

**BAPTIST EDUCATION FUND LTD**

**ABN 42 640 062 764**

**ANNUAL FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 DECEMBER 2023**

**BAPTIST EDUCATION FUND LTD**  
**ABN 42 640 062 764**

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**Contents**

Directors' Report.....	2
Statement of Financial Position.....	4
Statement of Profit or Loss and Other Comprehensive Income.....	5
Statement of Changes in Equity .....	6
Statement of Cash Flows.....	7
Notes to the Financial Statements.....	8
Directors' Declaration.....	20
Auditor's Independence Declaration .....	21
Auditor's Report.....	22

# BAPTIST EDUCATION FUND LTD

## ABN 42 640 062 764

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### Directors' Report

The Directors present their report together with the financial statements of the Company comprising Baptist Education Fund Ltd (the Company) for the financial year ended 31 December 2023 and the auditor's report thereon.

#### Directors

The Directors of the Company at any time during the financial year are:

Warick Smith	Appointed date: 30/03/2020
Wendy Taylor	Appointed date: 30/03/2020
David Darling	Appointed date: 04/08/2020
John Smith	Appointed date: 30/03/2020
Stephen Wrathall	Appointed date: 05/07/2021
Gareth Briggs	Appointed date: 22/05/2023

#### Review of Operations

The operating surplus for the financial year amounted to \$11,231 (2022: \$21,449).

A review of the Company's operations during the financial year and the results of those operations found that the changes in market demand and competition have seen an increase in total income of 246% to \$548,915. The increase in total income is due to the increase in interest received because of the increase in investment funds received.

#### Significant Change in the State of Affairs

No significant changes in the Company's state of affairs occurred during the financial year.

#### Principal Activities

The principal activities of the Company during the financial year were the raising of investment funds to promote and develop Christian faith-based education in Australia.

No significant change in the nature of these activities occurred during the year.

#### Events Subsequent to the Reporting Date

Other than that disclosed in Note 20 of the financial statements, 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.

#### Likely Developments and Expected Results of Operations

The Company will continue to pursue its strategic objectives to increase market share and profitability.

#### Dividends

The company has not declared nor paid any dividend during the year under review.

#### Options

No options over issued shares or interests in the Company or a controlled entity were granted during or since the end of the financial year and there were no options outstanding at the date of this report.

**BAPTIST EDUCATION FUND LTD**  
**ABN 42 640 062 764**

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**Directors' Report**

No shares or interests in the Company or a controlled entity have been issued during or since the end of the year as a result of the exercise of an option over unissued shares or interests.

**Indemnification of Officers**

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 the Company.

**Proceedings on Behalf of Company**

No person has applied for leave of court to bring proceedings on behalf of the Company or intervene in any proceedings to which the Company is a party for the purpose of taking responsibility on behalf of the Company for all or any part of those proceedings.

The Company was not a party to any such proceedings during the year.

**Auditor's independence declaration**

The auditor's independence declaration is set out on page 21 and forms part of the Directors' Report for the financial year ended 31 December 2023.

This Directors' Report is signed in accordance with a resolution of the Board of Directors:



