

BAPTIST EDUCATION FUND LTD

**FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

BAPTIST EDUCATION FUND LTD


DIRECTORS' DECLARATION

The directors declare that the company is not a reporting entity and that these financial statements should be prepared in accordance with the accounting policies outlined in Note 1 to the financial statements.

The directors declare that:

- a) The financial statements present fairly the company's financial position as at 31 December 2021 and its performance for the year then ended on that date in accordance with the accounting policies described in Note 1 to the financial statements ; and
- b) 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.



Warick Smith
Director

Wendy Taylor
Director

Dated this 5th day of April 2022

BAPTIST EDUCATION FUND LTD

STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2021

	NOTES	2021 \$	2020 \$
CURRENT ASSETS			
Cash at Bank	2	61,842	10
Receivables and Other Assets	3	374	-
Total Current Assets		<u>62,216</u>	<u>10</u>
NON-CURRENT ASSETS			
Loans	4	<u>44,000</u>	<u>-</u>
Total Non-Current Assets		<u>44,000</u>	<u>-</u>
TOTAL ASSETS		<u>106,216</u>	<u>10</u>
CURRENT LIABILITIES			
Other Liabilities	5	<u>58,398</u>	<u>-</u>
Total Current Liabilities		<u>58,398</u>	<u>-</u>
TOTAL LIABILITIES		<u>58,398</u>	<u>-</u>
NET ASSETS		<u><u>47,818</u></u>	<u><u>10</u></u>
ACCUMULATED FUNDS			
Accumulated Surplus		10	-
Operating Surplus		<u>47,808</u>	<u>10</u>
ACCUMULATED SURPLUS		<u><u>47,818</u></u>	<u><u>10</u></u>

This Statement of Financial Position should be read in conjunction with the accompanying notes.

BAPTIST EDUCATION FUND LTD

STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 31 DECEMBER 2021

	2021 \$	2020 \$
INCOME		
Donations Received	120,000	10
Interest	1,482	-
Total Income	121,482	10
 EXPENDITURE		
Bank Charges	11	-
Computer & Software	229	-
Consulting	9,280	-
Insurance	26,816	-
Interest - Investors	977	-
Investment & Lending Platform Software	32,532	-
Legal Expenses	2,391	-
Telephone & Internet	1,438	-
Total Expenses	73,674	-
 OPERATING SURPLUS	47,808	10

This Statement of Financial Performance should be read in conjunction with the accompanying notes.

BAPTIST EDUCATION FUND LTD

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2021**

	Accumulated Funds
	\$
Balance at 1 January 2020	-
Operating Surplus	10
Balance at 31 December 2020	<u>10</u>
Operating Surplus	47,808
Balance at 31 December 2021	<u>47,818</u>

This Statement of Changes in Equity should be read in conjunction with the accompanying notes.

BAPTIST EDUCATION FUND LTD**STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 DECEMBER 2021**

	2021	2020
	\$	\$
CASH FLOW FROM OPERATING ACTIVITIES		
Donations Received from ABE	120,000	10
Loans to ABE	(44,000)	-
Interest income from ABE	1,109	-
Funds from Investors	55,000	-
Interest Paid to Investors	(725)	-
Payments to Suppliers	(70,422)	-
Other Cash Receipts (BAS Refunds)	870	-
Net Cash from Operating Activities	<u>61,832</u>	<u>10</u>
CASH FLOW FROM INVESTING ACTIVITIES	<u>-</u>	<u>-</u>
CASH FLOW FROM FINANCING ACTIVITIES	<u>-</u>	<u>-</u>
NET INCREASE IN CASH HELD	<u>61,832</u>	<u>10</u>
Cash at The Beginning of The Year	10	-
Cash at The End of The Year	<u><u>61,842</u></u>	<u><u>10</u></u>

CASH FLOW INFORMATION**(a) Reconciliation of Cash**

Cash at the end of the financial year as shown in the Statement of Cash Flows is reconciled to the related items in the Statement of Financial Position as follows:

Bank Accounts

Cash at Bank	<u>61,842</u>	<u>10</u>
	<u>61,842</u>	<u>10</u>

(b) Reconciliation of Cash Flow from Operations with Operating Surplus

Operating Surplus for The Year	47,808	10
(Increase)/decrease in receivables	(374)	-
(Increase)/decrease in loans	(44,000)	-
Increase/(decrease) in payables & accruals	3,398	-
Increase/(decrease) in funds from investors	55,000	-
Net Cash from Operating Activities	<u><u>61,832</u></u>	<u><u>10</u></u>

This Statement of Cash Flows should be read in conjunction with the accompanying notes.

BAPTIST EDUCATION FUND LTD

NOTES TO AND FORMING PART OF THE ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2021

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

These special purpose finance reports reflect the activities of Baptist Education Ltd. The accounts have been prepared specifically to assist the Board of Directors in management of the funds. The Board of Directors have determined that the company is not a reporting entity.

Where relevant, the accounting policies adopted conform to Statement of Accounting Concepts and applicable Australian Accounting Standards issued by the appropriate accounting bodies. Variations from Accounting Standard Concepts are detailed in the following summary of accounting policies.

a) The accounts are prepared in accordance with the historical convention on accrual basis. Except where otherwise stated accounting policies are consistent with those of the previous year.

