assesses impairment at the end of each reporting period by evaluating conditions specific to the Company that may be indicative of impairment triggers. Recoverable amounts of relevant assets are reassessed using value-in-use calculations which incorporate various key assumptions.

Key estimates - fair value of financial instruments

The Company has certain financial assets and liabilities which are measured at fair value. Where fair value has not able to be determined based on quoted price, a valuation model has been used. The inputs to these models are observable, where possible, however these techniques involve significant estimates and therefore fair value of the instruments could be affected by changes in these assumptions and inputs.

Key estimates - property held at fair value

An independent valuation of property (land and buildings) carried at fair value was obtained in March 2025. The directors have accepted this valuation for asset reporting purposes. The valuation is an estimation which would only be realised if the property is sold.

Key estimates - receivables

The receivables at reporting date have been reviewed to determine whether there is any objective evidence that any of the receivables are impaired. An impairment provision is included for any receivable where the entire balance is not considered collectible. The impairment provision is based on the best information at the reporting date.

Notes to the Financial Statements

For the Year Ended 31 December 2024

4 Other Revenue and Income

(a) Revenue from continuing operations

	2024	2023
	\$	\$
<i>Revenue from contracts with customers</i>		
- sale of books and uniforms	196	2,240
- tuition fees	463,566	502,288
- admin fees	14,201	3,846
	477,963	508,374
<i>Revenue from other sources</i>		
- other trading revenue	5,071	(2,852)
Total Revenue	483,034	505,522

Other Income

- rental income	212,985	425,707
- recoveries	-	39,594
- reversal of impairment losses on receivables	551	751
- realised gain on investments	326,002	30,387
	539,538	496,439

5 Finance Income and Expenses

Finance income

Interest income

- Assets measured at amortised cost	70,907	135,712
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Dividend income

- Investments held at FVOCI	560,274	674,349
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Total finance income

	631,181	810,061
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6 Result for the Year

The result for the year includes the following specific expenses:

Other expenses:

Employee benefits expense	1,971,473	1,281,758
Depreciation expense	35,781	279,538

Notes to the Financial Statements

For the Year Ended 31 December 2024

7 Cash and Cash Equivalents

	2024	2023
	\$	\$
Cash at bank and in hand	562,219	2,752,467
Short-term deposits	118,200	118,824
Investment portfolio cash accounts	746,022	1,704,484
	1,426,441	4,575,775

8 Trade and Other Receivables

CURRENT		
Trade receivables	124,899	39,733
Provision for impairment	-	(551)
	124,899	39,182
Prepayments	84,020	48,897
GST receivable	46,881	20,081
Other receivables	115,873	142,567
Total current trade and other receivables	371,673	250,727

9 Inventories

CURRENT		
<i>At cost:</i>		
Inventories for sale	9,572	7,301
	9,572	7,301

Write downs of inventories to net realisable value during the year were \$ NIL (2023: \$ NIL).

10 Other Financial Assets

CURRENT		
Listed Equity securities - at fair value through Other Comprehensive Income	9,203,338	7,685,677
	9,203,338	7,685,677
NON-CURRENT		
Unlisted Equity securities - at fair value through Other Comprehensive Income	5,186,471	5,103,154
	5,186,471	5,103,154

Notes to the Financial Statements

For the Year Ended 31 December 2024

11 Property, Plant and Equipment

	2024	2023 (Restated)
	\$	\$
LAND AND BUILDINGS		
<i>Freehold land & building</i>		
At fair value	16,500,000	16,500,000
	<u>16,500,000</u>	<u>16,500,000</u>
PLANT AND EQUIPMENT		
<i>Furniture, fixtures and fittings</i>		
At cost	162,126	237,914
Accumulated depreciation	(133,702)	(221,508)
	<u>28,424</u>	<u>16,406</u>
<i>Computer equipment</i>		
At cost	330,428	518,658
Accumulated depreciation	(301,069)	(483,428)
	<u>29,359</u>	<u>35,230</u>
Total property, plant and equipment	<u>16,557,783</u>	<u>16,551,636</u>

(a) Movements in carrying amounts

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

	Land & Buildings	Furniture, Fixtures and Fittings	Computer Equipment	Total
	\$	\$	\$	\$
31 December 2023				
Written down value at the beginning (restated)	16,500,000	16,406	35,230	16,551,636
Additions	346,292	21,155	22,335	389,782
Disposals	-	(1,562)	-	(1,562)
Depreciation	-	(7,575)	(28,206)	(35,781)
Revaluation decrease	(346,292)	-	-	(346,292)
Balance at the end of the year	<u>16,500,000</u>	<u>28,424</u>	<u>29,359</u>	<u>16,557,783</u>

(b) Fair value measurement

The freehold land and building at Columbia Court was revalued on 24 March 2025 by an independent valuer at \$16,500,000.

Notes to the Financial Statements

For the Year Ended 31 December 2024

12 Trade and Other Payables

	2024	2023
	\$	\$
CURRENT		
Trade payables	83,974	65,948
Accrued expenses	47,918	29,981
Credit cards	15	6,766
Payroll payables	94,380	66,887
	226,287	169,582

Trade and other payables are unsecured, non-interest bearing and are normally settled within 30 days. The carrying value of trade and other payables is considered a reasonable approximation of fair value due to the short-term nature of the balances.

13 Other Financial Liabilities

CURRENT		
Deferred income	53,865	26,087

14 Other Liabilities

CURRENT		
Scholarship funds	5,203	8,003
Rental bonds	35,700	35,568
	40,903	43,571

15 Employee Benefits

CURRENT		
Long service leave	55,364	48,335
Annual leave	94,920	57,862
	150,284	106,197

Notes to the Financial Statements

For the Year Ended 31 December 2024

16 Financial Risk Management

	2024 \$	2023 \$
Financial assets		
Held at amortised cost		
Cash and cash equivalents	1,426,441	4,575,775
Trade and other receivables	371,673	250,727
Equity securities - at fair value through Other Comprehensive Income	14,389,809	12,788,831
Total financial assets	16,187,923	17,615,333
Financial liabilities		
Financial liabilities measured at amortised cost	267,189	213,153
Total financial liabilities	267,189	213,153

17 Members' Guarantee

The Company is incorporated under the *Corporations Act 2001* and is a Company limited by guarantee. If the Company is wound up, the constitution states that each member is required to contribute a maximum of \$ 2 each towards meeting any outstanding obligations of the Company. At 31 December 2024 the number of members was 20 (2023: 19).

18 Retrospective Restatement

The land was recorded at an independent valuation of \$12,400,000 as at 31 December 2023 based on valuation completed on 21 February 2024. After rectification works were completed on the building in 2024, which permitted the land and building to be revalued together, it was identified that the land value at 31 December 2023 was overstated. Subsequently, another independent valuation was completed on 24 March 2025 at a combined value of \$16,500,000. The comparative amounts for land and building have been retrospectively restated.

The aggregate effect of the error on the annual financial statements for the year ended 31 December 2023 is as follows:

	Previously stated \$	31 December 2023 Adjustments \$	Restated \$	Previously stated \$	1 January 2023 Adjustments \$	Restated \$
Statement of Profit or Loss and Other Comprehensive Income						
Total comprehensive income	7,638,914	(3,234,175)	4,404,739	-	-	-
Statement of Financial Position						
Land & building	18,400,000	(1,900,000)	16,500,000	11,030,000	-	11,030,000
Asset revaluation reserve	9,581,561	(3,234,175)	6,347,386	2,211,561	-	2,211,561

19 Key Management Personnel Disclosures

The total remuneration paid to key management personnel of the Company is \$ 666,520 (2023: \$ 331,488).

Notes to the Financial Statements

For the Year Ended 31 December 2024

20 Auditors' Remuneration

	2024	2023
	\$	\$
Remuneration of the auditor:		
- auditing the financial statements	12,075	11,500
Total	12,075	11,500

21 Contingencies

In the opinion of the Directors, the Company did not have any contingencies at 31 December 2024 (31 December 2023:None).

22 Related Parties

The Company's main related parties are as follows:

The board of directors exercise control over the Company and are responsible for managing and directing the activities of the Company. The board has delegated the daily management of operations to the Chief Executive Officer.

Other related parties include close family members of key management personnel and entities that are controlled or significantly influenced by those key management personnel or their close family members.

(a) Transactions with related parties

Transactions between related parties are on normal commercial terms and conditions no more favourable than those available to other parties unless otherwise stated.

The following transactions occurred with related parties:

	Expenses	Income	Owed to the company	Owed by the company
	\$	\$	\$	\$
Other related parties				
Resolve Consulting Group Pty Ltd	1,270	-	-	-
Lyndelle Taylor Consulting	21,281	-	-	-
Baptist Churches NSW&ACT - contributions & staff training	20,040	-	-	-
Baptist Ministry Fund - investment income	-	423,527	99,682	-

The Company held an investment in the Baptist Ministry Fund, on arms-length terms. The market value of the investment at the end of the year was \$5,186,471.

The Company holds investments with Baptist Financial Services Australia Limited (BFS) which is a related party as one of the directors of the Company is key management personnel of Baptist Financial Services Australia Limited. Interest received on investments with BFS are at arms' length rates.

Notes to the Financial Statements

For the Year Ended 31 December 2024

23 Cash Flow Information

(a) Reconciliation of result for the year to cashflows from operating activities

Reconciliation of net income to net cash provided by operating activities:

	2024	2023
	\$	\$
Deficit for the year	(1,673,657)	(621,911)
Non-cash flows in profit:		
- depreciation	35,781	279,538
- net gain on disposal of property, plant and equipment	-	(1,599)
- impairment of receivables	(551)	-
- fair value movements on investments	(326,002)	(30,387)
Changes in assets and liabilities:		
- (increase)/decrease in trade and other receivables	(127,161)	212,944
- (increase)/decrease in inventories	(2,271)	(139)
- increase/(decrease) in trade and other payables	88,580	(729,653)
- increase/(decrease) in provisions	44,087	11,694
Cashflows from operations	<u>(1,961,194)</u>	<u>(879,513)</u>

24 Events After the End of the Reporting Period

No matters or circumstances have arisen since the end of the financial year which significantly affected or may significantly affect the operations of the Company, the results of those operations or the state of affairs of the Company in future financial years. During the year, an arrangement was entered into for the training of 24 students from Anglicare NSW South NSW West and ACT.

25 Statutory Information

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


2 Columbia Court
NORWEST NSW 2153

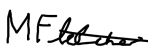
Responsible Persons' Declaration

The directors of the Company declare that:

- 1. The financial statements and notes, as set out on pages 6 to 23, are in accordance with the *Corporations Act 2001* and:
 - a. comply with Australian Accounting Standards - Simplified Disclosures; and
 - b. give a true and fair view of the financial position as at 31 December 2024 and of its performance for the year ended on that date of the Company.
- 2. In the directors' opinion, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable and
- 3. The financial statements and notes satisfy the requirements of the *Australian Charities and Not-for-profits Commission Act 2012*.

This declaration is made in accordance with a resolution of the Board of Directors and signed in accordance with subsection 60.15(2) of the *Australian Charities and Not-for-profits Regulation 2013*.

Director 
Cathy Monro

Director 
Matthew Fletcher

Dated 30 April 2025



Independent Audit Report to the members of Baptist Business College Ltd trading as Bedford College

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of Baptist Business College Ltd trading as Bedford College (the Company), which comprises the statement of financial position as at 31 December 2024, the statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and the responsible persons' declaration.

In our opinion, the accompanying financial report of the Company is in accordance with the *Australian Charities and Not for profits Commission Act 2012*, including:

- (i) giving a true and fair view of the Company's financial position as at 31 December 2024 and of its financial performance for the year ended; and
- (ii) complying with Australian Accounting Standards - Simplified Disclosures and the *Australian Charities and Not for profits Commission Regulations 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 Company in accordance with the auditor independence requirements of the *Australian Charities and Not for profits Commission Act 2012* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (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 confirm that the independence declaration required by the *Australian Charities and Not for profits Commission Act 2012*, which has been given to the directors of the Company, would be in the same terms if given to the directors as at the time of this auditor's report.

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

Responsibilities of Directors for the Financial Report

The directors of the Company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Australian Charities and Not for profits Commission Act 2012* and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the Company'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 directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.



Independent Audit Report to the members of Baptist Business College Ltd trading as Bedford College

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 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 the financial report.

WSC GROUP - AUDIT PTY LTD

A handwritten signature in black ink, appearing to read 'A F Gilbert'.

A F Gilbert
Director

Dated this30th..... day ofApril.....2025

Baptist Foundation of NSW Limited

ABN 31 000 871 821

**Annual financial report
for the year ended 30 June 2024**

Baptist Foundation of NSW Limited

Statement of profit or loss and other comprehensive income For the year ended 30 June 2024

	Note	2024 \$	2023 \$
Revenue from contracts with customers - over time			
Revenue from customers	2	<u>450</u>	<u>230</u>
		<u>450</u>	<u>230</u>
Other revenue			
Other revenue		<u>-</u>	<u>-</u>
Total Revenue		<u>450</u>	<u>230</u>
Other income			
Investment income	2	<u>11,139</u>	<u>6,104</u>
		<u>11,139</u>	<u>6,104</u>
Expenditure			
Administration		<u>1,868</u>	<u>(5,477)</u>
		<u>1,868</u>	<u>(5,477)</u>
Income Tax expense		<u>-</u>	<u>-</u>
Surplus for the year		<u>9,721</u>	<u>11,810</u>
Other comprehensive income		<u>-</u>	<u>-</u>
Total comprehensive income for the year		<u>9,721</u>	<u>11,810</u>

Baptist Foundation of NSW Limited

Statement of financial position as at 30 June 2024

	Note	2024 \$	2023 \$
ASSETS			
Current assets			
Cash and cash equivalents	4	185,778	176,057
Financial Assets	5	96,000	96,000
Total current assets		<u>281,778</u>	<u>272,057</u>
Non current assets			
Total non current assets		<u>-</u>	<u>-</u>
Total assets		<u>281,778</u>	<u>272,057</u>
LIABILITIES			
Current liabilities			
Trade and other payables	6	2,000	2,000
Total current liabilities		<u>2,000</u>	<u>2,000</u>
Non current liability			
Total non current liability		<u>-</u>	<u>-</u>
Total liabilities		<u>2,000</u>	<u>2,000</u>
Net assets		<u>279,778</u>	<u>270,057</u>
Equity			
Retained Earnings		279,778	270,057
Total equity		<u>279,778</u>	<u>270,057</u>

Baptist Foundation of NSW Limited

Statement of changes in equity For the year ended 30 June 2024

	Accumulated surplus	Total trust funds
Balance at 1 July 2022	258,246	258,246
Surplus for the year	11,810	11,810
Balance as at 30 June 2023	<u>270,057</u>	<u>270,057</u>
Balance at 1 July 2023	270,057	270,057
Surplus for the year	9,721	9,721
Balance at 30 June 2024	<u>279,778</u>	<u>279,778</u>

Baptist Foundation of NSW Limited

Statement of cash flows

For the year ended 30 June 2024

	Note	2024 \$	2023 \$
Cash flows from operating activities			
Receipts from customers		450	94
Interest income		11,139	1,666
Payments to suppliers and employees		(1,868)	(641)
Net Cash provided operating activities	7	<u>9,721</u>	<u>1,119</u>
Cash flows from investment activities			
Investments transferred to cash		-	32,690
Net Cash provided/ (used in) investment activities		<u>-</u>	<u>32,690</u>
Net increase in cash held		9,721	33,809
Cash on hand at the beginning of the financial year		<u>176,057</u>	<u>137,107</u>
Cash on hand at the end of the financial year	4	<u>185,778</u>	<u>170,916</u>

Baptist Foundation of NSW Limited

Notes to and forming part of the financial statements

For the year ended 30 June 2024

Note 1. Significant accounting policies

The Directors have agreed that the accounting policies adopted are appropriate to the objects of the Company. These accounting policies adopted in the preparation of the financial statements are set out below.

a. New, revised or amending Accounting Standards and Interpretations adopted

The Australian Accounting Standards Board has issued new and amended Accounting Standards and Interpretations that have mandatory application dates for future reporting periods and which the entity has decided not to early adopt. It has been determined that adoption of these new pronouncements, when effective, will have no material impact on the entity future reporting period.

b. Basis of preparation

These general purpose financial statements have been prepared in accordance with Australian Accounting Standards – Simplified Disclosure Requirements and Interpretations issued by the Australian Accounting Standards Board ('AASB') and the Australian Charities and Not-for-profits Commission Act 2012. The company is a not for profit entity for financial reporting purposes under Australian Accounting Standards. These financial statements do not comply with International Financial Reporting Standards as issued by the International Accounting Standards Board ('IASB').

Australian Accounting Standards set out accounting policies that the AASB has concluded would result in financial statements containing relevant and reliable information about transactions, events and conditions. Material accounting policies adopted in the preparation of these financial statements are presented below and have been consistently applied unless otherwise stated.

The financial statements have been prepared on an accruals basis and are based on historical costs, modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and financial liabilities.

c. Critical accounting estimates

The preparation of the financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the company's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, with the relevant note.

d. Revenue recognition

The Company recognises revenue as follows:

Trustee fees

Trustee fee revenue is recognised when received or receivable.

Donations

Donations are recognised at the time the donation is received.

Disaggregation

All revenue from contracts with customers is within the Geographical region of Australia.

Baptist Foundation of NSW Limited

Notes to and forming part of the financial statements

For the year ended 30 June 2024

Note 1. Significant accounting policies

e. Income tax

As the company is a charitable institution in terms of subsection 50-5 of the Income Tax Assessment Act 1997, as amended, it is exempt from paying income tax

f. Goods and services tax ('GST') and other similar taxes

Revenues, expenses and assets are recognised net of the amount of associated GST, unless the GST incurred is not recoverable from the tax authority. In this case it is recognised as part of the cost of the acquisition of the asset or as part of the expense.

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the tax authority is included in other receivables or other payables in the statement of financial position.

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities

Baptist Foundation of NSW Limited

Notes to and forming part of the financial statements For the year ended 30 June 2024

	2024 \$	2023 \$
2 Revenue		
Revenue from contracts with customers	450	230
Interest received	<u>11,139</u>	<u>6,104</u>
	<u>11,589</u>	<u>6,334</u>

Revenue has been recognised over-time.

4 Cash and cash equivalents

Cash at Bank	<u>185,778</u>	<u>176,057</u>
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Accounting policy

Cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

5 Financial Assets

Financial Assets	<u>96,000</u>	<u>96,000</u>
	<u>96,000</u>	<u>96,000</u>

Accounting policy

Financial assets at FVTPL are measured at fair value with any gains or losses arising on remeasurement recognised in the profit or loss.

Revenue earned on assets at FVTPL are reported as income in the profit and loss statement.