Director

**Warick Smith**



Director

**Wendy Taylor**

Dated this 26th day of April 2024

**BAPTIST EDUCATION FUND LTD**  
**ABN 42 640 062 764**

**Statement of Financial Position**

**As at 31 December 2023**

	NOTE	2023 \$	2022 \$
<b>CURRENT ASSETS</b>			
Cash Assets	6	772,012	451,929
Receivables and Other Assets	7	59,375	13,771
Current Tax Assets	8	578	481
Financial Assets	9	-	225,000
<b>Total Current Assets</b>		<b>831,965</b>	<b>691,181</b>
<b>NON-CURRENT ASSETS</b>			
Financial Assets	9	5,934,513	1,290,005
<b>Total Non-Current Assets</b>		<b>5,934,513</b>	<b>1,290,005</b>
<b>TOTAL ASSETS</b>		<b>6,766,478</b>	<b>1,981,186</b>
<b>CURRENT LIABILITIES</b>			
Payables	10	4,500	-
Financial Liabilities	11	80,000	225,000
Other	12	70,461	5,209
<b>Total Current Liabilities</b>		<b>154,961</b>	<b>230,209</b>
<b>NON-CURRENT LIABILITIES</b>			
Financial Liabilities	11	6,409,219	1,660,500
Other	12	121,800	21,210
<b>Total Non-Current Liabilities</b>		<b>6,531,019</b>	<b>1,681,710</b>
<b>TOTAL LIABILITIES</b>		<b>6,685,980</b>	<b>1,911,919</b>
<b>NET ASSETS</b>		<b>80,498</b>	<b>69,267</b>
<b>EQUITY</b>			
Retained Earnings		80,498	69,267
<b>TOTAL EQUITY</b>		<b>80,498</b>	<b>69,267</b>

The accompanying notes form part of the financial statements.

**BAPTIST EDUCATION FUND LTD**  
**ABN 42 640 062 764**

**Statement of Profit or Loss and Other Comprehensive Income**

**For the year ended 31 December 2023**

	NOTE	2023 \$	2022 \$
<b>Revenue from Continuing Operations</b>			
Revenue	13	541,074	158,609
Other Income	14	7,841	-
<b>Total Income</b>		<b>548,915</b>	<b>158,609</b>
 <b>Expenses</b>			
Administration Expenses	15	537,684	137,160
<b>Total Expenses</b>		<b>537,684</b>	<b>137,160</b>
<b>Profit before income tax</b>		<b>11,231</b>	<b>21,449</b>
Income tax expense		-	-
<b>Profit for the year after income tax</b>		<b>11,231</b>	<b>21,449</b>
<b>Other comprehensive income:</b>			
Other comprehensive income		-	-
<b>Total other comprehensive income for the year, net of tax</b>		<b>-</b>	<b>-</b>
<b>Total comprehensive income for the year attributable to the owners of Baptist Education Fund Ltd</b>		<b>11,231</b>	<b>21,449</b>

The accompanying notes form part of the financial statements.

**BAPTIST EDUCATION FUND LTD**  
**ABN 42 640 062 764**

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**Statement of Changes in Equity**  
**For the year ended 31 December 2023**

	Share capital	Retained Earnings	Total Equity
	\$	\$	\$
<b>Balance as at 1 January 2021</b>	-	<b>47,818</b>	<b>47,818</b>
Total comprehensive income for the year	-	21,449	21,449
Transactions with owners in their capacity as owners – Dividend paid	-	-	-
<b>Balance as at 31 December 2022</b>	<b>-</b>	<b>69,267</b>	<b>69,267</b>
<b>Balance as at 1 January 2023</b>	-	<b>69,267</b>	<b>69,267</b>
Total comprehensive income for the year	-	11,231	11,231
Transactions with owners in their capacity as owners – Dividend paid	-	-	-
<b>Balance as at 31 December 2023</b>	<b>-</b>	<b>80,498</b>	<b>80,498</b>

The accompanying notes form part of the financial statements.

**BAPTIST EDUCATION FUND LTD**  
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**Statement of Cash Flows**  
**For the year ended 31 December 2023**

	NOTE	2023 \$	2022 \$
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>			
Donations Received		60,000	110,000
Interest Received		443,311	35,212
Taxes Refunded		7,006	6,060
Payment to Suppliers		(104,244)	(100,431)
Interest Paid		(274,701)	(20,249)
		<u>131,372</u>	<u>30,592</u>
Net Cash Generated from Operating Activities	16	<u>131,372</u>	<u>30,592</u>
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>			
Loans to Related Parties		(4,415,008)	(1,471,005)
Net Cash Used in Investing Activities		<u>(4,415,008)</u>	<u>(1,471,005)</u>
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>			
Funds from Investors		4,603,719	1,830,500
Net Cash Generated from Financing Activities		<u>4,603,719</u>	<u>1,830,500</u>
<b>NET INCREASE IN CASH HELD</b>		<u>320,083</u>	<u>390,087</u>
Cash at The Beginning of The Year		451,929	61,842
		<u>451,929</u>	<u>61,842</u>
Cash at The End of The Year	6	<u><u>772,012</u></u>	<u><u>451,929</u></u>

The accompanying notes form part of the financial statements.