The financial report has been prepared in accordance with the requirements of *Australian Charities and Not-for-profits Commission Act 2012* and the following Australian Accounting Standards:

AASB 101: Presentation of Financial Statements

AASB 107: Statement of Cash Flows

AASB 108: Accounting Policies, Changes in accounting Estimates and Errors

AASB 1048: Interpretation of Standards

AASB 1054: Australian Additional Disclosures.

b) Income Tax

Baptist Education Fund Ltd. is exempt from payment of income tax under section 23(2) of the Income Tax Assessment Act.

c) Receivables

All trade debtors are recognised at the amounts receivable as they are due for settlement no more than 30 days from the date of recognition.

d) Revenue

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 on the basis of the daily balance outstanding and is charged in arrears to the account on the last day of the month.

	2021	2020
	\$	\$
2. CASH AT BANK		
Debit Card	1,664	-
Investor Funds Account	10,274	-
Operating Account	49,904	10
	<u>61,842</u>	<u>10</u>
3. RECEIVABLES AND OTHER ASSETS		
Accounts Receivable	374	-
	<u>374</u>	<u>-</u>

BAPTIST EDUCATION FUND LTD

NOTES TO AND FORMING PART OF THE ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2021

	2021 \$	2020 \$
4. NON-CURRENT ASSETS		
Loan - Australian Baptist Education	44,000	-
	<u>44,000</u>	<u>-</u>
5. CURRENT LIABILITIES		
Funds from Investors - term deposits	55,000	-
Accounts Payable	4,102	-
GST	(704)	-
	<u>58,398</u>	<u>-</u>

6. COMPARATIVE FIGURES

Baptist Education Fund Ltd was incorporated in May 2020. This is the first full year of operations.

7. RISK MANAGEMENT

Baptist Education Fund Ltd (BEF) has an Audit and Risk Committee that assesses and manages risk, as well as develops and monitors risk management policies and procedures. This committee includes an independent legal advisor and it reports to the BEF Board quarterly.

8. EVENTS SUBSEQUENT TO BALANCE DATE

COVID-19 was declared a Pandemic by the World Health Organisation on 11 March 2020. The situation has been and continues to evolve very quickly. Significant economic damage has been seen globally and locally in Australia and Western Australia. The final financial impact of this Pandemic is unknown but may be significant to the operations of the company.



**AUDITOR'S INDEPENDENCE DECLARATION
UNDER SECTION 307C OF THE *CORPORATIONS ACT 2001* AND
SUBDIVISION 60-C OF THE AUSTRALIAN CHARITIES AND NOT-FOR-PROFITS
COMMISSION ACT 2012
TO THE DIRECTORS OF BAPTIST EDUCATION FUND LTD**

I declare that, to the best of my knowledge and belief, in relation to the audit for the financial year ended 31 December 2021 there have been:

- No contraventions of the auditor independence requirements as set out in the *Corporations Act 2001* and *Australian Charities and Not-for-profits Commission Act 2012* in relation to the audit; and
- No contraventions of any applicable code of professional conduct in relation to the audit.

A handwritten signature in black ink that reads 'AMW Audit'.

AMW AUDIT
Chartered Accountants

A handwritten signature in black ink, appearing to be 'M Shone'.

MARTIN SHONE
Director

Perth, WA

Dated this 5th day of April 2022



INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF BAPTIST EDUCATION FUND LTD

Opinion

We have audited the financial report of Baptist Education Fund Ltd ("the Company") which comprises the statement of financial position as at 31 December 2021, the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year ended at that date, notes to and forming part of the accounts comprising a summary of significant accounting policies and other explanatory information and the directors' declaration.

In our opinion, the accompanying financial report of the Company is in accordance with the *Corporations Act 2001 and 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 2021 and of its financial performance for the year ended on that date; and
- (ii) complying with Australian Accounting Standards to the extent described in Note 1 and *Corporations Regulation 2001 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 *Corporations Act 2001* 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 confirm that the independence declaration required by the *Corporations Act 2001 and Division 60 of the Australian Charities and Not-for-profits Commission Act 2012*, given to the management of the Company, would be in the same terms if given to the management 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.

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 for the purpose of fulfilling the management's financial reporting responsibilities under the *Corporations Act 2001 and 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.

Emphasis of Matter – COVID-19

We draw attention to Note 8 to the financial report, which describes the impact of COVID-19. COVID-19 was declared a Pandemic by the World Health Organisation on 11 March 2020. The situation has been and continues to evolve very quickly. Significant economic damage has been seen globally and locally in Australia and Western Australia. The final financial impact of this Pandemic is unknown but may be significant to the operations of the Company. Our opinion is not modified in respect of this matter.

Responsibilities of the Management for the Financial Report

The management of the Company is responsible for the preparation of the financial report that gives a true and fair view and have determined that the basis of preparation described in Note 1 to the financial report is appropriate to meet the requirements of the Australian Accounting Standards, *Corporations Act 2001 and Australian Charities and Not-for-profits Commission Act 2012 (ACNC Act)* and is appropriate to meet the needs of the members. The management's responsibility also includes such internal control as the management determines 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 management is responsible for assessing the ability of the Company to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the management either intends to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

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 this financial report.

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

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.

- Conclude on the appropriateness of the management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the 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 the management 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.

We also provide the management with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.



AMW AUDIT

Chartered Accountants

Address: Unit 8, 210 Winton Road, Joondalup, Western Australia



MARTIN SHONE

Director & Registered Company Auditor

Dated at Perth, Western Australia this 5th day of April 2022