6 Trade and other payables

Trade payables	<u>2,000</u>	<u>2,000</u>
	<u>2,000</u>	<u>2,000</u>

Accounting policy

These amounts represent liabilities for goods and services provided to the company prior to the end of the financial year and which are unpaid. Due to their short-term nature they are measured at amortised cost and are not discounted. The amounts are unsecured and are usually paid within 30 days of recognition.

Baptist Foundation of NSW Limited

Notes to and forming part of the financial statements

For the year ended 30 June 2024

7 Reconciliation of surplus to net cash from operating activities

(Deficit)/ Surplus for the year	9,721	11,810
Depreciation	-	-
Change in operating assets and liabilities:		
Increase/(decrease) in trade and other payables	-	570
	<u>9,721</u>	<u>12,379</u>

8 Contingent liabilities

The Company had no contingent liabilities as at 30 June 2024 or 30 June 2023.

9 Commitments

The Company had no commitments as at 30 June 2024 and 30 June 2023.

10 Events after the reporting period

No matters or circumstance has arisen since 30 June 2024 that has significantly affected, or may significantly affect the Company's operations, the results of those operations, or the Company's state of affairs in future financial years.

11 Related party transaction

Transaction with related parties

There are no transactions with related parties.

Key management personnel

The aggregate compensation made to directors and other members of key management personnel of the trust is set out below:

	2024 \$	2023 \$
Aggregate compensation	<u>-</u>	<u>-</u>

12 Auditor's remuneration

Audit fees	-	-
Non-audit related services	<u>-</u>	<u>-</u>
	<u>-</u>	<u>-</u>

Baptist Foundation of NSW Limited

Directors' Declaration - 30 June 2024

In the directors' opinion:

- The attached financial statements and notes thereto comply with the Australian Charities and Not-for-profits Commission Act 2012, the Australian Accounting Standards - Simplified Disclosures, the Australian Charities and Non-for-profits Commission Regulations 2013, and other mandatory professional reporting requirements;
- The attached financial statements and notes thereto give a true and fair view of the Company's financial position as at 30 June 2024 and of its performance for the financial year ended on that date; and
- There are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of the Board of Directors.

On behalf of the directors



Matthew Duggan
Director
Sydney



Nigel Glasby
Director
Sydney
29 October 2024



Baptist
Financial
Services

Celebrating



years of ministry

ANNUAL REPORT

2024 Celebrating 40 years of
Enabling Christian ministry to thrive



About us

We're passionate about Christian ministry.

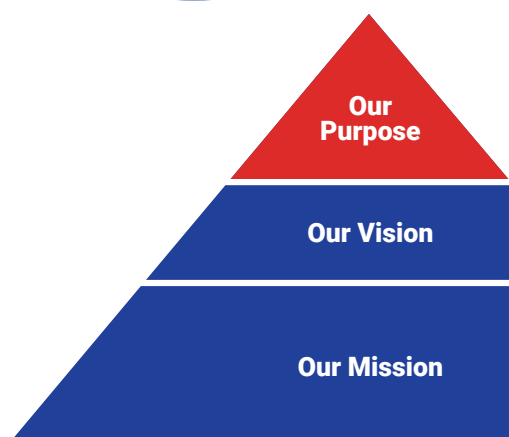
We want to see it grow and thrive, all over Australia.

For over 40 years, we've helped ministries get the funding and support they need to build and expand their ministry operations. And we've done so by walking side-by-side with our clients, understanding their needs and sharing our experience and insight along the way.

And it's not just a Baptist thing either. We firmly believe we're one of the most approachable financial services providers for Christian ministries in Australia.

**His master replied,
'Well done, good and faithful servant! You have been faithful with a few things; I will put you in charge of many things. Come and share your master's happiness!'**

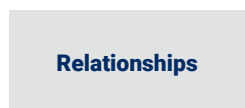
Matthew 25:21



To enable Christian ministry to thrive

To be the financial service provider of choice for ministries in Australia

1. Engaging, missional relationships
2. Efficient and empathetic services
3. Evolving capability
4. Effective stewardship



"The work we do is not just about financial services, it is about enabling Kingdom growth and supporting those called to share the message of Christ."



A handwritten signature in black ink that reads "Ross Langford".

Ross Langford

Board Chair

Welcome to the Baptist Financial Services (BFS) 2024 Annual Report

In celebrating our 40th year of faithful service, we reflect on the remarkable journey of BFS from its humble beginnings to the robust organisation it is today.

The work we do is not just about financial services, it is about enabling Kingdom growth and supporting those called to share the message of Christ.

We are thankful for the trust and commitment of our community, our investors, supporters, and ministry partners, who stand with us in faith. Your dedication fuels our ability to provide resources that empower ministries to thrive and reach more people with the Gospel.

Collaboration remains at the heart of BFS. By working together, we continue to see ministries expand their influence, deepen their impact, and build a strong foundation for the future.

As we step into the year ahead, our commitment remains unwavering: to reflect Christ in all we do, nurture meaningful relationships, and steward resources with wisdom and integrity.

These values will continue to shape our path as we seek to support and serve Christian ministries across Australia.

CEO Letter

40 Years Dedicated to Serving God's Kingdom

Baptist Financial Services (BFS) continues to celebrate God's faithfulness as we pursue our purpose to enable Christian ministry to thrive.

Our vision remains steadfast: to be a financial services provider of choice for Christian ministries across Australia.

As we look back on our 40 year history, one truth stands out: we are better together! Ministry thrives when we collaborate, and this past year has demonstrated the incredible impact that comes from working together.

This year, we have seen ministries expand, churches grow, and lives transformed. Praise God for the thriving Christian ministries making a significant difference in their communities!

The completion of our merger with Churches of Christ Financial Services (CCFS) in December 2024 marks a historic milestone in expanding our capacity to better serve both Baptist and Churches of Christ communities, as well as the broader Christian community in Australia. More than just a merger, this partnership is a testament to Kingdom collaboration—demonstrating the power of unity beyond denominational lines. Together, we are better equipped to support churches, Christian ministries, and faith-based organisations, ensuring they have the resources to thrive.

2024 has been a remarkable year of growth, with our total assets now exceeding \$685 million, a 32% increase from 2023. Our capital base has strengthened to exceed \$55 million, representing a 19% increase from 2023.

Loans to churches and Christian ministries have expanded significantly to more than \$415 million Australia-wide, a 36% increase from 2023.

Throughout the year, BFS provided support to enable significant ministry activity across Australia including supporting National Church Life Survey (NCLS) research, Global Leadership Network Australia, Christian Ministry Advancement (CMA) and the Church Finance Handbook which helps church administrators, pastors and treasurers navigate the complexities of church operations.

"This year, we have seen ministries expand, churches grow, and lives transformed. Praise God for the thriving Christian ministries making a significant difference in their communities!"



David Slinn

Chief Executive Officer

Looking ahead, we are excited about the road before us. The opportunities to support and equip Christian ministry have never been greater.

Thank you for your faithfulness and for walking alongside us as we continue sowing resources into God's kingdom.

Our deepest gratitude goes to our investors, supporters, and ministry partners. Your faithfulness and generosity continue to lay the foundation for Kingdom growth across Australia. We could not do it without you!



Celebrating 40 Years of Kingdom Impact



"The story of BFS is one of faithful stewardship, where dedicated individuals have used their gifts, abilities, and calling to serve ministries throughout Australia."

Celebrating together

On Friday, 22 March 2024, the Sydney Opera House became the backdrop for a momentous occasion, the 40th Anniversary celebration of Baptist Financial Services (BFS). The evening was a heartfelt tribute to BFS's journey, from its humble beginnings to the thriving ministry it is today.

“It’s truly incredible to witness the impact of four decades of ministry and to see how, through God’s grace and provision, BFS has played a role in supporting and strengthening Christian organisations.”

For four decades, BFS has stood alongside churches, Christian schools, and Christian ministries across Australia, providing more than \$750 million in funding to support Kingdom growth. Well over 1,000 churches and ministries have partnered with BFS, reflecting a shared commitment to advancing God’s work.

Reflecting on this milestone, BFS Chief Executive Officer David Slinn expressed gratitude for God’s unwavering faithfulness.

“It’s truly incredible to witness the impact of four decades of ministry and to see how, through God’s grace and provision, BFS has played a role in supporting and strengthening Christian organisations.” he said.

“Perhaps most inspiring is BFS’s ability to give back—investing over \$30 million in grants and sponsorships to Christian organisations and ministries since our inception.”

“The story of BFS is one of faithful stewardship, where dedicated individuals have used their gifts, abilities, and calling to serve ministries throughout Australia.” he continued.

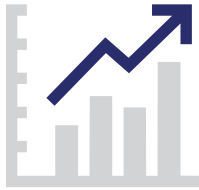
“We want to take this moment to honour the many past and present directors, staff, and clients who have journeyed with us. Their trust, commitment, and generosity are the foundation of all that we’ve been able to achieve.”

As BFS looks to the future, this celebration served as both a reflection on God’s faithfulness and a renewed commitment to empowering ministries for generations to come.



40 Year Timeline

1984



Baptist Investment Fellowship (BIF) Limited officially launched

The first gift to BIF was recorded: \$5 from Mrs A Crofts of North Epping, NSW

1988



Parramatta Baptist Church received the first ministry loan of \$20,000

1989



BIF offers interest on debentures

2004



Baptist Unions of Victoria and South Australia join BIF as stakeholders and BIF commences operations in Victoria and South Australia

2005



BIF launches into Tasmania

2006



BIF extends into Western Australia

2017



First major construction facility over \$15 million

2020



BFS navigates the challenges of COVID-19

2021



Loans to non-Baptist churches exceed loans to Baptist churches



1990

1991-1992

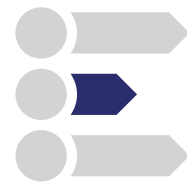
2002



First employee Bruce King appointed as part time General Manager



BIF transfers record keeping from handwritten notes to computers



The BIF Cheque facility was introduced for clients and many churches transferred their total financial facilities across to BIF

2008

2010

2012



BIF responds to the GFC with funds continuing to increase



Baptist Union of Australia recognises BIF as a Delegated Body, and thereby, an Australian Baptist Ministry

BIF changes name to Baptist Financial Services (BFS)

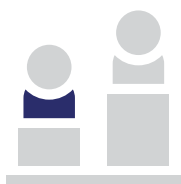


The completion of capital contributions by all participating State Associations to strengthen BFS capital base following the GFC

2022

2023

2024



BFS recognised as a National Affiliated Ministry of Australian Baptist Ministries



Baptist Business Support Services comes under the management of BFS



BFS celebrates 40 years of enabling Christian Ministry to thrive

BFS exceeds \$685 million of assets

Better Together



BFS and CCFS join together to better serve Australian churches and ministries

In 2024, Baptist Financial Services (BFS) announced the successful merger with Churches of Christ Financial Services (CCFS), officially completed on 1 December 2024. This marks a significant step forward in strengthening financial support for Christian ministries across Australia.

Bringing together a combined legacy of over a century in Christian financial services, 73 years from CCFS and 40 years from BFS, this merger unites two organisations with a shared mission.

This merger is the result of years of collaboration, including joint funding initiatives for church projects. It is a powerful testament to the strength of Kingdom partnership, breaking through denominational lines to demonstrate what is possible when Christian organisations work together for God's purposes.

While BFS continues to grow, its commitment remains the same, supporting churches and ministries with personalised service, financial expertise, and a deep understanding of their unique needs. The combined resources and expanded capabilities mean greater opportunities to empower ministries and help them thrive.

BFS extends heartfelt gratitude to everyone who played a role in this journey. This is not just a merger, it's a milestone that reflects God's faithfulness and the power of working together in unity. As one team, BFS looks forward to an exciting future of serving Christian communities across Australia.



"We simply would not be here to celebrate this achievement without the support of Baptist Financial Services. Thank you for walking alongside us on this project."

Steve Welsh, Project Manager
Narwee Baptist Church

"We are just so grateful BFS could supply the necessary funds to enable these women of God to feel loved and valued. It just wouldn't have been possible without the generous BFS sponsorship."

Jenny Baxter, State Director
EmpowHer, Tasmania

"We've been involved with BFS for over 20 years, and they have always been committed to developing their offering and making finance easier for us to manage. It's like we are working together in ministry and I am thankful to God that we get to work with partners like this."

Geoff Caldwell, CEO
Baptist Camping Victoria

"God has answered our prayers with the help of BFS in purchasing a building for worship. We would like to express our sincere gratitude to our BFS Relationship Manager who has supported us throughout this journey."

Rajeev Chempisseril, Pastor
Ebenezer Pentecostal Assembly

"What we love about working with BFS is our shared passion for ministry and that they understand how much of what we do, whilst still stewarded well, is entirely faith based. It means so much that BFS understand this journey."

Gavin Clarke, Senior Pastor
Coastlands Community Church

"Because we share the same values, we feel the partnership with BFS is an extension of the school's kingdom-focused mission. I really love the idea that we're partnering with a financial institution who is not just about money."

Matthew Drennan, Principal
Coast Community School



Melbourne's Burmese Chin Community Celebrates New Church

What started in a garage with four families and 18 members in 2011 has led to the Burmese Chin Community of the Australia Zophei Church opening a brand new, state of the art building, in the western suburb of Melbourne, Ravenhall.

The opening was celebrated at the end of April with the 130 member congregation welcoming 100 guests for the event.

The new building which has seating capacity for 400 people, also boasts a ping pong arena and two volleyball courts and Pastor Andrew Sawmhal is always quick to challenge you to a game!

"From the 2011 launch of the church in one of our members garages, we were able to purchase the land that this new church is on with the support of Baptist Financial Services in 2013, which we paid off

in 2016, allowing us to move forward with another loan from BFS and develop the plans for this new facility." Pastor Andrew said.

"Our story is a real testament to the goodness of God with the build being completed in under a year – much faster than expected. Now our focus is to pass the leadership of the church, and this amazing new facility, onto the next generation to steward and grow." he said.



Coast Christian School Looks to the Future

It's a regional K-6 school that pre-COVID had a total of 74 students. School Principal, Matthew Drennan, has a picture on his office wall that is the school photo of 2019 with the total of 74 children. The front row is the kindergarten class made up of eight children.

Fast forward to 2024 and the school has enrolled two new classes of kindergarten children, going from 8 to 38 in just a few years. "Now we're interviewing 60 families for those 38 positions for next year," says Matthew. "A very different problem we now face!"

Coast Christian School has experienced many ups and downs over its 25-year history, but the last 5 years have seen a season of rapid growth. The school has now grown to over 210 students in K-6 today, with 40 additional students in a pre-school program.

This rapid growth created an urgent need for new facilities.

As the school grew, they struggled to secure financing from their previous lender, who did not understand the needs of Independent Christian Schools. That's when they were introduced to BFS, who were able to provide the finance and advice needed to build four new classrooms and a covered area, completed just before the start of the current school year.

Given the continued strong demand and growth and the confidence gleaned from the partnership with BFS, the school board is now seriously considering expanding the school to include secondary grades beyond year 6. This would require significant additional financing, which they plan to seek from BFS.

"We can only put the school's success down to God's favour and blessing, as well as the quality of our staff. Because we share the same values, we feel the partnership with BFS is an extension of the school's kingdom-focused mission. I really love the idea that we're partnering with a financial institution who is not just about money." Matthew said.



A New Home for Everyday Church

Everyday Church, a close-knit church community of around 100 people, recently celebrated the opening of their new church facility in Neerabup, located 36 kilometres North of the Perth CBD. After 10 years of the congregation saving and searching, Pastors Mel and Jacob Hill are thrilled to have a permanent home for their growing congregation.

"It's been a long journey to owning our own building, but we're so grateful to finally have our own space," said Mel. "The set up and pack down in our rented facilities every week for over a decade was really taking a toll on our teams, so this new building is a huge relief."

The new facility provides Everyday Church with opportunities to better serve their community. In a highly visible location and with a prominent cross on the front of the building attracting visitors and sparking community interest, the church is excited to deepen relationships and make an impact.

"We're not just here on Sundays – our heart is for everyday life and ministry," Mel explained. "Having this building means we can be a presence and resource in the community throughout the week. We've already seen a rise in pastoral interactions thanks to our permanent presence in the community."

The opening celebration brought together not just the Everyday Church family past and present, but also local leaders, chaplains, and even some of Mel and Jacob's own family members who don't yet know Jesus. It was a powerful picture of the church's vision to be a light in their new neighbourhood.

"We want to see people grow in their relationship with God and find purpose and destiny in Him," said Mel. "That's what a thriving ministry looks like to us."

With the support of Baptist Financial Services, Everyday Church was able to navigate the challenges of securing its own facility. Now settled in, the congregation is ready to pour into the wider Wanneroo community and see lives transformed by the gospel.

"We both have testimonies of God's redemption from drug addiction and darkness," Mel shared. "Our prayer is that the same hope and freedom we've found would reach the families in this area who are struggling."

As Everyday Church members look ahead to 2025, they're believing for continued growth, expanded ministry, and a deepening impact in the city of Wanneroo. With their new home as a launching pad, Pastors Mel and Jacob are excited to see what God has in store and are already seeing opportunities for future expansion.



Becoming a Church-Planting Church: Westminster Presbyterian Church, Maida Vale

With a history dating back to 1970, Westminster Presbyterian Church (WPC) Maida Vale first made contact with BFS in 2019 when they were looking to build a new church building. Church Elder Ivan Hunter, along with the church building committee, suggested connecting with BFS to secure a loan.

“The missional alignment of BFS, that is here to serve Christian ministry makes them a great fit for our church,” said Ivan.

The church found a suitable property with an existing building that could be developed and listed their old property for sale. Another local church showed interest but was unable to secure finance from other sources. As the deal seemed to be falling through, WPC Maida Vale introduced that church to BFS, who were able to offer the necessary finance, helping both parties. “This was a great example of how BFS were able to walk beside two churches to achieve their goals, and it would not have happened if not for BFS.” said Ivan.

Two and a half years later, the new church building was at capacity, with around 270 people attending the Sunday service. In May 2022, with 35 members of the existing congregation, they planted High Wycombe Church, just six minutes down the road. In its first 24 months, the new church was already averaging around 60-70 people on a Sunday morning.

“The church plant was meeting in a building no longer used, and recently, through another loan from BFS, we were able to purchase the building, which made the church feel less like a plant and much more established.” said Ivan.

“We recently had Shelley, our Relationship Manager, out at church, and she gave a presentation on BFS. Many of our congregation thanked her for coming, saying they were so encouraged that a ministry like BFS exists, with some considering investing with BFS as a result of hearing their heart to see ministry thrive. Not exactly the response I expected from a talk about finance at our church!” said Ivan.