# **BAPTIST EDUCATION FUND LTD**

**ABN 42 640 062 764**

## **Notes to the Financial Statements for the year ended 31 December 2023**

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### **Note 1. Reporting Entity**

Baptist Education Fund Ltd (the Company) is incorporated and is domiciled in Australia. The Company's registered office is at Suite 18/7 Aberdeen Street, Perth WA 6000. The Company is a registered charity and public company. Our mission is to generate financial resources to support the development of Baptist Education organisations, and other Christian Education organisations towards the purpose of the Gospel of Jesus Christ. The company holds an AFSL number 525051 issued by ASIC and operates under the Banking Exemption No. 1 of 2016 issued by the Australian Prudential Regulation Authority (APRA) in relation to the operation of its religious charitable development fund.

The financial statements comprise the Company on stand-alone basis and have been prepared to meet the needs of stakeholders.

These stand-alone financial statements were authorized for issue by the Company's Board of Directors on 23 April 2024.

### **Note 2. Basis of Preparation**

These financial statements are general purpose financial statements which have been prepared in accordance with Australian Accounting Standards – Simplified Disclosures made by the Australian Accounting Standard Board, the Corporations Act 2001, and Division 60 of 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.

Australian Accounting Standards set out accounting policies that the Australian Accounting Standards Board 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 the financial statements are presented below and have been consistently applied unless stated otherwise.

The financial statements, except for the cash flow information, have been prepared on an accrual 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.

### **Note 3. Functional and Presentation Currency and Rounding**

These financial statements are presented in Australian dollars, which is the Company's functional currency. The Company is of a kind referred to in ASIC Corporations (Rounding in Financial/Directors' Report) Instrument 2016/191 and in accordance with that instrument, amounts in the Financial Statements and Directors' Report have been rounded to the nearest dollar unless otherwise indicated.

### **Note 4. Use of Judgements and Estimates**

In preparing these financial statements, management has made judgements and estimates that affect the application of the Company's accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to estimates are recognized prospectively.

#### **A. Judgement**

Information about judgement made in applying accounting policies that have the most significant effects on the amounts recognized in the financial statements is included in the following notes.

- Note – 5d revenue recognition: whether revenue from the donation and interest income received from investments are recognized on receipt.

# BAPTIST EDUCATION FUND LTD

ABN 42 640 062 764

## Notes to the Financial Statements for the year ended 31 December 2023

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### B. Assumptions and Estimation Uncertainties

There are no assumptions and estimation uncertainties at 31 December 2023 that have a significant risk of resulting in material adjustments to the carrying amounts of assets and liabilities in the next financial year.

### Note 5. Summary of Significant Accounting Policies

Apart from the above, the Company has consistently applied the following accounting policies to all periods presented in these financial statements unless otherwise stated.

Where required, the comparative figures have been adjusted to conform with changes in presentation for the current financial year.

The financial statement has been prepared on a going concern basis as the management has no intention to liquidate the entity or to cease trading.

#### a. Income Tax

No income tax has been provided for in these financial statements. Baptist Education Fund Ltd is 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. Financial Instruments

##### Initial recognition and measurement

Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions to the instrument. For financial assets, this is the date that the Company commits itself to either the purchase or sale of the asset (ie trade date accounting is adopted).

Financial instruments (except for trade receivables) are initially measured at fair value plus transaction costs, except where the instrument is classified "at fair value through profit or loss", in which case transaction costs are expensed to profit or loss immediately. Where available, quoted prices in an active market are used to determine fair value. In other circumstances, valuation techniques are adopted.

Trade receivables are initially measured at the transaction price if the trade receivables do not contain a significant financing component or if the practical expedient was applied as specified in AASB 15: *Revenue from Contracts with Customers*.

##### Classification and subsequent measurement

###### *Financial liabilities*

Financial liabilities are subsequently measured at:

- amortised cost; or
- fair value through profit or loss.