“Our family have had money invested with BFS for the last seven years, and we jumped on board because we know where our money is going. We’re getting good returns, and we know the rest goes directly into supporting Christian ministry, which is something that is very important to us.” Ivan said.

Ivan says he is thankful to be working with BFS and appreciates that they provide services that your average-sized church is not going to be able to manage on their own. “Thanks to the goodness of God, the generosity of our people, and the support of BFS, we are looking towards our next opportunity to do a church plant. We have learnt a great deal in this first church plant and see God’s ways of making this a healthy part of normal ongoing church growth. This process has stirred Maida Vale to be a healthy church that plants healthy churches as often as we are able.” Ivan said.



LIVING LIFE TO THE MAX: The regional church that owns a servo lease and repurposed an old nightclub building into a church!

Tracy Pearce is the Senior Pastor & founder of Max Life Church that was planted in 2008 out of a youth group that kept growing. "Then we had parents and adults getting saved at youth services and needing teaching, so we quickly realised that it was time to do something different." said Tracy.

So from there, Max Life Church was planted with 12 people. After a few years of meeting in a local school hall with the extra stress of setup and pack-up two times a week, the church was able to move to right into the center of town, where they rented and renovated a garage into an auditorium.

"We developed a heart for people that had never been to church before or might even feel threatened by a more traditional church style, and we continued to grow." she said.

The young adults that were part of the church in the beginning began to have kids, and the need for more space quickly arose. An opportunity to purchase the old nightclub next door to the rented auditorium came up, and they quickly got in touch with BFS to see what was possible.

"I loved that the first question they asked us was about the vision of our church, why we exist, and our dreams for the future." said Tracy. "They understood that this was much more than just a financial transaction." she said.

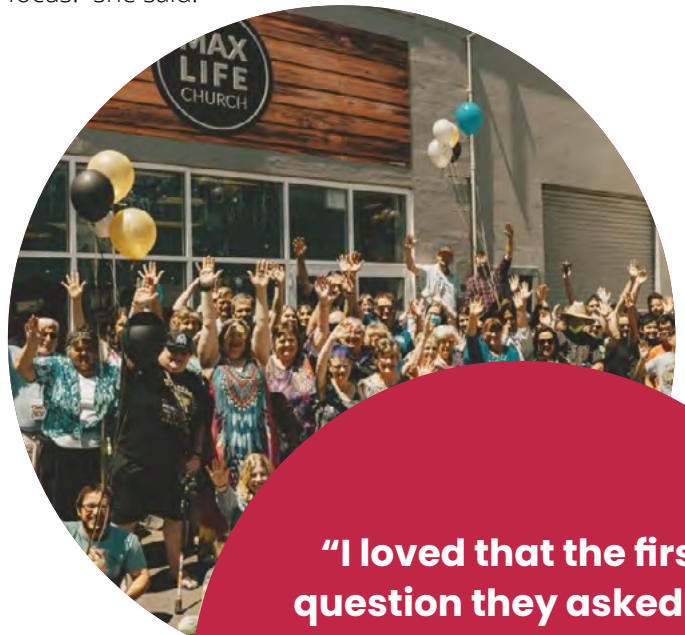
"A building is important. We know the building isn't the church; that's the people of God, but it is certainly our home and it's a home for what God is doing in people's lives. The facilities become a space for God's work, and that multipurpose center is now

being used by members of our community who access different programs throughout the week." said Tracey.

Fast forward to 2021, and an opportunity came up for Max Life Church to purchase the auditorium they had been renting. At the same time, the church had been gifted another property and were able to sell it to secure a chunk of the purchase.

"The miracle here is that the purchase included a petrol station lease, so we now own a servo, and it is bringing in rental income that's actually paying our principal and our interest on our loan."

Without the stress of finding money for mortgage payments, the church can now focus on the main thing. "We're really focusing on discipling and growing people now, more than growing our facilities. And that's where I see it into the future. We have a lot of new Christians who are hungry to grow, so that's our focus." she said.



"I loved that the first question they asked us was about the vision of our church, why we exist, and our dreams for the future."

New Community Church in Adelaide's Northern Suburbs Plans for Expansion

New Community Church in Adelaide's Northern Suburbs, started as a bible study group 24 years ago which soon became a church plant in its own right. The original pastor, Jeff Honeck, served until 2018 when current pastor Chad Coley relocated his family from America to take on the Senior Pastor role.

Just before Chad began in the role, the church had to relocate due to the sale of the property they had been leasing for nine years.

After renting other properties for a number of years the team found the building that they are currently in and thanks to the streamlined processes and support of BFS, they were able to purchase the property.

"We have an extremely valuable relationship with our BFS representative, Glen, who has provided financial guidance and expertise to help the church make wise decisions about our property and expansion plans. As a church we have appreciated Glen's direct and honest feedback on what is financially feasible for us as we look to the future." said Pastor Chad Coley.

"We have a number of hopes and dreams as a community related to the future, whether it's a potential building expansion or new purchase, but the church's ultimate desire to be faithful to God's calling and trusting in Him to provide the resources and growth as we focus on exalting Christ, evangelising the lost, and discipling the saints and we love that we get to partner with a financial organisation that is passionate about the very same thing." Chad said.



"We have an extremely valuable relationship with our BFS representative, Glen."

Our impact

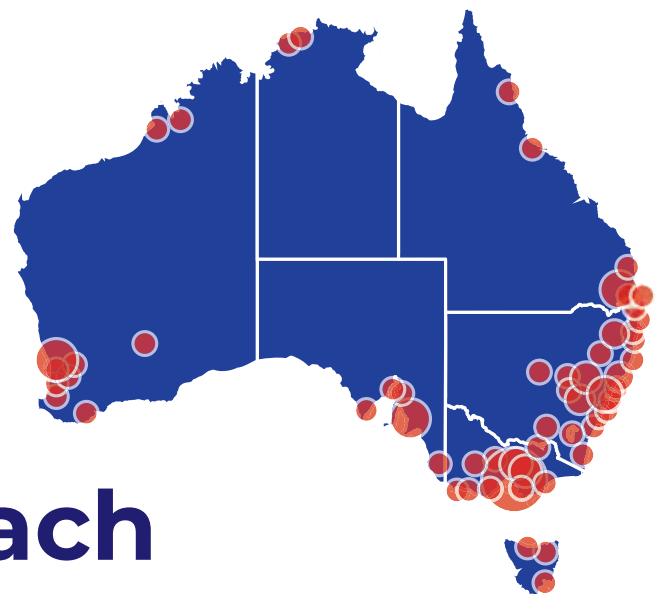
Ministries we support through sponsorship

From leadership development to community building, youth programs, new research and resources to equip the local church, our grants and sponsorships continues to enable ministries to thrive across Australia.

The significant depth of our support, right across Australia, in all corners of church and ministry life, across the wider Christian community, shows the reach and impact of BFS.



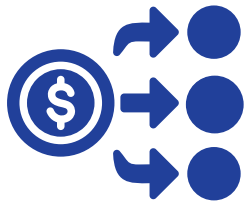
These sponsorships are not merely financial contributions; they are investments in the Kingdom of God.



Our reach

This map is an illustration of our current loans to churches and ministries across Australia.

Key numbers



over
**\$685
million**

total assets

+32% increase



over
**\$55
million**

capital

+19% increase

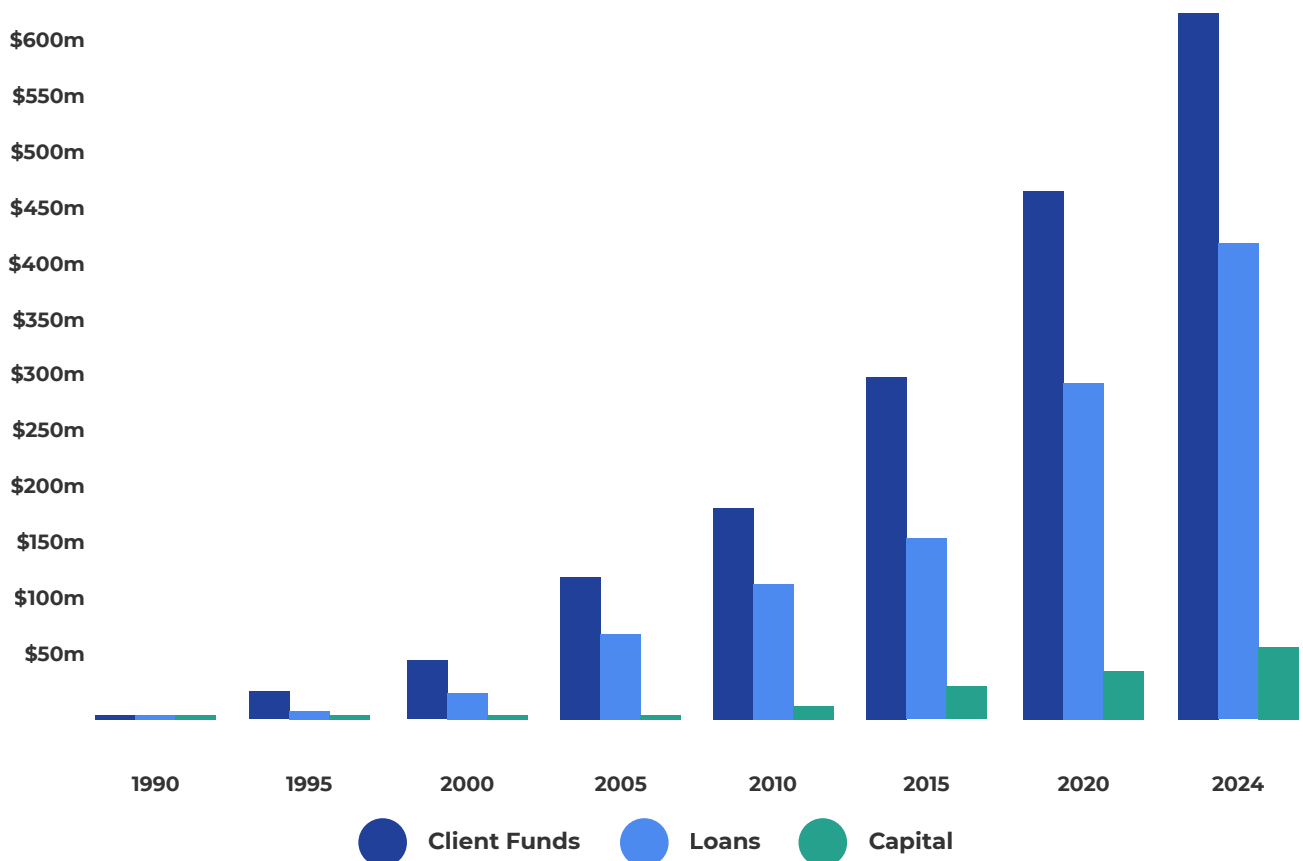


over
**\$415
million**

loans to ministry

+36% increase

40 years of financial growth



Baptist Financial Services Australia Limited

ABN 56 002 861 789

Consolidated Financial Report for the year ended 31 December
2024

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Directors' Report

The Directors of Baptist Financial Services Australia Limited (BFS) submit herewith their report together with the Annual Financial Report of the consolidated entity, being Baptist Financial Services Australia Limited (the Company) and its Controlled Entities Baptist Development Australia Pty Ltd ("BDA") and Baptist Business Services Ltd ("BBS") (the Group) for the financial year ended 31 December 2024 and the Independent Auditor's Report.

Directors' details

The names, qualifications, experience and special responsibilities of each Director in office at any time during the year and up to the date of this report are:

Owen Hsiao-Fen Chew Lee **BSc, BCA, FCA, GAICD**

Board Chair to 2 July 2020; Deputy Board Chair to 11 December 2014; Chair of Assets and Liabilities Committee to 27 June 2019 and continuing member of the Committee; Member of Board Governance & Remuneration Committee from 12 December 2014 to 13 August 2020; Member of Investment Committee (Baptist Ministry Fund) since 2 July 2020; and Board Chair Baptist Development Australia Pty Ltd from 12 November 2015.

Member of Gordon Baptist Church, NSW

Appointed a Director from 22 July 2008

Over 25 years financial services experience in banking, including senior roles in Regulatory Affairs (International and Domestic), Treasury, Strategy, Mergers and Acquisitions, Finance and Corporate Finance in Australia and Asia. Qualified as a Chartered Accountant with Ernst & Young.

Gregory Paul Holland **BBus (Accounting), CPA, GAICD**

Chair of the Board Governance & Remuneration Committee to 27 June 2019; Member of Audit, Risk and Compliance Committee from 18 February 2016, Member of Assets & Liabilities Committee from 27 June 2019 and Director of Baptist Business Services Ltd from 17 February 2020.

Member of Lake Joondalup Baptist Church, WA

Appointed a Director from 11 February 2014

Former Head of Finance & Administration for the Baptist Churches of Western Australia. Former Chief Executive Officer of Ray Village Aged Services Inc., WA, former General Manager Finance / Chief Financial Officer and General Manager HR and Shared Services at Capricorn Society Ltd, WA, former Chief Financial Officer of University of Western Sydney, NSW and former Director

Management Services of Edith Cowan University, WA.

Karen James **BSEE, MSEE, MAICD, MIE**

Member of the Board Governance & Remuneration Committee from 28 June 2018.

Member of Seaforth Baptist Church, NSW

Appointed a Director from 22 February 2018.

Director, APAC Natural Capital Business, Palladium since June 2023. Former senior roles at Business for Development (CEO), On Purpose Hub (Founder), Commonwealth Bank including General Manager of Affiliate Business Banking for Corporate Financial Services & General Manager, Direct Sales and Service for Local Business Banking. Former senior management, consulting and project roles in systems, network and product engineering.

Ross Martin Langford **BCom, MAICD, F.FINSIA**

Board Chair from 2 July 2020; Deputy Board Chair to 2 July 2020; Member of Audit, Risk & Compliance Committee from 28 May 2015 to 18 February 2016; Member of Assets & Liabilities Committee from 18 February 2016; Member of the Board Governance & Remuneration Committee from 27 June 2019; Chair of Investment Committee (Baptist Ministry Fund) since 28 July 2021 and Director of Baptist Development Australia Pty Ltd from 25 October 2019.

Member of Gynea Baptist Church, NSW

Appointed a Director from 13 March 2015

Head of Loan Review with a major overseas bank (Rabobank). Formerly Head of Finance, Property & Administration at St George Christian School and formerly Senior Relationship Management, Regional

Lending Manager and Senior Manager positions with Commonwealth Bank, BankWest and State Bank NSW. Former Director of Christian Super 2008 - 2020.

Darren Leigh McDonald
BA (Accounting), FCPA, MBA

Deputy Board Chair from 2 July 2020, Chair of Assets and Liabilities Committee from 27 June 2019, Member of Assets & Liabilities Committee from 20 June 2014; Chair of Audit Risk & Compliance Committee to 27 June 2019 and continuing member of the Committee, Director of Baptist Development Australia Pty Ltd from 7 December 2023 and Director of Baptist Business Services Ltd from 30 June 2023.

Member of King's Baptist Church Inc., SA

Appointed a Director from 29 May 2014

Business Director of Kings Baptist Grammar School Inc., SA; former Executive / Finance Manager of Woolworths Ltd, Board of Kings Baptist Grammar School Inc., SA including 2 years as Chair, Board member and Treasurer of King's Baptist Church Inc., SA; Public Officer and Director of King's Baptist Mount Barker Inc., SA.

Sally Anne Mullins
BBus (Business Administration), Grad Dip HR & IR, GAICD

Chair of Board Governance & Remuneration Committee from 27 June 2019, Member of the Board Governance & Remuneration Committee from 9 December 2015.

Member of New Peninsula Baptist Church, VIC

Appointed a Director from 9 December 2015

Manager Communications and Administration at The Village Church, Mt Eliza. Council member of the Baptist Union of Victoria. Previously Organisational Development and Projects Manager at a boutique Leadership and Talent consultancy business and formerly a Senior Human Resource Consultant at National Australia Bank with over 20 years' experience in various HR roles in Australia and overseas.

Peter Jeffrey Murphy
M.Comm; MA (C.S.); B.Bus; FCPA; FASFA; GAICD

Member of Audit, Risk & Compliance Committee from 23 March 2018; Member of the Board Governance & Remuneration Committee from 27 June 2019 and member of Investment Committee (Baptist Ministry Fund) since 2 July 2020.

Member of Blakehurst Baptist Church, NSW

Appointed a Director from 1 August 2017.

Principal – Jefferson and Shea Group, Chair – Best Health Solutions, Chair - Scripture Union Australia, Member - Baptist Care (Audit and Risk Committee), Member - Western NSW Local Health District (Audit and Risk Committee), Member - NSW Trustee and Guardian (Audit and Risk Committee)..

Former CEO of an Industry Superannuation Fund, Administrative Dean of a Theological College, Company Secretary of Aged Care Provider, Business Manager of School and Director – Finance of Not-for-Profit organisation within a range of faith based organisations.

Alan Leslie Soden
FAIML, MAIE, MAICD

Chair of Audit, Risk and Compliance Committee from 28 June 2019, Member of the Board Governance & Remuneration Committee from 20 June 2014, Member of the Assets and Liabilities Committee to 12 December 2014, Member of the Audit, Risk and Compliance Committee to 12 December 2014.

Member of Port Macquarie Baptist Church, NSW

Appointed a Director from 13 August 2002.

Previously, Interim Pastor, Port Macquarie Baptist Church, former Director and Chief Executive Officer of Kairos Prison Ministry Australia, former Member of Baptist Churches of New South Wales Property Trust, former Trustee Director BCS Foundation, Certified CEO and alumni of the CEO Institute, former Chair of Hopestreet, former General Secretary of the Association of Baptist Churches of NSW & ACT, former Board Member and Vice President of the Bible Society of NSW, former National Secretary and Member of the National Council of the Baptist Union of Australia and former Secretary of Baptist Insurance Management Pty Ltd, former Director Chrysalis Public Relations, previous management roles in training, marketing, public

affairs and sales with the Australian Gaslight Company.

Debbie Uy

BScCom (Marketing), BA (Psychology), MBA, GAICD

Member of Assets and Liabilities Committee from 27 June 2019 and Director of Baptist Business Services Ltd from 1 November 2024.

Member of Crossway Baptist Church, VIC

Appointed a Director from 23 May 2019.

Director of Finance & Administration and Union Secretary of the Baptist Union of Victoria, Director of Surrey Hill Baptist Early Learning Centre. Over 20 years-experience in corporate business management and over 10 years-experience in executive leadership in Not-for-Profit sector and professional training in Human Resources management. Former Head of Operations at Crossway LifeCare Ltd. Former ex-officio member of Crossway LifeCare Finance Committee. Former Assistant Manager and Corporate Secretary at TSI Contracts Inc. Member, Australian Human Resources Institute.

Rev. Lance Blythe

M.Div, B.Pod

Member of Assets and Liabilities Committee from 15 September 2022.

Member of NewHope Baptist Church, VIC

Appointed a Director from 15 September 2022.

Director of NewHope Community Care, 14 years leadership experience within church ministry context, 10 years as an Associate Pastor at NewHope Baptist Church. Current chair of NewHope Baptist Preschool, Committee of Management. Member of the Committee of Management of Jubilee Housing Inc. Former chair and board member of Surrey Hills Baptist Childcare Centre. Graduate of the CMA Board Internship program 2021/22. Practiced Podiatry in the private sector, aged care and public health systems.

Tim Keating

BSc (Maths), Post Grad Cert of Bus, Cert of Exec Leadership

Member of the Assets and Liabilities Committee from 1 December 2024.

Member of Bayview Church of Christ, VIC

Appointed a Director from 1 December 2024.

Chair of Churches of Christ in Victoria & Tasmania Board, Chair of The Properties Corporation Churches of Christ. Senior Advisor, Gresham Partners with over 30 years experience in the banking and finance sector across a broad range of industries and over 15 years experience in Board and Governance roles in Church and Not-for-Profit sectors, including recent Board role at BaptCare. Former Head of Real Estate, Westpac Institutional Bank with responsibility for the client facing team and risk management for a significant lending book.

Company Secretary

David Slinn

Meetings of Directors

During the year, 26 meetings of directors (including committees of directors) were held. Attendances by each Director during the year are set out below:

	State	Board		ARCCo		ALCo		BGRCo	
		H	A	H	A	H	A	H	A
Owen H Chew Lee	NSW	13	11			5	5		
Gregory P Holland	WA	13	9	4	2	5	3		
Ross Langford	NSW	13	13			5	4	4	4
Darren L McDonald	SA	13	13	4	4	5	5		
Sally A Mullins	VIC	13	11					4	4
Alan L Soden	NSW	13	13	4	4			4	4
Karen James	NSW	13	10					4	4
Peter Murphy	NSW	13	9	4	3			4	3
Debbie Uy	VIC	13	11			5	5		
Lance Blythe	VIC	13	11			5	5		
Tim Keating	VIC	1	1						

H=Meetings held during the year, or during the term of appointment; **A**=Attended; **ARCCo**=Audit, Risk & Compliance Committee; **ALCo**=Assets & Liabilities Committee; **BGRCo**= Board Governance & Remuneration Committee.

Principal activities

The principal activities of the Company during the financial year were the provision of financial solutions for the particular needs of churches and Christian ministries, the facilitation of the financing of churches and ministries through participating State Baptist Unions/Associations, the Baptist Union of Australia and Churches of Christ in Victoria and Tasmania, and, subject to capital adequacy needs, the making of grants to State Baptist Unions/Associations, the Baptist Union of Australia and Churches of Christ in Victoria and Tasmania for ministry.

There has been no significant change in those activities during the financial period except for the merger with Churches of Christ Financial Services that extend the Company's operations (Refer to Note 4 – Business Combination).

The entity's short term strategic objectives are to:

- Maintain and introduce relevant financial services for Baptist entities and Christian ministries in Australia
- Maintain the adequacy of funds and reserves
- Address all relevant regulatory requirements

The entity's long-term objectives are to:

- Further develop recognition of BFS by the Australian Baptist and Church of Christ community as its primary financial services provider
- Continue to extend the use of BFS services within Baptist Churches, congregations and Christian organisations across Australia
- To assist churches and ministries as they pursue development opportunities and realise increased resources for ministry.

To achieve these objectives, the entity has adopted the following strategies:

- Sponsor nationally oriented support services for Churches
- Appoint and develop staff in accordance with the Strategic Priorities
- Continue to enhance existing financial services and develop new products
- Review relevant regulatory frameworks for the ongoing provision and extension of BFS services
- Upgrading client systems and technology platforms
- Reviewing and progressing redevelopment options for a range of church sites
- Continued development of effective relationships with Stakeholders and clients.

Financial Performance Disclosures

Result and Review of Operations

The Net Operating Surplus for the year was \$6,472,735 (2023: \$5,864,101). The Net Operating Surplus includes sponsorship expenditure of \$413,855 (2023: \$421,686). Grants to Baptist entities amounted to \$1,167,979 (2023: \$1,082,892) and transfers to the Future Grants Reserve amounted to \$1,635,261 (2023: \$1,568,043). Taken together (sponsorship and grants) the total funds made available to support Baptist and other Christian ministry was \$3,217,095 (2023: \$3,072,621).

BFS resources ministry through making available loans to churches and other Christian ministries. This ministry objective is funded from accumulated reserves and through inviting investments for the Charitable Investment Scheme.

During the year the Board continued to apply the capital adequacy framework. This framework indicated that an appropriate capital structure, including capital contributions and retention of surpluses, be maintained to fund the expected future growth in operations and to meet desired prudential equivalent levels of capital.

The Company operates a registered Charitable Investment Scheme to raise funds so that loans and advances can be made to resource Baptist and other Christian ministries. Loans and advances primarily comprise secured commercial loans to these entities. The Financial Report provides additional information in Note 22 regarding Risk Management.

Liquidity was maintained consistently during the year at levels well above the Board's determined minimum of \$25 million plus 20% of total client funds, and significantly in excess of the 20% requirement set out in BFS' Identification Statement lodged with ASIC.

During the year the Company completed a merger with Churches of Christ Financial Services Ltd ("CCFS"). This was conducted by way of transfer of business assets and liabilities, rather than an acquisition of the legal entity. As the merger was completed on 30 November, there was limited impact on the financial performance in 2024 but a significant impact on financial position as noted below. Refer to Note 4 - Business Combination.

Key Performance Measures

The Company measures its performance through the use of quantitative benchmarks. The benchmarks are used by the directors to assess whether the Company's short-term and long-term objectives are being achieved.

	2024		2023	
	Actual	Benchmark	Actual	Benchmark
Growth in total client investments	33.1%	7.0%	1.3%	7.0%
Growth in loans advanced	36.0%	7.0%	10.0%	7.0%
Growth in total assets	32.0%	5.0%	2.1%	5.0%
Ratio of loans advanced to total client investments	66.4%	65.0%	65.1%	65.0%

The merger with CCFS added significantly to the growth in the balance sheet measures. Excluding CCFS balances, the underlying growth in 2024 was 10% for client investments, 15% for loans advanced and 10% for total assets.

Indemnification of Officers and Auditors

During the financial year the Company incurred a premium in respect of a contract insuring the Directors of the Company and all Executive Officers of the Company against a liability incurred as a Director or Executive Officer to the extent permitted by the *Corporations Act 2001*. The insurance contract does not permit disclosure of the premium or terms relating to such Directors or Executive Officers. No indemnity has been given or insurance premiums paid for the Auditor.

Directors' Benefits

No Director has received or become entitled to receive, during or since the end of the financial year, a benefit because of a contract made by the company, a subsidiary, or a related body corporate with a Director, a firm of which a Director is a member or an entity in which a Director has a substantial financial interest, other than that disclosed in Note 25 of the Financial Report.

Subsequent Events

In the opinion of the Directors, since the end of the year to the date of this report, no matter or circumstance has arisen that has significantly affected or may significantly affect the operations of the Company, the results of those operations, or the state of affairs of the Company in future financial years.

Contribution in winding up

The Company is incorporated under the *Corporations Act 2001* and is an entity limited by guarantee. If the Company is wound up the constitution states that each member is required to contribute a maximum of \$100 towards meeting any outstanding obligations of the entity. At balance date the total amount that members of the Company are liable to contribute if the company was wound up was \$1,100 (2023: \$1,000).

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 7 of this financial report and forms part of the Directors' Report.

Signed in accordance with a resolution of the Directors.



Director

Dated at Sydney this 10th day of April 2025

Grant Thornton Audit Pty Ltd

Grosvenor Place
Level 25, 225 George Street
Sydney NSW 2000
Locked Bag Q800
Queen Victoria Building NSW
1230

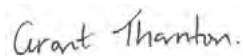
T +61 2 8297 2400

Auditor's Independence Declaration

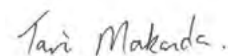
To the Directors of Baptist Financial Services Australia Limited

In accordance with the requirements of section 307C of the *Corporations Act 2001* and section 60-40 of the *Australian Charities and Not-for-profits Commission Act 2012*, as lead auditor for the audit of Baptist Financial Services Australia Limited for the year ended 31 December 2024, I declare that, to the best of my knowledge and belief, there have been:

- a no contraventions of the auditor independence requirements of the *Corporations Act 2001* and 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



T Makanda
Partner – Audit & Assurance

Sydney, 10 April 2025

Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the year ended 31 December 2024

	Notes	2024 \$	2023 \$
Gross interest revenue	5a	31,817,770	26,461,516
Gross interest expense		(17,310,019)	(11,829,940)
Net interest income		14,507,751	14,631,576
Other income	5b	1,146,973	843,956
Impairment (expense)/reversal	11	(98,325)	62,943
Employee benefits & costs	6	(5,292,477)	(4,107,824)
Prepaid project costs written off		-	(2,481,450)
Other expenses	7	(3,791,187)	(3,085,100)
NET OPERATING SURPLUS		6,472,735	5,864,101
Other Comprehensive Income (OCI)			
Change in derivative liability		-	(120,922)
Fair value change in investments at fair value through other comprehensive income (FVOCI)	13	533,499	103,514
TOTAL COMPREHENSIVE INCOME		7,006,234	5,846,693

This statement should be read in conjunction with the accompanying notes.

As at 31 December 2024

Consolidated Statement of Financial Position

	Notes	2024 \$	2023 \$
Assets			
Cash and cash equivalents	8	50,683,650	36,755,351
Other receivables and prepayments	12	1,555,969	1,135,236
Investment securities at fair value through other comprehensive income	13	219,829,948	177,202,519
Loans and advances - interest bearing	9	415,625,665	305,645,153
Property, plant and equipment	14	190,147	149,329
Intangibles	15	729,184	833,171
Right-of-use-assets	16(a)	14,570	156,346
Total assets		688,629,133	521,877,104
Liabilities			
Payables - interest bearing	17	626,402,455	470,507,574
Trade and other payables	18	4,600,261	2,780,625
Provisions	19	820,374	648,115
Lease liability	16(b)	14,730	169,691
Total liabilities		631,837,820	474,106,005
Net assets		56,791,313	47,771,100
Equity			
Accumulated funds	20	34,748,313	31,078,817
Contributions reserve	21(a)	19,700,000	14,950,000
Future grants reserve	21(b)	1,635,261	1,568,043
Fair value through other comprehensive income reserve	21(c)	707,739	174,240
Total equity		56,791,313	47,771,100

This statement should be read in conjunction with the accompanying notes.

For the year ended 31 December 2024

Consolidated Statement of Changes in Equity, Accumulated Funds & Reserves

	Accumulated Funds \$	Contributions Reserve \$	Future Grants Reserve \$	FVOCI Reserve \$	Total \$
2024					
Balance brought forward	31,078,818	14,950,000	1,568,043	174,240	47,771,100
Net Operating Surplus	6,472,735	-	-	-	6,472,735
Change in derivative liability	-	-	-	-	
Fair value change in investments at FVOCI	-	-	-	533,499	533,499
Total Comprehensive Income	6,472,735	-	-	533,499	7,006,234
Grants to Baptist Entities	(1,167,979)	-	(1,568,043)	-	(2,736,022)
Transfer to/(from) reserves	(1,635,261)	4,750,000	1,635,261	-	4,750,000
Balance at 31 December 2024	34,748,313	19,700,000	1,635,261	707,739	56,791,313
2023					
Balance carried forward	27,865,651	14,950,000	1,356,946	191,648	44,364,245
Net Operating Surplus	5,864,101	-	-	-	5,864,101
Change in derivative liability	-	-	-	(120,922)	(120,922)
Fair value change in investments at FVOCI	-	-	-	103,514	103,514
Total Comprehensive Income	5,864,101	-	-	(17,408)	5,846,693
Grants to Baptist Entities	(1,082,892)	-	(1,356,946)	-	(2,439,838)
Transfer to/(from) Reserves	(1,568,043)	-	1,568,043	-	-
Balance at 31 December 2023	31,078,818	14,950,000	1,568,043	174,240	47,771,100

This statement should be read in conjunction with the accompanying notes.

For the year ended 31 December 2024

Consolidated Statement of Cash Flows

	Notes	2024 \$	2023 \$
Operating activities			
Inflows			
Interest received from loans		17,019,705	13,643,897
Interest from other investments		14,689,911	12,973,137
Donations, subscriptions & sundry income		1,157,388	843,956
Outflows			
Interest paid to investors		(15,416,011)	(10,950,192)
Cash paid to suppliers and employees		(8,055,480)	(6,742,225)
Sponsorships		(413,855)	(421,686)
Net cash from revenue activities		8,981,658	9,346,887
Inflows (outflows) from other operating activities			
Loans and advances and payables – interest bearing (net)		(47,472,922)	(27,753,460)
Investment portfolio (net)		(287,669)	30,896,326
Client investments (net)		43,925,155	6,137,362
Net cash provided by / (used in) operating activities	8	5,146,222	18,627,115
Investing activities			
Payment for acquisition of merger related assets & liabilities, net of cash acquired	4	9,216,265	-
Payments for leasehold improvements, software & web design, furniture & computers		(219,996)	(898,339)
Change in other receivables		2,694,030	(55,607)
Net cash provided by / (used in) investing activities		11,690,299	(953,946)
Financing activities			
Grants paid to Baptist Entities		(2,736,022)	(2,439,838)
Payment of lease liabilities		(172,200)	(156,982)
Net cash provided by / (used in) financing activities		(2,908,222)	(2,596,820)
Net change in cash and cash equivalents		13,928,299	15,076,349
Cash and cash equivalents, beginning of year		36,755,351	21,679,002
Cash and cash equivalents, end of year	8	50,683,650	36,755,351
Non-cash financing and investing activities	4		

This statement should be read in conjunction with the accompanying notes.

Notes to the Consolidated Financial Statements

1. Basis of preparation

a) General Information and Statement of Compliance

The financial report includes the consolidated financial statements of Baptist Financial Services Australia Limited ("BFS" or "the Company") and its controlled entities Baptist Development Australia Pty Ltd ("BDA") and Baptist Business Services Ltd ("BBS") (together "the Group"). Baptist Financial Services Australia Limited is a company limited by guarantee, incorporated and domiciled in Australia. All amounts are presented in Australian dollars which is the functional and reporting currency of the Group.

These consolidated financial statements are general purpose statements that have been prepared in accordance with Australian Accounting Standards – Simplified Disclosures, to satisfy the requirements of the *Australian Charities and Not-for-profits Commission Act 2012*. Baptist Financial Services Australia Limited is a not-for-profit entity for the purpose of preparing the financial statements.

The consolidated financial statements for the year ended 31 December 2024 were approved and authorised for issue by the Board of Directors on 10th April 2025. The directors have the power to amend and reissue the financial statements.

b) Basis of Measurement

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

The accounting policies are consistent with the prior year unless otherwise stated.

c) Basis of Consolidation

The Group financial statements consolidate those of the parent company and all of its subsidiaries as of 31 December 2024. The parent controls a subsidiary if it is exposed, or has rights, to variable returns from its involvement with the subsidiary and has the ability to affect those returns through its power over the subsidiary.

All subsidiaries have a reporting date of 31 December.

All transactions and balances between Group companies are eliminated on consolidation, including unrealised gains and losses on transactions between Group companies. Where unrealised losses on intra-group asset sales are reversed on consolidation, the underlying asset is also tested for impairment from a group perspective. Amounts reported in the financial statements of subsidiaries have been adjusted where necessary to ensure consistency with the accounting policies adopted by the Group.

Profit or loss and other comprehensive income of subsidiaries acquired or disposed of during the year are recognised from the effective date on which control commences until the date on which control ceases.

2. Changes in accounting policies

2.1 New and amended standards adopted by the Group

The Group has adopted all of the new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ("AASB") that are mandatory for the current reporting period.

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

2.2 New standards and interpretations not yet adopted

There were no new accounting standards issued but not yet effective from 1 January 2024 which the group have early adopted deemed to have a significant impact on the Group's financial results or position. .

3. Material Accounting Policy Information

The following provides a list of the material accounting policies adopted in the preparation of these financial statements to the extent they have not already been disclosed in the other notes below.

a) Income Tax

No income tax has been provided for in these consolidated financial statements as the Company has been endorsed by the Australian Taxation Office as an income tax exempt charitable institution and is also registered as a Charity with the Australian Charities & Not-for-profits Commission.

b) Membership

The Company is a company limited by guarantee. Membership consists of each person who is a member of the Board. At balance date there were 11 members. The liability of members in the event of a deficit upon winding up the Company is limited to \$100. If upon winding up there remains a surplus, then the first part of the surplus, up to the limit of Contributions Reserve, will be repaid to the Contributor, and any remaining surplus given or transferred to State Baptist Unions and Associations or, failing that, to some other institution(s) having objectives and restrictions on distributions similar to the Company, such institutions being determined by the members.

c) Comparative Figures

Certain comparatives in the statement of profit or loss and other comprehensive income, the statement of financial position and notes to the financial statements have been reclassified, where necessary, to be consistent with current year presentation.

d) Goods and Services Tax (GST)

Where relevant, 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 expense. Receivables and payables in the Statement of Financial Position are shown inclusive of GST.

e) Accounting estimates and judgements

When preparing the financial statements, management makes a number of judgements, estimates and assumptions about the recognition and measurement of assets, liabilities, income and expenses.

Estimation uncertainty

Information about estimates and assumptions that have the most significant effect on recognition and measurement of assets, liabilities, income and expenses is provided below. Actual results may be substantially different.

Impairment – refer to Note 11

Valuation of financial instruments – refer to Note 13

4. Business Combination

On 30th November the Company completed a merger with CCFS by way of transfer of certain business assets and liabilities under the terms of a Business Transfer Agreement (BFS did not acquire the legal entity Churches of Christ Financial Services Ltd). In addition, under the terms of the agreement BFS has employed some CCFS staff, novated certain contracts and acquired the CCFS brand.

The fair value of Net Assets acquired approximates the purchase consideration of \$4.75m (recorded as CCFS Contribution) with the difference recorded as goodwill. The goodwill is qualitatively attributable to unrecognised intangibles such as the brand, know-how of the workforce in place, systems and potential merger synergies.

Merger related costs of approximately \$100k have been expensed during the period.

The fair value of the assets and liabilities recognised because of the merger are as follows:

	30 November 2024 \$
Cash	9,216,265
Investments	41,852,585
Loans – Interest Bearing	62,605,908
Other Receivables and Prepayments	3,030,782
Property, Plant and Equipment	14,079
Payables – Interest Bearing	(110,789,012)
Other Payables	(1,180,715)
Fair Value of Net Assets acquired	4,749,892
Consideration – CCFS Contribution	4,750,000
Goodwill	108

5. Revenue

a. Gross Interest Revenue

	2024 \$	2023 \$
Loans	17,019,705	13,643,897
Investment income	14,798,065	12,817,619
Total interest revenue	31,817,770	26,461,516

b. Other Income

	2024 \$	2023 \$
Product and service fees	940,513	593,264
Funds management fees	206,460	177,255
Realised gains/(loss) on investments	-	73,437
Total other income	1,146,973	843,956

All revenue was derived from customers in Australia and all non-current assets were held in Australia.

Recognition and measurement

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the entity and the revenue can be reliably measured. The following specific recognition criteria must also be met before revenue is recognised.

Interest earned

Term loans – interest is calculated based on the daily balance outstanding and is charged in arrears to the account on the last day of each month.

Overdraft – interest is calculated initially based on the daily balance outstanding and is charged in arrears to the account on the last day of each month.

Non-accrual loan interest – while still legally recoverable, interest on impaired loans is not recognised as revenue until received.

Loan origination fees and discount

Loan origination fees and discounts, if applicable, are initially deferred as part of the loan balance, and are brought to account as income over the expected life of the loan as interest revenue.

Transaction costs

Transaction costs are expenses which are direct and incremental to the establishment of the loan. These costs are initially deferred as part of the loan balance and are brought to account as a reduction to income over the expected life of the loan, and included as part of interest revenue.

Fees on loans

The fees charged on loans after origination of the loan are recognised as income when the service is provided, or costs are incurred.

Management fees

Management fees are based on a percentage of the portfolio value of the fund and are calculated in accordance with the Investment Management Agreement or Trust Deed.

Performance fees

Performance fees may be earned from funds. The group's entitlement to a performance fee for any given performance period is dependent on outperforming certain benchmarks.

6. Employee benefits & costs

	2024 \$	2023 \$
Net movement in provision for annual leave	72,926	91,145
Net movement in provision for long service leave	96,773	46,604
Superannuation	500,961	389,727
Other employee costs	4,621,817	3,580,348
Total Employee benefits & costs	5,292,477	4,107,824

The total number of employees at balance date was 38 (2023: 34) which represented 35.5 (2023: 31.5) full-time equivalent (FTEs). BFS has employed 4 CCFS staff equivalent to 3.8 FTE.

7. Other Expenses

	2024 \$	2023 \$
Website, Software and Computer Systems	603,001	519,449
Occupancy	99,453	83,996
Depreciation and Amortisation	310,420	99,050
Depreciation of Right of Use Assets	163,978	155,058
Sponsorship expense	413,855	421,686
Other General Administration Expenses	2,200,480	1,805,861
Total other expenses	3,791,187	3,085,100

8. Cash and Cash Equivalents

	2024 \$	2023 \$
Cash and cash equivalents at call	50,683,650	36,755,351
Total	50,683,650	36,755,351

Recognition and measurement

Cash and cash equivalents include cash on hand, deposits held at-call or on 31 days' notice with banks and other short-term highly liquid investments that are readily convertible into known amounts of cash, and which are subject to an insignificant risk of change in value.

Cash and cash equivalents are carried at amortised cost in the statement of financial position. Interest is brought to account using the effective interest method.

It is noted that cash and investments which, if required, are readily realisable within 5 business days amounted to \$208,512,737 (2023: \$187,923,423) at balance date.

Reconciliation of surplus to net cash from operating activities

	2024 \$	2023 \$
Operating surplus	6,472,735	5,864,101
Amortisation and Depreciation	473,378	253,088
(Decrease)/Increase in accrued term investment interest	1,894,008	932,245
Decrease/(Increase) in sundry debtors and accrued income	(226,875)	1,767,839
Decrease/(Increase) in lease liabilities	172,200	156,982
(Decrease)/Increase in trade and other payables	(74,371)	223,518
(Decrease)/Increase in allowance for Impairment of loans	98,325	(62,943)
Increase /(Decrease) in employee benefits	172,259	212,057
Church & other loans advanced	(77,484,941)	(59,710,144)
Church & other loan payments received	30,012,019	31,956,684
Change in investment portfolio (net)	(287,669)	30,896,326
Change in client investments (net)	43,925,155	6,137,362
Net Cash from Operating Activities	5,146,222	18,627,115

9. Loans and Advances – interest bearing

	2024 \$	2023 \$
Secured Loans	405,194,177	299,772,599
Other interest bearing loans (unsecured)	1,525,025	1,337,484
Secured Loans to related entities (Note 25)	9,140,529	8,297,231
Unsecured Loans to related entities (Note 25)	4,091,885	-
Less: Allowance for Impairment of loans (Note 11)	(4,325,951)	(3,762,161)
Total Net Loans	415,625,665	305,645,153

Recognition and measurement

Loans and advances are measured at amortised cost; they are initially measured at fair value plus incremental direct transaction costs and subsequently their amortised cost using the effective interest method.

Credit quality – security held against loans

Mortgage securities over land and buildings, offset arrangements, an undertaking from the Baptist Churches of New South Wales Property Trust or Churches of Christ in Victoria and Tasmania (either to enter into a mortgage or provide guarantees) are held for secured loans and certain loans to related entities.

The average of the total security value held against all secured loans (Loan to Value Ratio - LVR) at 31 December 2024 was 36% (2023: 35%) with a median ratio of 30% (2023: 33%). The current policy of the group is that loans to Baptist entities are not to exceed 75% of the security valuation and loans to other entities are not to exceed 67% of security valuation. This loan to value ratio can be varied by the provision of other appropriate security at the discretion of the Directors.

Loan to Valuation Ratio (LVR) analysis of secured loans

	2024 \$	2023 \$
LVR bands		
0 - 50%	197,245,389	179,646,151
51 - 75%	203,618,220	124,076,649
76 - 100%	8,134,987	4,347,030
100%+	5,336,110	-
Total	414,334,706	308,069,830

The amount in the 100%+ LVR category is a single exposure secured by a guarantee from a third party and supported by cash collateral of \$5m.

Maturity analysis of Loans and Advances

	2024 \$	2023 \$
<i>Debts Receivable:</i>		
Overdrafts	42,509,566	32,879,874
No longer than 3 months	14,104,836	11,923,138
Longer than 3 months and not longer than 12 months	30,958,130	12,715,808
Longer than 1 year and not longer than 5 years	74,341,005	77,930,919
Longer than 5 years	258,038,079	173,957,575
Allowance for Impairment of Loans	(4,325,951)	(3,762,161)
	415,625,665	305,645,153

10. Financial Commitments

	2024 \$	2023 \$
<i>Outstanding Loan Commitments</i>		
Loans approved but not advanced	27,409,931	62,193,081
<i>Loan Redraw Facilities</i>		
Loan redraw facilities available	35,905,420	33,611,821
<i>Undrawn Overdraft Loan Facilities</i>		
Loan facilities available for overdraft loans are as follows:		
Total value of facilities approved	54,693,623	49,263,483
Amounts advanced (included in Secured Loans – Note 9)	(44,288,507)	(34,581,564)
Net undrawn value	10,405,116	14,681,919
Total undrawn Loan Commitments	73,720,467	110,486,821

These commitments are contingent on borrowers maintaining credit standards, loan terms & conditions and ongoing repayment terms on amounts drawn.

	2024	2023
	\$	\$
Computer Software Licensing & Maintenance		
<i>The Company has costs committed under contracts for software licensing & maintenance as follows:</i>		
Not later than one year	405,220	475,950
Later than one year but not later than two years	230,800	219,167
Later than two years but not later than five years	217,000	315,000
Over five years	-	-
	853,020	1,010,117
Bureau and Settlement Services		
<i>The Company has costs committed under a contract for Bureau & Settlement services as follows:</i>		
Not later than one year	215,280	215,280
Later than one year but not later than two years	53,820	161,460
Later than two years but not later than five years	-	-
Over five years	-	-
	269,100	376,740

11. Impairment of Financial Assets

	2024	2023
	\$	\$
Expected credit loss on loans:		
Opening balance	3,762,161	3,825,104
Addition of CCFS loan portfolio	465,465	-
Charge/(reversal) for the year	98,325	(62,943)
Closing balance	4,325,951	3,762,161

The expected credit loss breakdown is as follows:

	Stage 1 12 months ECL Collectively assessed	Stage 2 Lifetime ECL Individually assessed	Stage 3 Lifetime ECL Individually assessed	Total
2024				
Secured lending	1,315,740	2,978,336	-	4,294,076
Unsecured lending	31,875	-	-	31,875
Total	1,347,615	2,978,336	-	4,325,951
2023				
Secured lending	1,204,587	2,514,343	-	3,718,930
Unsecured lending	43,231	-	-	43,231
Total	1,247,818	2,514,343	-	3,762,161

Recognition and measurement

AASB 9's impairment requirements use more forward-looking information to recognise expected credit losses ("ECL") - the 'ECL model'. The Group 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. They are measured as follows:

- *financial assets that are not credit-impaired at the reporting date*: as the present value of all cash shortfalls (i.e. the difference between the cash flows due to BFS in accordance with the contract and the cash flows that BFS expects to receive);
- *financial assets that are credit-impaired at the reporting date*: as the difference between the gross carrying amount and the present value of estimated future cash flows; and
- *undrawn loan commitments*: as the present value of the difference between the contractual cash flows that are due to BFS if the commitment is drawn down and the cash flows that BFS expects to receive.

Critical accounting estimates and judgements

ECL is determined by a probability weighted estimate of credit losses over the expected life of the financial instrument. Management exercise judgment in making key assumptions about the probability of default in the respective timeframe. For Stage 1 this assumption is made on a portfolio basis and for Stage 2 is assessed for each individual exposure. Expected losses in the event of default are a function of the amount of security (LVR) and the assumed rate of recovery. The recovery rate is a matter of judgment that depends upon several factors including the nature of the security, current and expected economic conditions, the outlook for property prices and estimates of the costs of recovery. Consideration has also been given to the level of undue cost and effort involved in utilising complex statistical models, which is not considered appropriate for the size and complexity of the portfolio.

Write-off

Loans and debt securities are written off (either partially or in full) when there is no realistic prospect of recovery. This is generally the case when BFS determines that the borrower does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with BFS' procedures for recovery of amounts due.

Credit risk

During 2024 there were two loan clients moved from Stage 1 to Stage 2. One loan client moved from Stage 2 to Stage 1 in the period and one Stage 2 exposure was repaid in full. Three loans clients acquired in the CCFS merger are Stage 2 exposures.

During 2023 there were six loans clients moved from Stage 1 to Stage 2. Five loan clients moved from Stage 2 to Stage 1 or repayment was received in full.

These key assumptions in the 'ECL model' have not been changed in the period other than in reviewing probability of default assumptions for Stage 2 exposures.

12. Other Receivables & Prepayments

	2024 \$	2023 \$
Interest Accrued	1,033,142	878,666
Other Receivables	350,601	76,220
Prepayments	172,226	180,350
	1,555,969	1,135,236

Recognition and measurement

Other receivables and prepayments are recognised and accounted for as financial assets classified at amortised cost. Interest is brought to account using the effective interest method.

13. Investments

	2024 \$	2023 \$
<i>Investments held at fair value through other comprehensive income by instrument</i>		
Term deposits	40,357,000	40,216,000
Floating rate notes	-	9,311,008
Mortgage-backed securities	117,729,748	102,290,735
Direct Lending securities (units in discrete mortgage trusts)	61,743,200	25,384,776
	219,829,948	177,202,519

	2024 \$	2023 \$
<i>Investments held at fair value through other comprehensive income by credit rating (S&P or equivalent)</i>		
AAA	59,517,558	21,793,316
AA	67,485,189	70,570,817
A	37,811,754	56,292,768
BBB	42,623,987	23,968,088
BB	11,034,460	3,361,530
Not rated	1,357,000	1,216,000
	219,829,948	177,202,519

The "Not rated" investment amount is lodged in a term deposit with an ADI without an external credit rating. This is required for security purposes to support settlement service arrangements.

	2024 \$	2023 \$
<i>Reconciliation of fair value movement during the year:</i>		
Opening Balance	174,240	70,726
Fair value adjustments during the year	533,499	103,514
Closing Balance	707,739	174,240

Fair value of Investment Securities is assessed on a Level 2 basis in both 2024 and 2023 as the relevant securities are traded in over the counter ("OTC") markets.

Investments – Maturity Analysis

	2024	2023
	\$	\$
At call	-	-
Not longer than 3 months	48,237,062	48,911,683
Longer than 3 months and not longer than 12 months	81,441,192	69,956,919
Longer than 1 year and not longer than 2 years	20,567,097	40,135,533
Longer than 2 years and not longer than 3 years	45,750,567	12,487,854
Longer than 3 years and not longer than 4 years	23,834,030	5,710,530
Longer than 4 years and not longer than 5 years	-	-
	219,829,948	177,202,519

Recognition and measurement

Financial assets with contractual cash flows representing solely payments of principal and interest and held within a business model of collecting the contractual cash flows and selling the assets are accounted for as Investment securities classified as Fair Value through Other Comprehensive Income ("FVOCI").

Any gains or losses recognised in OCI will be reclassified to profit or loss upon derecognition of the asset.

On initial recognition, the Group may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or at FVOCI, as Fair Value through Profit and Loss ("FVTPL"), if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

The Group does not have any assets in the categories FVTPL.

Critical accounting estimates and judgements

AASB 9 provides a framework for management to assess fair value of financial instruments in the following hierarchy reflecting the varying degree of management judgement that may be required in making the assessment. The levels are specified as follows:

Level 1 - quoted prices (unadjusted) in active markets for identical assets or liabilities

Level 2 - inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and

Level 3 - inputs for the asset or liability that are not based on observable market data (unobservable inputs).

Management uses valuation techniques to determine the fair value of financial instruments (where active market quotes are not available). This involves developing estimates and assumptions consistent with how market participants would price the instrument. Management bases its assumptions on observable data as far as possible, but this is not always available. In that case management uses the best information available. Estimated fair values may vary from the actual prices that would be achieved in an arm's length transaction at the reporting date.

14. Property, plant and equipment

	2024 \$	2023 \$
Property, Plant & Equipment		
Leasehold Improvements, Furniture & Computers – at cost (opening)	346,108	291,864
Acquisition of CCFS (2024)/BBS (2023)	14,079	8,118
Additions	80,322	59,143
Disposals	(11,705)	(13,018)
Leasehold Improvements, Furniture & Computers - at cost (closing)	428,804	346,108
Accumulated Depreciation (opening)	(196,779)	(151,158)
BBS (2023)	-	(969)
Disposals	11,705	13,018
Depreciation	(53,584)	(57,669)
Accumulated Depreciation (closing)	(238,657)	(196,779)
	190,147	149,329

Recognition and measurement

Land and Buildings are recognised at cost less any subsequent accumulated depreciation on Buildings and accumulated impairment losses. Property, plant and equipment is depreciated on a straight- line basis so as to write off the net cost of each asset over its expected useful life. The useful lives are adjusted if appropriate at each reporting date. Estimated useful lives as at the reporting date are as follows:

Computers	3 years
Furniture and Equipment	10 years
Leasehold Improvements	3 - 5 years

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

15. Intangible assets

	2024 \$	2023 \$
Intangible Assets		
Software & Web Design - at cost (opening)	1,177,867	346,789
Additions	153,753	831,078
Disposals	-	-
Software & Web Design - at cost (closing)	1,331,620	1,177,867
Accumulated Amortisation (opening)	(344,696)	(303,315)
Amortisation	(257,848)	(41,381)
Disposals	-	-
Accumulated Amortisation (closing)	(602,544)	(344,696)
Goodwill	108	-
	729,184	833,171

Recognition and measurement

Items of computer software which are not integral to the computer hardware owned by the Group are capitalised using the cost model and classified as intangible assets. Computer software and web design are amortised on straight line basis over the expected useful life of three years. Residual values and useful lives are reviewed at each reporting date. In addition, they are subject to impairment testing.

16. Leases

a) Right-Of-Use Assets

	2024 \$	2023 \$
Right-of-use Assets		
Right-of-use assets	178,548	744,302
Less: Accumulated Depreciation	(163,978)	(587,956)
	14,570	156,346

b) Lease Liability

	2024 \$	2023 \$
Lease liability	14,730	169,691
Lease liability	14,730	169,691

Recognition and measurement

The Group recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, comprising the amount of the initial measurement of lease liability adjusted for any lease payments made at or before the commencement date less any lease incentives received, plus any initial direct costs, and an estimate of the costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located.

The right-of-use asset is subsequently depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis, unless the lease transfers ownership of the underlying asset to the Group at the end of the lease term or the Group is reasonably certain to exercise a purchase option. In that case, the right-of-use asset is depreciated over the underlying asset's useful life, which is determined on the same basis as those of property, plant and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The lease liability is initially measured at present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, the Group's incremental borrowing rate is used, being the rate that the Group would have to pay to borrow the funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment with similar terms, security and conditions.

To determine the incremental borrowing rate, the Group obtains interest rates from various external financing sources and makes certain adjustments to reflect the terms of the lease and the type of the asset leased.

The Group has not elected to recognise right-of-use assets and leases liabilities for leases of low-value assets and short-term leases. Payments associated with short-term leases of equipment and all leases of low-value assets are recognised on a straight-line basis as an expense in profit or loss over the lease term. Short-term leases are leases with a lease term of 12 months or less.

No new right-of-use assets and lease liabilities were recognised during 2024. The right-of-use assets related to office premises and items of office equipment. The decrease in lease assets are due to the office premises lease reaching the end of term at the end of 2024. The decline in lease liability reflects implied repayments of principal during the lease term.

The incremental borrowing rate used as the discount rate to determine lease liabilities on initial recognition was 4.0%. This rate was determined by estimating the discount rate implied by the lease terms compared with outright purchase.

17. Payables

Payables – Interest bearing based on actual maturity date

	2024 \$	2023 \$
Investments at call	249,245,793	198,501,271
Investments at 31 days' notice	165,085,539	139,277,662
Term Investments	212,071,123	132,728,641
	626,402,455	470,507,574

Payables – Interest bearing based on withdrawal experience

<i>Current Liabilities – payable not later than 12 months</i>		
Investments from Baptist & Christian organisations	43,055,927	35,715,853
Loan offset Savings Accounts	11,349,445	7,666,501
Investments from Individuals & other organisations	20,762,923	13,078,554
	75,168,295	56,460,908
<i>Non-Current Liabilities - payable later than 12 months</i>		
Investments from Baptist & Christian organisations	315,743,466	261,916,259
Loan offset Savings Accounts	83,229,261	56,221,010
Investments from Individuals & other organisations	152,261,433	95,909,397
	551,234,160	414,046,666

Investments are classified according to maturity date and the rollover experience

Term Investments and BFS Borrowings from Clients – Maturity Analysis

At call	249,247,782	198,501,271
Longer than at call and not longer than 3 months	234,985,469	187,394,416
Longer than 3 months and not longer than 12 months	136,946,707	73,941,268
Longer than 1 year and not longer than 2 years	3,921,000	9,594,874
Longer than 2 years and not longer than 5 years	1,301,497	1,075,745
Longer than 5 years	-	-
	626,402,455	470,507,574

Recognition and measurement

The Group's financial liabilities include customer investments and trade and other payables. Financial liabilities are initially measured at fair value, and, where applicable, adjusted for transaction costs unless the Group designated a financial liability at FVTPL. Subsequently, financial liabilities are measured at amortised cost using the effective interest method except for derivatives and financial liabilities designated at FVTPL, which are carried subsequently at fair value with gains or losses recognised in profit or loss (other than derivative financial instruments that are designated and effective as hedging instruments).

Interest is calculated on the daily balance and posted to the accounts periodically, or on maturity of the term investment. Interest expense is brought to account on an accrual basis and is recognised on an effective interest basis.

Concentration of Payables

There were no individuals or organisations which in aggregate represent more than 10% of the liabilities for Payables - Interest Bearing. The majority of the payables are with Baptist Churches in Australia, Churches of Christ in Victoria and Tasmania or with individuals or organisations having an association with Baptist Churches in Australia.

18. Trade and Other Payables

	2024 \$	2023 \$
Accrued term investment interest	3,867,610	1,973,602
Sundry creditors	732,651	807,023
Total trade and other payables	4,600,261	2,780,625

19. Provision for Employee Benefits

	2024 \$	2023 \$
Employee benefits – annual leave	484,785	369,297
Employee benefits – long service leave	335,589	278,818
Total provisions	820,374	648,115

Recognition and measurement

Employee benefits consist of annual leave and long service leave. Employee benefits expected to be settled within 12 months of the end of the reporting period have been measured at their nominal amount. Employee benefits not expected to be settled within 12 months of the end of the reporting period are stated at present value, using expected settlement timings and discount rates equivalent to government bonds of a similar term.

20. Accumulated Funds

	2024 \$	2023 \$
Accumulated Funds - Total		
Balance at beginning of year	31,078,817	27,865,651
Operating Surplus	6,472,735	5,864,101
Grants expended to Baptist ministries	(1,167,979)	(1,082,892)
Transfer (to)/from Reserves	(1,635,261)	(1,568,043)
Balance at end of year	34,748,313	31,078,817
Accumulated Funds - New South Wales & ACT		
Balance at beginning of year	17,562,298	15,827,284
Share of Operating Surplus before Grants	3,307,164	3,161,185
Share of Grants expended to Baptist ministries	(620,000)	(579,474)
Transfer (to)/from Reserves	(828,354)	(846,697)
Balance at end of year	19,421,108	17,562,298
Accumulated Funds - Victoria		
Balance at beginning of year	4,415,100	3,874,107
Share of Operating Surplus before Grants	1,143,659	1,040,411
Share of Grants expended to Baptist ministries	(251,875)	(235,411)
Transfer (to)/from Reserves	(274,904)	(264,007)
Balance at end of year	5,031,980	4,415,100
Accumulated Funds - South Australia		
Balance at beginning of year	3,471,383	3,215,737
Share of Operating Surplus before Grants	548,875	472,755
Share of Grants expended to Baptist ministries	(98,812)	(92,354)
Transfer (to)/from Reserves	(138,738)	(124,756)
Balance at end of year	3,782,708	3,471,382
Accumulated Funds - Northern Territory		
Balance at beginning of year	107,272	94,344
Share of Operating Surplus before Grants	22,752	19,235
Transfer (to)/from Reserves	(7,013)	(6,308)
Balance at end of year	123,011	107,271
Accumulated Funds - Tasmania		
Balance at beginning of year	522,331	475,549
Share of Operating Surplus before Grants	98,492	100,397
Share of Grants expended to Baptist ministries	(32,938)	(30,785)
Transfer (to)/from Reserves	(20,208)	(22,830)
Balance at end of year	567,677	522,331
Accumulated Funds - Western Australia		
Balance at beginning of year	4,461,888	3,959,718
Share of Operating Surplus before Grants	1,017,455	855,883
Share of Grants expended to Baptist ministries	(116,250)	(108,651)
Transfer (to)/from Reserves	(277,808)	(245,062)
Balance at end of year	5,085,285	4,461,888
Accumulated Funds - Baptist Union of Australia		
Balance at beginning of year	538,544	418,910
Share of Operating Surplus before Grants	225,049	214,235
Share of Grants expended to Baptist ministries	(38,750)	(36,217)
Transfer (to)/from Reserves	(57,429)	(58,383)
Balance at end of year	667,414	538,545
Accumulated Funds - Churches of Christ Vic & Tas		
Balance at beginning of year	-	-
Share of Operating Surplus before Grants	109,291	-
Share of Grants expended to Baptist ministries	(9,354)	-
Transfer (to)/from Reserves	(30,807)	-
Balance at end of year	69,130	-

In accordance with Memorandums of Understanding and Deeds entered into between BFS and the Baptist Unions and Associations of New South Wales, Victoria, South Australia, Tasmania, Western Australia, Baptist Union of Australia Inc and Churches of Christ in Victoria and Tasmania, a portion of the surpluses will be allocated in accordance with the directions of those entities.

21. Reserves

a. Contributions Reserve

	2024 \$	2023 \$
Contributions Reserve - Total		
Balance at beginning of year	14,950,000	14,950,000
Contributions Received	4,750,000	-
Balance at end of year	19,700,000	14,950,000
Contributions Reserve - New South Wales & ACT		
Balance at beginning of year	8,000,000	8,000,000
Contribution Received	-	-
Balance at end of year	8,000,000	8,000,000
Contributions Reserve - Victoria		
Balance at beginning of year	3,250,000	3,250,000
Contribution Received	-	-
Balance at end of year	3,250,000	3,250,000
Contributions Reserve - South Australia		
Balance at beginning of year	1,275,000	1,275,000
Contribution Received	-	-
Balance at end of year	1,275,000	1,275,000
Contributions Reserve - Tasmania		
Balance at beginning of year	425,000	425,000
Contribution Received	-	-
Balance at end of year	425,000	425,000
Contributions Reserve - Western Australia		
Balance at beginning of year	1,500,000	1,500,000
Contribution Received	-	-
Balance at end of year	1,500,000	1,500,000
Contributions Reserve - Baptist Union of Australia		
Balance at beginning of year	500,000	500,000
Contribution Received	-	-
Balance at end of year	500,000	500,000
Contributions Reserve - Churches of Christ Vic & Tas		
Balance at beginning of year	-	-
Contribution Received	4,750,000	-
Balance at end of year	4,750,000	-

Contributions by stakeholders to financially support the company are taken to this reserve. In the event of a winding up, these amounts are subordinated to all creditor obligations.

b. Future Grants Reserve

	2024 \$	2023 \$
<i>Future Grants Reserve - Total</i>		
Balance at beginning of year	1,568,043	1,356,946
Transfer (to)/from accumulated funds (See Note 20)	1,635,261	1,568,043
Expended during current year	(1,568,043)	(1,356,946)
Balance at end of year	1,635,261	1,568,043
<i>Future Grants Reserve - New South Wales & ACT</i>		
Balance at beginning of year	846,697	792,113
Transfer (to)/from accumulated funds	828,354	846,697
Grants expended to Baptist ministries	(846,697)	(792,113)
Balance at end of year	828,354	846,697
<i>Future Grants Reserve - Victoria</i>		
Balance at beginning of year	264,007	202,932
Transfer (to)/from accumulated funds	274,904	264,007
Grants expended to Baptist ministries	(264,007)	(202,932)
Balance at end of year	274,904	264,007
<i>Future Grants Reserve - South Australia</i>		
Balance at beginning of year	124,756	109,647
Transfer (to)/from accumulated funds	138,738	124,756
Grants expended to Baptist ministries	(124,756)	(109,647)
Balance at end of year	138,738	124,756
<i>Future Grants Reserve - Northern Territory</i>		
Balance at beginning of year	6,308	5,858
Transfer (to)/from accumulated funds	7,013	6,308
Grants expended to Baptist ministries	(6,308)	(5,858)
Balance at end of year	7,013	6,308
<i>Future Grants Reserve - Tasmania</i>		
Balance at beginning of year	22,830	20,813
Transfer (to)/from accumulated funds	20,208	22,830
Grants expended to Baptist ministries	(22,830)	(20,813)
Balance at end of year	20,208	22,830
<i>Future Grants Reserve - Western Australia</i>		
Balance at beginning of year	245,062	181,992
Transfer (to)/from accumulated funds	277,808	245,062
Grants expended to Baptist ministries	(245,062)	(181,992)
Balance at end of year	277,808	245,062
<i>Future Grants Reserve - Baptist Union of Australia</i>		
Balance at beginning of year	58,383	43,591
Transfer (to)/from accumulated funds	57,429	58,383
Grants expended to Baptist ministries	(58,383)	(43,591)
Balance at end of year	57,429	58,383
<i>Future Grants Reserve – Churches of Christ Vic & Tas</i>		
Balance at beginning of year	-	-
Transfer (to)/from accumulated funds	30,807	-
Grants expended to Baptist ministries	-	-
Balance at end of year	30,807	-

A proportion of the Surplus determined by the Directors is set aside each year to the Future Grants Reserve for Baptist and Churches of Christ ministry. The allocation of grants is principally in accordance with Memorandums of Understanding and Deeds entered into between BFS and the Baptist Unions and Associations of New South Wales, Victoria, South Australia, Tasmania, Western Australia, the Baptist Union of Australia Inc and Churches of Christ in Victoria and Tasmania. There is no expectation of any refund of these grants from the recipients as these funds will be applied to Baptist and Churches of Christ ministry.

c. Fair value through other comprehensive income reserve

	2024 \$	2023 \$
Balance at beginning of year	174,240	191,648
Changes in derivative liability	-	(120,922)
Fair value change in investments at FVOCI (Note 13)	533,499	103,514
Balance at end of year	707,739	174,240

Fair value of Investments at FVOCI are assessed on a Level 2 basis in both 2024 and 2023 as the relevant securities are traded in over the counter ("OTC") markets.

22. Risk Management

Risk management framework

The Board of Directors has overall responsibility for the establishment and oversight of the Consolidated Entity's risk management framework. The Board maintains an Audit, Risk & Compliance Committee (ARCCo), an Assets & Liabilities Committee (ALCo), a Board Governance & Remuneration Committee (BGRCo) to oversee the financial reporting and audit and risk management processes.

The ARCCo's major role, within the BFS risk management organisational structure, is to monitor BFS's approved policies and procedures in relation to:

- Internal Controls & Risk Management
- Statutory and Financial Reporting Requirements
- Auditor Independence & Performance
- Internal Audit
- Compliance with Laws, Regulations & Policies
- Review any other matters as determined by the Board from time to time.

The ALCo's major role is to monitor BFS's approved policies and procedures in relation to the management and control of:

- Credit Risk
- Liquidity Risk
- Market Risk
- Balance Sheet Risk
- Capital Management Risk

The BGRCo's major role is to make recommendations to the Board in respect of:

- Nomination and Roles of New Directors
- Nomination of Directors to Board Committees
- Annual Board & Committee Assessment
- Professional Development of Directors & Staff
- Conflict of Interest Disclosure & Management
- Selection, Interview of a CEO, Establish Objectives and Review Performance
- Selection, Interview of Special Board Appointees and Review Performance in conjunction with the CEO
- Monitoring of staff performance & salaries, director remuneration, continuous improvement systems and processes with the CEO.

22. Risk Management (continued)

BFS has undertaken the following strategies to minimise the risks arising from financial instruments:

Market risk

The company has no exposure to currency risk.

The company's exposure to interest rate risk is the risk that a financial instrument's value will fluctuate as a result of changes in market interest rates. Interest rate exposures are reviewed at least monthly and provided regularly to ALCo and Board meetings.

Credit risk – Loans

The risk of losses from the loans undertaken is primarily reduced by the nature and quality of the security taken. Company policy is to maintain no more than 5% of total capital in unsecured loans, with the balance of loans secured by mortgage over land and buildings, offset arrangements, an undertaking from the Baptist Churches of New South Wales Property Trust or Churches of Christ in Victoria and Tasmania to enter into a mortgage, or an interest in property or other guarantees.

Credit risk – Investments

The risk of losses from investments is reduced by the limited concentration in any one entity. Company policy is to limit any investments with one investee to a maximum of 10% of total funds under management with the exception that this limit is not applied to investments in the "big four" Australian banks. All securities and other deposits with Institutions must have a credit rating by Standard and Poor's from AAA to BB, or equivalent.

Liquidity risk

The company has undertaken to investors to maintain at least 20% of total investments from clients in readily realisable investments in order to maintain adequate funds for meeting withdrawal requests. This undertaking to investors is incorporated in the Identification Statement lodged with ASIC. The ratio is checked at least monthly by management and is reported regularly to ALCo and the Board.

Operational risks

Operational risk is a risk of direct or indirect loss arising from a wide variety of causes associated with the Company's processes, personnel, technology and infrastructure, and from external factors other than credit, market and liquidity risks such as those arising from legal and regulatory requirements and generally accepted standards of corporate behaviour. Operational risks arise from all of the Company's operations and are faced by all business entities. The Company's objective is to manage operational risk so as to balance the avoidance of financial losses and damage to the Company's reputation with overall cost effectiveness.

The primary responsibility for the development and implementation of controls to address operational risk is assigned to senior management within each business unit. This responsibility is supported by the development of the overall Company's standards for the management of operational risk in the following areas:

- Requirements for appropriate segregation of duties, including the independent authorisation of transactions
- Requirements for the reconciliation and monitoring of transactions
- Compliance with regulatory and other legal requirements
- Documentation of controls and procedures
- Requirements for the periodic assessment of operational risks faced, and the adequacy of controls and procedures to address the risks identified
- Requirements for the reporting of operational losses and proposed remedial action
- Development of contingency and business continuity plans
- Training and professional development
- Ethical and business standards aligned to stated BFS values
- Risk mitigation, including insurance where this is effective
- Compliance with the company's standards is supported by a program of internal audit using both internal and external resources.

22. Risk Management (continued)

Average Balance Sheet and Interest Rates

The effective weighted average interest rates on classes of financial assets and financial liabilities are as follows:

	Average Balance	Interest (At rates applicable at balance date)	Average Rate
	\$	\$	%
2024			
Financial Assets			
Cash and liquid assets	55,115,151	2,555,894	4.64
Investments with other financial institutions	180,548,021	12,242,171	6.78
Loans and Advances	352,633,441	17,019,266	4.83
	588,296,613	31,817,332	5.41
Financial Liabilities			
Client Investments	531,912,859	17,310,579	3.25
2023			
Financial Assets			
Cash and liquid assets	42,474,548	1,683,621	3.96
Investments with other financial institutions	185,390,379	11,133,998	6.01
Loans and Advances	295,890,714	13,696,079	4.63
	523,755,641	26,513,697	5.06
Financial Liabilities			
Client Investments	471,895,608	11,830,281	2.51

Credit risk

The maximum exposure to credit risk at balance date in relation to loans and advances is the carrying amount.

At balance date this amounted to \$415,625,665 (2023: \$305,645,153). Loans and advances primarily comprise commercial loans to Baptist and other Christian entities secured by mortgage over freehold property, offset arrangements or an interest in property. The loan portfolio comprises a mix of loan to value ratios, ranging from conservative to high.

The total risk exposure for all unimpaired loans exceeding \$2 million at balance date was \$209,236,219 representing 46 borrowers (2023: 40 totalling \$208,475,816). Each of these loans is fully secured by mortgage over freehold property, offset arrangements or an interest in property.

The total of loans past due are \$60,281 at year end (2023: \$4,550), of which \$45,534 is greater than 90 days.

Refer to Note 11 for further explanation of the Allowance for Impairment.

There is no credit risk exposure to any single borrower or group of borrowers under financial instruments entered into by it which in aggregate represents more than 10% of Loans and advances - interest bearing.

23. Remuneration of Auditors

	2024 \$	2023 \$
Auditor's Remuneration		
Audit of Financial Report	149,829	109,214
AFSL audit	9,818	9,350
Total Audit Fees – Grant Thornton Audit Pty Ltd	159,647	118,564
(No other benefits were received by the auditor)		

24. Other Information

The Company is a National Affiliated Ministry of Australian Baptist Ministries (The Baptist Union of Australia Inc) and provides the facilitation of the financing of Baptist entities affiliated with participating Baptist Unions and other Christian Churches & organisations.

The Company holds and operates with an Australian Financial Services Licence - AFSL 311062. The Company's registered office is Level 4, 5 Saunders Close, Macquarie Park 2113.

A long-term objective of BFS is to assist churches and ministries as they pursue development opportunities and realise increased resources for ministry. These activities are a particular focus of its controlled entity Baptist Development Australia Pty Ltd.

25. Related parties

Australian Baptist Ministries (The Baptist Union of Australia Inc.) appoints up to 12 Directors of the Company. Australian Baptist Ministries invites each of the Baptist Association of NSW & ACT, Baptist Union of Victoria, Baptist Churches of South Australia and NT Inc., Tasmania Baptists, Baptist Churches Western Australia and Churches of Christ in Victoria and Tasmania Inc to nominate Directors taking into consideration directors' positions for each 12% or part thereof of client funds held on investment from the relevant States and the availability of suitable candidates, with reference to the company's Director skills matrix.

The Baptist Association of NSW & ACT, the Baptist Union of Victoria, Baptist Business Services and Churches of Christ in Victoria & Tasmania provided office accommodation facilities for the Company during the year. BFS and BDA made payments to a company associated with the Company Secretary. BBS made payments to BFS for provision of management services.

	2024 \$	2023 \$
Baptist Association of NSW & ACT	232,599	226,550
Baptist Union of Victoria	10,560	10,400
Baptist Churches Western Australia	-	3,402
Baptist Business Services	5,500	1,667
Churches of Christ in Victoria & Tasmania	4,750	-
Payment made by BFS to a company associated with the Company Secretary	5,495	3,600
Payment made by BDA to a company associated with the Company Secretary	17,261	528,886
Payment made by BBS to BFS for management services	72,938	31,912

BFS made a payment of \$100,000 to BBS by way of grant, effective 30 June 2023, under the terms of a Relationship Agreement between the parties. The grant was recorded as an expense by BFS in 2023. While the grant is repayable under certain circumstances, achievement of these milestones is currently sufficiently uncertain to preclude recording this expenditure as a loan asset.

BFS holds monies on investment from various ministries of the Baptist Association of NSW & ACT, Baptist Union of Victoria, Baptist Churches of South Australia and NT Inc., Tasmanian Baptist, Baptist Churches Western Australia, and Australian Baptist Ministries and Churches of Christ in Victoria and Tasmania, all of whom are considered to be related entities. Some of these monies are special purpose funds and some are monies which are held on investment until applied to general purposes. All investments held and loans and advances made are

on normal terms and conditions no more favourable than those available to other persons unless otherwise specified below.

	Principal 2024 \$	Principal 2023 \$
<i>New South Wales</i>		
Investments held:	34,604,205	42,234,508
Loans and Advances:	170,465	182,738
<i>Victoria</i>		
Investments held:	18,342,414	18,621,832
Loans and Advances:	3,695,140	3,962,161
<i>South Australia</i>		
Investments held:	10,382,680	16,739,455
<i>Northern Territory</i>		
Investments held:	227,811	227,354
<i>Tasmania</i>		
Investments held:	1,615,675	1,417,373
<i>Western Australia</i>		
Investments held:	3,528,400	3,163,130
Loans and Advances:	1,059,188	256,303
<i>Baptist Union of Australia Inc.</i>		
Investments held:	17,823,514	4,657,590
<i>Churches of Christ Victoria & Tasmania (CCVT)</i>		
Investments held:	1,656,657	0
<i>Baptist Business Services</i>		
Investments held:	13,397	10,022
Loans and Advances: (concessional interest rate is currently 0%)	200,000	-
<i>Como Bridge Pty Ltd ATF Como Bridge Unit Trust</i>		
Investments held:	-	-
Loans and Advances:	4,215,736	3,896,029
<i>Totals</i>		
Investments held:	88,194,754	87,071,264
Loans and Advances:	9,340,529	8,297,231

Transactions between the related parties are on normal commercial terms and conditions no more favourable than those available to other parties unless otherwise stated.

BFS is the Trustee, Investment Manager and Custodian of investments for the Baptist Ministry Fund ("Fund"). BFS earns an Investment Management fee of 30bp per annum, a Custody & Administration fee of 15bp per annum as well as a Performance Fee of 15% of returns in excess of the target return.

BFS provides an overdraft facility to the Fund at a concessional interest rate of 2.5%, drawn to \$3,891,885 at year end.

The following transactions occurred between BFS and the Fund:

	2024 \$	2023 \$
Amounts received or receivable from the Baptist Ministry Fund:		
Investment Management Fees	66,968	68,802
Custody & Administration Fees	33,577	34,401
Performance Fees	105,915	74,052
Interest received on overdraft	23,625	12,596
Amounts paid to the Baptist Ministry Fund:		
Interest credited to the Fund on accounts invested with BFS	19,867	28,009

Disclosures on Key Management Personnel (KMP)

Remuneration of KMP

The key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the company, directly or indirectly, including any Director of the company. Control is the power to govern the financial and operating policies of the company to obtain benefits from its activities.

Key management personnel (KMP) comprise the 11 (2023: 10) Directors of the Company, the Chief Executive Officer and two Executive Staff. The aggregate compensation of KMP during the year comprising amounts paid or payable or provided for, but excluding out of pocket expense reimbursements, was as follows:

	2024 \$	2023 \$
Key Management Personnel Compensation	1,109,332	1,067,037
	1,109,332	1,067,037

All remuneration to Directors was approved by the Baptist Union of Australia Inc. and by the members at the last Annual General Meeting of the company.

Loans to Key Management Personnel (KMP)

There are no loans to KMP's in either the current or prior period.

Other Transactions between Related Parties including Investments from KMP

	2024 \$	2023 \$
Total value of term and savings investments from KMP	357,508	223,493
Total interest paid on investments to KMP	6,864	6,169

Directors may have received interest on investments with BFS during the financial year in relation to personal or related entity investment accounts held with BFS. Interest has been paid on terms and conditions no more favourable than those ordinarily available on similar accounts to clients of BFS. BFS policy for receiving investments from other related parties and in respect of other related party transactions is that all transactions are approved, and investments accepted on the same terms and conditions that apply to client investors for each type of investment. There are no service contracts to which Key Management Personnel or their close family members are an interested party, except as otherwise disclosed in this report.

26. Parent Entity Information

Information relating to Baptist Financial Services Australia Limited (the Parent Entity):

	2024 \$	2023 \$
Statement of financial position		
Total assets	689,072,083	522,105,440
Total liabilities	631,735,118	473,960,869
Net assets	57,336,964	48,144,571
Accumulated funds	36,929,225	31,452,288
Statement of profit or loss and other comprehensive income		
Surplus for the year	6,644,911	6,101,589
Other comprehensive income	533,499	(17,408)
Total comprehensive income	7,178,510	6,084,181

27. Economic Dependency

The Company has an operational dependency on four suppliers of services:

The first supplier is an Approved Deposit Taking Institution registered under the *Corporations Act 2001* and the Banking Act 1959 and:

- Facilitates settlement arrangements for the Company with bankers for direct entry and cheque transactions;
- Provides computer bureau services for the hosting of software and the maintenance of database records.

Two suppliers provide and maintain the application software for client account and transaction records, internet account access, BPay and general ledger services used by the Company.

The fourth supplier provides the application software for the imaging and retrieval of client and Company records.

28. Contingent Liabilities

There are no contingent and unrecorded obligations of a material amount for which provision has not been made.

29. Post-reporting Date Events

No matters and circumstances have arisen since 31 December 2024 that have significantly affected, or may significantly affect the consolidated entity's operations, the results of those operations or the consolidated entity's state of affairs in future financial years.

Directors' Declaration

The Directors of Baptist Financial Services Australia Limited declare that in the Director's opinion:

- a the consolidated financial statements and notes of Baptist Financial Services Australia Limited are in accordance with the *Australian Charities and Non-for-profits Commission Act 2012*, including:
 - i Giving a true and fair view of its financial position as at 31 December 2024 and of its performance for the financial year ended on that date; and
 - ii Complying with Australian Accounting Standards – Simplified Disclosure requirements (including the Australian Accounting Interpretations), the *Australian Charities and Non-for-profits Commission Regulation 2022*; and
- b there are reasonable grounds to believe that the registered entity is able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of the Directors.



Director

Dated the 10th day of April 2025

Independent Auditor's Report

To the Members of Baptist Financial Services Australia Limited

Report on the audit of the financial report

Opinion

We have audited the financial report of Baptist Financial Services Australia Limited (the Company) and its controlled entities (the Group), which comprises the consolidated statement of financial position as at 31 December 2024, and the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity, accumulated funds & reserves and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including material accounting policy information and the Directors' declaration.

In our opinion, the financial report of the Group has been prepared in accordance with the *Corporations Act 2001* and Division 60 of the *Australian Charities and Not-for-profits Commission Act 2012*, including:

- a giving a true and fair view of the Group's financial position as at 31 December 2024 and of its financial performance for the year then ended on that date; and
- b complying with Australian Accounting Standards AASB 1060 *General Purpose Financial Statements - Simplified Disclosures for For-Profit and Not-for-Profit Tier 2 Entities* and Division 60 of the *Australian Charities and Not-for-profits Commission Regulation 2022*.

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 Group in accordance with the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (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 Thereon

The Directors are responsible for the other information. The other information comprises the information included in the Group's annual report for the year ended 31 December 2024, but does not include the consolidated financial report and our auditor's report thereon.

Our opinion on the consolidated 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 consolidated financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated 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 Directors for the financial report

The Directors are responsible for the preparation and fair presentation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards – *AASB 1060 General Purpose Financial Statements - Simplified Disclosures for For-Profit and Not-for-Profit Tier 2 Entities*, the *Corporations Act 2001* and the *Australian Charities and Not-for-profits Commission Act 2012 Act*, and for such internal control as the Directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the Directors are responsible for assessing the Group'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 Directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

The Directors are responsible for overseeing the Group's financial reporting process.

Auditor's responsibilities for the audit of the financial report


Our objectives are to obtain reasonable assurance about whether the consolidated 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 consolidated 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:

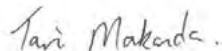
- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a 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 Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors.

- Conclude on the appropriateness of the Directors' 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 Group'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 Group 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.
- Obtain sufficient appropriate evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial report. We are responsible for the direction, supervision, and performance of the Group audit. We remain solely responsible for our audit opinion.

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 Audit Pty Ltd
Chartered Accountants



T Makanda
Partner – Audit & Assurance


Sydney, 10 April 2025




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YEARS OF MINISTRY



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Baptist Financial Services

Baptist Financial Services Australia Limited

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AFSL 311 062

BAPTIST CHURCHES OF NEW SOUTH WALES PROPERTY TRUST

ABN 60 239 908 643

FINANCIAL REPORT

FOR THE YEAR ENDED 30 APRIL 2024

BAPTIST CHURCHES OF NEW SOUTH WALES PROPERTY TRUST

ABN 60 239 908 643

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BAPTIST CHURCHES OF NEW SOUTH WALES PROPERTY TRUST

ABN 60 239 908 643

Annual Report

For the Year Ended 30 April 2024

The members have pleasure in presenting their report on Baptist Churches of New South Wales Property Trust for the financial year ended 30 April 2024.

Baptist Churches of New South Wales Property Trust ("Property Trust") is an incorporated body, separate from The Baptist Union of New South Wales. It was constituted on 14 September 1984 when a NSW Act of Parliament, titled *Baptist Churches of New South Wales Property Trust Act 1984*, was proclaimed,

1. GENERAL INFORMATION

Information on officeholders

The names of each person who has been a member during the year and to the date of this report are:

Name	Office
Paul Holding	Chairman
David Evans	Secretary, Treasurer
Richard Brading	Member
Geoff Moore	Member
Judith Carpenter	Member
Mike Williams	Member
Julia Zeinoun	Member

Members have been in office since the start of the financial year to the date of this report unless otherwise stated. Under the Act, seven members of the Property Trust are elected by the Assembly for 3 years on a rotational basis. The Chairman and the Secretary/Treasurer are appointed annually by the members.

During the financial year, eight (8) meetings of the Property Trust were held. Attendances by each member during the year were as follows:

Members (in office since 1 May 2023 unless indicated otherwise below)	Members' Meetings	
	No. Eligible to Attend	Attended
Paul Holding	6	5
David Evans	6	6
Richard Branding	6	6
Judith Carpenter	6	4
Geoff Moore	6	5
Mike Williams	6	6
Julia Zeinoun (since 8 December 2023)	3	1

Principal activities

In brief, the functions of the Property Trust are:

1. To act as trustee for individual Baptist Churches and District Associations,
2. To act as trustee of the Denominational Trust Funds,
3. To administer, and in many cases to invest in its Common Fund, the proceeds of sale of Baptist properties.

No significant changes in the nature of the Property Trust's activity occurred during the financial year.

BAPTIST CHURCHES OF NEW SOUTH WALES PROPERTY TRUST

ABN 60 239 908 643

Annual Report

For the Year Ended 30 April 2024

2. CHURCH PROPERTIES

Under the Australian system of property holding, title to any real estate requires registration into the name or names of an incorporated body or individuals. This means that title cannot be registered in the name of any unincorporated body such as a local church. The Property Trust offers a valuable service to churches by holding title to church properties in its name, free of charge, as trustee for the purposes and objects of each local church. The trusts and objects are set out in the Act.

It is the privilege and responsibility of the local church to give directions to the Property Trust on selling, buying, borrowing and leasing. These directions are given by resolutions passed in accordance with the procedure set out in the Act. The autonomy of the local church is thus preserved and other functions and activities of the church are entirely a matter for the local congregation. The Property Trust has posted some relevant information on the Baptist Union website www.nswactbaptists.org.au under Administration. There you will find a number of helpful guides such as "Selling, Buying & Borrowing – a Guide", "The Obligations of Members of Local Churches in relation to Baptist Church Property", "The Concept of a Trust" and "Frequently Asked Questions".

Neither the church nor the Property Trust is entitled to act contrary to the trusts. Among other things, this means that proceeds of sale and borrowed money can only be used for purposes sanctioned by the Act. These purposes are typically the purchase or development of other properties, and the construction or repair of buildings. On the website you will also find a Policy Document which touches another aspect, entitled "Funding a pastor's housing allowance from the proceeds of sale of a manse".

Property dealings will invariably require the Property Trust to sign documents on behalf of the church. Churches need to be aware that documents for signature will have to be in the hands of the solicitors acting for the Property Trust in sufficient time for the solicitors to check that they are in order for signing, and for the solicitors to submit those documents to the Property Trust. Special arrangements have been put in place by the Property Trust to deal as expeditiously as practicable with such documentation, but the local church needs to do its part. Between May, 2023 and April, 2024 members of the Property Trust met on 50 occasions to process 51 property transactions on behalf of 44 churches.

The solicitors for the Property are Toomey Pegg and C S Y Legal. In compliance with its obligations as trustee, the Property Trust instructs its solicitors to inspect documents which are to be executed by the Property Trust, in order that the solicitors can ensure that the Property Trust will assume liability as trustee only (i.e. limited to the assets of the local church), and that the Property Trust has been authorised, by the congregation of the church, to sign those documents. Any complex legal issues will also be referred to its solicitors for advice. Like any other trustee, the Property Trust is entitled to look to the church for reimbursement of legal expenses and out of pocket expenses incurred.

The local church is also entitled to legal advice, and should obtain it. There is usually no conflict of interest between the Property Trust and the church, so it is open to the church to engage the services of the same solicitors as those who act for the Property Trust. However, the church can appoint any solicitor of its own choosing, the church of course being responsible for payment of its own legal costs, stamp duty, GST, survey fees, local Council fees and so on.

3. OTHER ITEMS

Denominational Trust Funds

The Property Trust is the trustee of the following denominational trust funds:

1. Baptist Ministers Support Fund
2. Aged & Infirm Ministers Trust Fund

Common Fund

The Property Trust maintains a Common Fund, which obviates the need to keep separate bank accounts for each

BAPTIST CHURCHES OF NEW SOUTH WALES PROPERTY TRUST

ABN 60 239 908 643

Annual Report

For the Year Ended 30 April 2024

amount of money held.

Various amounts, including proceeds arising from the sale of some church properties, have been placed in investments in the name of the Property Trust as trustee for the respective churches. As at 30 April 2024, there was \$2,550,198 (2023: \$2,824,693) invested in the Common Fund for the benefit of individual churches and organisations.

Other Investments

Further amounts totalling \$12,595,424 as at 30 April 2024 (2023: \$12,453,693) have been placed in other approved investments in the name of the Property Trust as trustee for the respective churches.

Insurance

It is the important duty of church officers and members to ensure that adequate insurance exists for cover against loss of property by fire or other hazard, and also against public liability and workers compensation risks. The Property Trust has no independent responsibility to take out insurance, and in any case could not do so in the absence of funds supplied by the local church.

Government Grants

During the year, the Property Trust submitted applications for various government grants for 12 churches for \$438k, 2 of which were declined and the rest are awaiting their fate.

Income Tax

The Property Trust is exempt from income tax under Division 50 of the *Income Tax Assessment Act 1997*.

Significant changes in state of affairs

There have been no significant changes in the state of affairs of the Property Trust during the year.

Events after the reporting date

In the opinion of those charged with governance, no events have occurred after the end of the financial year that materially prejudice the ability of the Property Trust to continue as a going concern nor significantly affect the state of affairs of the Property Trust in future financial years.

Future developments and results

In the opinion of those charged with governance, there are no likely developments in the operations of the Property Trust which may affect the result of the Property Trust in the financial year subsequent to 30 April 2024.

Members' Interests

No member of the Property Trust has received or has become entitled to receive a benefit by reason of a contract made by the Property Trust or a related corporation with him or with a firm of which he is a member, or with a company in which he has a substantial interest.

Environmental regulation

The Property Trust's operations are regulated by various environmental regulations under both Commonwealth and State legislation. Those charged with governance believe that the Property Trust has adequate systems in place for the management of its environmental requirements and is not aware of any breach of those environmental requirements as they apply to the Property Trust.

BAPTIST CHURCHES OF NEW SOUTH WALES PROPERTY TRUST

ABN 60 239 908 643

Annual Report
For the Year Ended 30 April 2024

Indemnification and insurance of officers and auditors

During the financial year the Property Trust has not given an indemnity or entered into an agreement to indemnify, or paid or agreed to pay insurance premiums to insure each of the officeholders against liabilities for cost and expenses incurred by them in defending any legal proceedings arising out of their conduct while acting in the capacity of officeholder other than a wilful breach of duty in relation to the Property Trust.

Auditor’s Independence Declaration

WSC Group – Audit Pty Ltd was appointed as auditor for the year ended 30 April, 2024. A copy of the Auditor’s independence declaration as required under section 60-40 of the *Australian Charities and Not-for-Profits Commission Act 2012* is included in the financial report.

Signed in accordance with a resolution of the members.

.....
P J Holding (Chairman)
Date:

.....
D Evans (Secretary, Treasurer)



AUDITOR'S INDEPENDENCE DECLARATION TO THE RESPONSIBLE PERSONS OF BAPTIST CHURCHES OF NEW SOUTH WALES PROPERTY TRUST

I declare that, to the best of my knowledge and belief, during the year ended 30 April 2024, there have been:

- (i) no contraventions of the auditor independence requirements as set out in section 60-40 of the *Australian Charities and Not-for-Profits Commission Act 2012* in relation to the audit; and
- (ii) no contraventions of any applicable code of professional conduct in relation to the audit.

WSC GROUP – AUDIT PTY LTD

A F Gilbert, CA

Director

Authorised Audit Company No. 527749



WSC Group
is a CPA Practice

Liability Limited by a scheme approved
under Professional Standard Legislation

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- CANBERRA
- GOLD COAST
- MELBOURNE
- NEWCASTLE
- PERTH



BAPTIST CHURCHES OF NEW SOUTH WALES PROPERTY TRUST

ABN 60 239 908 643

Statement of Profit or Loss and Other Comprehensive Income For the Year Ended 30 April 2024

		2024	2023
	Note	\$	\$
Interest received	4	188,863	117,911
Interest paid	4	(149,249)	(107,364)
Net interest income		14,572	10,547
Other income	5	234	4,448
Other operating expenses from ordinary activities	6	(28,553)	(13,516)
Surplus/(loss) before income tax		11,295	1,479
Income tax expense		-	-
Surplus/(loss) for the year		11,295	1,479
Other comprehensive income for the year, net of tax		-	-
Total comprehensive income/(loss) for the year		11,295	1,479

BAPTIST CHURCHES OF NEW SOUTH WALES PROPERTY TRUST

ABN 60 239 908 643

Statement of Financial Position

As At 30 April 2024

	Note	2024 \$	2023 \$
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	7	1,519,943	2,603,936
Trade and other receivables	8	1,029,757	1,019,401
TOTAL CURRENT ASSETS		2,549,700	3,623,337
NON CURRENT ASSETS			
Loans receivable	9	55,980	114,520
TOTAL NON CURRENT ASSETS		55,980	114,520
TOTAL ASSETS		2,605,680	3,737,857
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	10	2,540	2,726
Other financial liabilities	11	2,004,279	3,147,565
TOTAL CURRENT LIABILITIES		2,006,819	3,150,291
TOTAL LIABILITIES		2,006,819	3,150,291
NET ASSETS		598,861	587,566
EQUITY			
Trust funds		598,861	587,566
TOTAL EQUITY		598,861	587,566

BAPTIST CHURCHES OF NEW SOUTH WALES PROPERTY TRUST

ABN 60 239 908 643

Statement of Changes in Trust Funds For the Year Ended 30 April 2024

2024

Note

	Church Loans Fund	Administration Fund	Total
	\$	\$	\$
Balance at 30 April 2023	375,628	211,938	587,566
Surplus/(loss) for the year	13 19,420	(8,125)	11,295
Transfer to/(from) trust funds	(395,048)	395,048	-
Balance at 30 April 2024	-	598,891	598,861

2023

	Church Loans Fund	Administration Fund	Total
	\$	\$	\$
Balance at 30 April 2022	371,191	210,459	581,650
Surplus/(loss) for the year	13 4,437	1,479	5,916
Balance at 30 April 2023	375,628	211,938	587,566

BAPTIST CHURCHES OF NEW SOUTH WALES PROPERTY TRUST

ABN 60 239 908 643

Notes to the Financial Statements

For the Year Ended 30 April 2024

The financial report covers Baptist Churches of New South Wales Property Trust as an individual entity. The Baptist Churches of New South Wales Property Trust ("Property Trust") is a not-for-profit corporation created by act of New South Wales Parliament *Baptist Churches of New South Wales Property Trust Act 1984 (NSW)*, incorporated and domiciled in Australia.

The functional and presentation currency of the Baptist Churches of New South Wales Property Trust is Australian dollars.

The accounting policies adopted by the Property Trust and comparatives are consistent with prior years, unless otherwise stated.

1 BASIS OF PREPARATION

The financial statements are special purpose financial statements as the members have determined that the Property Trust is not a reporting entity as there are unlikely to exist users of the financial statements who are not able to command the preparation of reports tailored so as to satisfy specifically all of their information needs. The financial statements have been prepared to meet the reporting requirements of the Australian Charities and Not-for-profits Commission and have been prepared in accordance with the Australian Accounting Standards and Australian Accounting Interpretations of the Australian Accounting Standards Board (AASB) and the *Australian Charities and Not-for-profits Commission Act 2012*.

Australian Accounting Standards set out accounting policies that the AASB has concluded would result in financial statements containing relevant and reliable information about transactions, events and conditions.

Compliance with Australian Accounting Standards ensures that the financial statements and notes also comply with International Financial Reporting Standards.

Material accounting policies adopted in the preparation of these financial statements are presented below and have been consistently applied unless otherwise stated.

The financial report has been prepared on an accrual basis and is based on historical costs and does not take into account changing money values. Cost is based on the fair values of the consideration given in exchange for assets.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(a) Income Tax

The Property Trust is exempt from income tax under Division 50 of the *Income Tax Assessment Act 1997*.

(b) Revenue and other income

Revenue is recognised when the amount of the revenue can be measured reliably, it is probable that economic benefits associated with the transaction will flow to the Company and specific criteria relating to the type of revenue as noted below, has been satisfied.

Revenue is measured at the fair value of the consideration received or receivable.

Interest revenue

Interest is recognised using the effective interest method.

Notes to the Financial Statements

For the Year Ended 30 April 2024

Other income

Other income is recognised on an accruals basis when the Property Trust is entitled to it.

(c) Financial Instruments

Financial instruments are recognised initially on the date that the Property Trust becomes party to the contractual provisions of the instrument.

On initial recognition, all financial instruments are measured at fair value plus transaction costs (except for instruments measured at fair value through profit or loss where transaction costs are expensed as incurred)

Financial assets

All recognised financial assets are subsequently measured in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

Classification

On initial recognition, the Property Trust classifies its financial assets into the following categories, those measured at:

- amortised cost

Financial assets are not reclassified subsequent to their initial recognition unless the Property Trust changes its business model for managing financial assets.

Amortised cost

Assets measured at amortised cost are financial assets where:

- the business model is to hold assets to collect contractual cash flows; and
- the contractual terms give rise on specified dates to cash flows are solely payments of principal and interest on the principal amount outstanding.

The Property Trust's financial assets measured at amortised cost comprise trade and other receivables, loans receivable, and cash and cash equivalents in the statement of financial position.

Subsequent to initial recognition, these assets are carried at amortised cost using the effective interest rate method less provision for impairment.

Interest income and impairment are recognised in profit or loss. Gain or loss on derecognition is recognised in profit or loss.

Impairment of financial assets

Impairment of financial assets is recognised on an expected credit loss (ECL) basis for financial assets measured at amortised cost.

Trade receivables

Impairment of trade receivables have been determined using the simplified approach in AASB 9 which uses an estimation of lifetime expected credit losses. The Property Trust has determined the probability of non-payment of the receivable and multiplied this by the amount of the expected loss arising from default.

The amount of the impairment is recorded in a separate allowance account with the loss being recognised in finance expense. Once the receivable is determined to be uncollectable then the gross carrying amount is written off against the associated allowance.

BAPTIST CHURCHES OF NEW SOUTH WALES PROPERTY TRUST

ABN 60 239 908 643

Notes to the Financial Statements

For the Year Ended 30 April 2024

Where the Property Trust renegotiates the terms of trade receivables due from certain debtors, the new expected cash flows are discounted at the original effective interest rate and any resulting difference to the carrying value is recognised in profit or loss.

Other financial assets measured at amortised cost

Impairment of other financial assets measured at amortised cost are determined using the expected credit loss model in AASB 9. On initial recognition of the asset, an estimate of the expected credit losses for the next 12 months is recognised. Where the asset has experienced significant increase in credit risk then the lifetime losses are estimated and recognised.

Financial liabilities

The Property Trust measures all financial liabilities initially at fair value less transaction costs, subsequently financial liabilities are measured at amortised cost using the effective interest rate method.

The financial liabilities of the Property Trust comprise trade payables and deposits repayable at call.

(d) Goods and services tax (GST)

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

Receivables and payables are stated inclusive of GST.

The net amount of GST recoverable from, or payable to, the ATO is included as part of receivables or payables in the statement of financial position.

(e) Cash and cash equivalents

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

(f) Adoption of new and revised accounting standards

The Property Trust has adopted all standards which became effective for the first time at 30 April 2024, the adoption of these standards has not caused any material adjustments to the reported financial position, performance or cash flow of the Property Trust.

3 CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS

The officeholders make estimates and judgements during the preparation of these financial statements regarding assumptions about current and future events affecting transactions and balances.

These estimates and judgements are based on the best information available at the time of preparing the financial statements, however as additional information is known then the actual results may differ from the estimates.

The significant estimates and judgements made have been described below.

Key estimates – loans receivable

The receivables at reporting date have been reviewed to determine whether there is any objective evidence that any of the receivables are impaired. An impairment provision is included for any receivable where the entire balance is not considered collectible. The impairment provision is based on the best information at the reporting date.

BAPTIST CHURCHES OF NEW SOUTH WALES PROPERTY TRUST

ABN 60 239 908 643

Notes to the Financial Statements

For the Year Ended 30 April 2024

4 REVENUE

Revenue from continuing operations

Net Interest Income

Interest received

- Interest received on bank deposits

- Interest received on loans

Total Interest

Less: Interest paid

- Interest paid to depositors

Net Interest Income

2024

\$

183,476

5,387

188,863

(149,249)

39,614

2023

\$

117,911

4,885

122,796

(113,144)

9,652

5 OTHER INCOME

Administration fees from funds

Commissions received

Loan application fees

Total Other Income

220

14

-

234

4,420

28

-

4,448

6 RESULT FOR THE YEAR

The result for the year includes the following specific expenses:

Other expenses:

Auditor's remuneration

Clerical administration fees

Postage & general expenses

Legal fees

Travel expenses

Sundry administration expenses

Total Other expenses

2,300

9,600

333

16,320

-

-

28,553

2,300

9,600

261

1,249

96

10

13,516

7 CASH AND CASH EQUIVALENTS

Cash at bank – at call deposits

Cash at bank – notice of withdrawal deposits

62,565

1,457,378

1,519,943

23,000

2,580,936

2,603,936

8 TRADE AND OTHER RECEIVABLES

CURRENT

Accrued Interest receivable

Loan to Baptist Association for investment in Baptist Ministry Fund

Total current trade and other receivables

29,757

1,000,000

1,029,757

19,401

1,000,000

1,019,401

The carrying value of other receivables is considered a reasonable approximation of fair value due to the short-term nature of the balances. The maximum exposure to credit risk at the reporting date is the fair value of each class of receivable in the financial statements.

BAPTIST CHURCHES OF NEW SOUTH WALES PROPERTY TRUST

ABN 60 239 908 643

Notes to the Financial Statements For the Year Ended 30 April 2024

9 LOANS RECEIVABLE

The Property Trust, from time to time, makes loans to Baptist churches, from the Church Loans Fund.

Loans outstanding at the end of the financial year were:

	2024	2023
	\$	\$
Loans receivable from:		
Blackheath Baptist Church	16,725	25,426
Erina Community Church	-	2,187
Sans Souci Baptist Church	-	38,563
St Ives Baptist Church	39,255	48,344
Total loans receivable	55,980	114,520

10 TRADE AND OTHER PAYABLES

CURRENT

Accruals	2,530	2,530
Net GST payable/receivable	10	196
Total current trade and other payables	2,540	2,726

11 OTHER FINANCIAL LIABILITIES

The Property Trust holds deposits in a Common Fund, on behalf of Baptist churches and denominational trust funds, predominantly from previous sales of church properties. The Property Trust invests the funds and credits interest to the churches and funds. Deposits in the Common Fund are repayable by the Property Trust at call.

Deposits held on behalf of churches and funds at the end of the year were:

Deposits repayable at call

Deposits from churches and funds	2,004,279	3,147,565
Total deposits repayable at call	2,004,279	3,147,565

12 CONTINGENCIES

In the opinion of the Members, the Property Trust did not have any contingencies at 30 April 2024 (30 April 2023: None).

BAPTIST CHURCHES OF NEW SOUTH WALES PROPERTY TRUST

ABN 60 239 908 643

Notes to the Financial Statements

For the Year Ended 30 April 2024

13 TRUST FUNDS

DETAILED STATEMENTS OF FUND INCOME & EXPENDITURE

(a) Common Fund (Baptist Churches of New South Wales Property Trust)

INCOME & EXPENDITURE

	2024	2023
	\$	\$
Income		
Interest received on bank deposits	183,476	117,911
Interest from Church Loans Fund	5,387	4,885
Total Income	188,863	122,796
Less: Expenses		
Interest credited to Funds:		
- Church Loans Fund	(17,129)	(6,683)
- Administration Fund	(11,020)	(5,780)
- Aged & Infirm Ministers' Committee	(5)	(2)
- Aged & Infirm Ministers' Fund	(5,749)	(2,639)
- Baptist Ministers Support Fund	(13,454)	(6,218)
Total interest credited to Funds	(48,614)	(21,322)
Interest paid to depositors	(132,332)	(96,707)
Commission to Administration Fund	(9,174)	(4,767)
Total Expenses	(188,863)	(101,474)
Net surplus/(loss)	-	-

(b) Church Loans Fund (Baptist Churches of New South Wales Property Trust)

Income		
Interest received on loans	5,135	5,199
Interest from Common Fund	17,129	6,683
Total Income	22,264	11,882
Less: Expenses		
Interest credited to Common Fund	(2,844)	(2,825)
Administration fee	-	(4,620)
Total Expenses	(2,844)	(7,445)
Net surplus/(loss)	19,420	4,437

BAPTIST CHURCHES OF NEW SOUTH WALES PROPERTY TRUST

ABN 60 239 908 643

Notes to the Financial Statements

For the Year Ended 30 April 2024

(c) Administration Fund (Baptist Churches of New South Wales Property Trust)

	2024	2023
	\$	\$
Income		
Interest from Common Fund	11,020	5,780
Commission from Common Fund	9,174	4,767
Other commissions	14	28
Administration fees from Funds	220	4,420
Total Income	21,685	14,995
Less: Expenses		
Auditor's remuneration	(2,300)	(2,300)
Clerical administration fees	(9,600)	(9,600)
Postage & general expenses	(333)	(261)
Legal fees	(16,320)	(1,249)
Travel expenses	-	(96)
Sundry administration expenses	-	(10)
Total Expenses	(28,553)	(13,516)
Net surplus/(loss)	(8,125)	1,479

DETAILED STATEMENTS OF FUND CAPITAL

(a) Common Fund (Baptist Churches of New South Wales Property Trust)

Accumulated Funds	-	-
Represented by;		
Assets		
Cash and cash equivalents	2,519,943	3,603,936
Accrued interest receivable	29,485	18,877
Sundry debtors & GST receivable	770	
Total Assets	2,550,198	3,622,813
Liabilities		
Deposits repayable to churches at call	1,662,378	2,824,693
Deposits repayable to funds	887,820	797,694
GST payable	-	426
Total Liabilities	2,550,198	3,622,813
Net assets	-	-

BAPTIST CHURCHES OF NEW SOUTH WALES PROPERTY TRUST

ABN 60 239 908 643

Notes to the Financial Statements

For the Year Ended 30 April 2024

(b) Church Loans Fund (Baptist Churches of New South Wales Property Trust)

	2024	2023
	\$	\$
Accumulated Funds		
Opening balance	375,628	371,191
Add: surplus/(loss) for year	19,420	4,437
	<u>395,048</u>	
Less: Transfer to Administration Fund	(395,048)	
Closing balance	-	375,628
Represented by;		
Assets		
Deposits in Common Fund	-	260,584
Loans to churches	-	114,520
Accrued interest receivable	-	524
Total Assets	-	375,628
Liabilities		
Total Liabilities	-	-
Net assets	-	375,628

(c) Administration Fund (Baptist Churches of New South Wales Property Trust)

Accumulated Funds		
Opening balance	211,938	210,459
Add: surplus/(loss) for year	(8,125)	1,479
Plus: Transfer from Church Loans Fund	395,048	
Closing balance	<u>598,861</u>	<u>211,938</u>
Represented by;		
Assets		
Deposits in Common Fund	545,139	214,238
Loans receivable	55,980	
Accrued Interest, GST Receivable	272	230
Total Assets	<u>601,391</u>	<u>214,468</u>
Liabilities		
Sundry creditors	2,530	2,530
Total Liabilities	<u>2,530</u>	<u>2,530</u>
Net assets	<u>598,861</u>	<u>211,938</u>

14 SEGMENT REPORTING INFORMATION

As the Property Trust operates in one geographic area and obtains its income from a single stream of activity no segment reporting is required.

BAPTIST CHURCHES OF NEW SOUTH WALES PROPERTY TRUST

ABN 60 239 908 643

Notes to the Financial Statements

For the Year Ended 30 April 2024

15 TRUSTEESHIP

In addition to acting as Trustee of the Funds represented within this financial report, the Property Trust acts as nominee for various Baptist churches, holding legal title in approved investments in trust for the respective churches. These investments are held in deposits with Baptist Financial Services Australia Limited, and in listed investments, totalling \$12,595,424 as at 30 April 2024 (2023: \$12,453,693). In addition, the Property Trust holds title to Baptist church properties in New South Wales under the terms of the Act, for and on behalf of Baptist church congregations. The value of properties held cannot be reliably estimated.

16 STATUTORY INFORMATION

The registered office of the Baptist Churches of New South Wales Property Trust is:

Ministry & Learning Centre,
Level 4, 5 Saunders Close,
MACQUARIE PARK NSW 2113

BAPTIST CHURCHES OF NEW SOUTH WALES PROPERTY TRUST

ABN 60 239 908 643

Responsible Persons' Declaration

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

The Members of the Baptist Churches of New South Wales Property Trust declare that:

- the financial statements and notes as set out on pages 8 to 19, for the year ended 30 April 2024 are in accordance with the *Australian Charities and Not-for-profits Commission Act 2012* (ACNC Act) and:
 - Comply with Australian Accounting Standards and the *Australian Charities and Not-for-profits Commission Act 2012*; and,
 - Give a true and fair view of the financial position as at 30 April 2024 and the performance for the year ended on that date of the Property Trust.
- there are reasonable grounds to believe that the Property Trust is able to pay all of its debts, as and when they become due and payable; and
- the financial statements and notes satisfy the requirements of the *Australian Charities and Not-for-profits Commission Act 2012*.

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

.....
P J Holding (Chairman)

.....
D N Evans (Secretary, Treasurer)

Dated this day of2024



INDEPENDENT AUDIT REPORT TO THE MEMBERS OF BAPTIST CHURCHES OF NEW SOUTH WALES PROPERTY TRUST

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of **Baptist Churches of New South Wales Property Trust**, which comprises the statement of financial position as at 30 April 2024 and the statement of profit or loss and other comprehensive income and statement of changes in trust funds for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and responsible persons' declaration.

In our opinion, the accompanying financial report presents fairly, in all material respects, including:

- (i) giving a true and fair view of the Trust's financial position as at 30 April 2024 and of its financial performance for the year ended; and
- (ii) complying with Division 60 of 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 Trust in accordance with the auditor independence requirements of Division 60 of the *Australian Charities and Not-for-profits Commission Act 2012* and 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 - Basis of Accounting

We draw attention to Note 1 to the financial report, which describes the basis of accounting. The financial report has been prepared to assist the Trust to meet the requirements of Division 60 of the *Australian Charities and Not-for-profits Commission Act 2012*. As a result, the financial report may not be suitable for another purpose. Our opinion is not modified in respect of this matter.

Responsibilities of Management and Those Charged with Governance

The responsible entities of the Trust are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards and Division 60 of the *Australian Charities and Not-for-profits Commission Act 2012* and for such internal control as the responsible entities determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.



**INDEPENDENT AUDIT REPORT TO THE MEMBERS OF
BAPTIST CHURCHES OF NEW SOUTH WALES PROPERTY TRUST (CONT'D)**

In preparing the financial report, the responsible entities are responsible for assessing the Trust'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 management either intends to liquidate the Trust or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Trust'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 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 the financial report.

WSC Group - Audit Pty Ltd

A F Gilbert, CA
Director

Dated this day of2024