A financial liability is measured at fair value through profit or loss if the financial liability is:

- a contingent consideration of an acquirer in a business combination to which AASB 3: *Business Combinations* applies;
- held for trading; or
- initially designated as at fair value through profit or loss.

All other financial liabilities are subsequently measured at amortised cost using the effective interest method.

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest expense in profit or loss over the relevant period.

# BAPTIST EDUCATION FUND LTD

ABN 42 640 062 764

## Notes to the Financial Statements for the year ended 31 December 2023

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### Note 5. Summary of Significant Accounting Policies (cont'd)

#### b. Financial Instruments (cont'd)

The effective interest rate is the internal rate of return of the financial asset or liability, that is, it is the rate that exactly discounts the estimated future cash flows through the expected life of the instrument to the net carrying amount at initial recognition.

A financial liability is held for trading if it is:

- incurred for the purpose of repurchasing or repaying in the near term;
- part of a portfolio where there is an actual pattern of short-term profit taking; or
- a derivative financial instrument (except for a derivative that is in a financial guarantee contract or a derivative that is in an effective hedging relationship).

The change in fair value of the financial liability attributable to changes in the issuer's credit risk is taken to other comprehensive income and is not subsequently reclassified to profit or loss. Instead, it is transferred to retained earnings upon derecognition of the financial liability.

If taking the change in credit risk in other comprehensive income enlarges or creates an accounting mismatch, then these gains or losses should be taken to profit or loss rather than other comprehensive income.

A financial liability cannot be reclassified.

#### *Financial guarantee contracts*

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payment when due in accordance with the terms of a debt instrument.

Financial guarantee contracts are initially measured at fair value (and if not designated as at fair value through profit or loss and do not arise from a transfer of a financial asset) and subsequently measured at the higher of:

- the amount of loss allowance determined in accordance to AASB 9.3.25.3; and
- the amount initially recognised less accumulative amount of income recognised in accordance with the revenue recognition policies.

#### *Financial assets*

Financial assets are subsequently measured at:

- amortised cost;
- fair value through other comprehensive income; or
- fair value through profit or loss.

Measurement is on the basis of two primary criteria:

- the contractual cash flow characteristics of the financial asset; and
- the business model for managing the financial assets.

A financial asset that meets the following conditions is subsequently measured at amortised cost:

- the financial asset is managed solely to collect contractual cash flows; and
- the contractual terms within the financial asset give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding on specified dates.

A financial asset that meets the following conditions is subsequently measured at fair value through other comprehensive income:

- the contractual terms within the financial asset give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding on specified dates; and
- the business model for managing the financial asset comprises both contractual cash flows collection and the selling of the financial asset.

By default, all other financial assets that do not meet the measurement conditions of amortised cost

# BAPTIST EDUCATION FUND LTD

ABN 42 640 062 764

## Notes to the Financial Statements for the year ended 31 December 2023

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### Note 5. Summary of Significant Accounting Policies (cont'd)

#### b. Financial Instruments (cont'd)

and fair value through other comprehensive income are subsequently measured at fair value through profit or loss.

The Company initially designates a financial instrument as measured at fair value through profit or loss if:

- it eliminates or significantly reduces a measurement or recognition inconsistency (often referred to as an “accounting mismatch”) that would otherwise arise from measuring assets or liabilities or recognising the gains and losses on them on different bases;
- it is in accordance with the documented risk management or investment strategy and information about the groupings is documented appropriately, so the performance of the financial liability that is part of a group of financial liabilities or financial assets can be managed and evaluated consistently on a fair value basis; and
- it is a hybrid contract that contains an embedded derivative that significantly modifies the cash flows otherwise required by the contract.

The initial designation of the financial instruments to measure at fair value through profit or loss is a one-time option on initial classification and is irrevocable until the financial asset is derecognised.

#### *Equity instruments*

At initial recognition, as long as the equity instrument is not held for trading or is not a contingent consideration recognised by an acquirer in a business combination to which AASB 3 applies, the Company's can make an irrevocable election to measure any subsequent changes in fair value of the equity instruments in other comprehensive income, while the dividend revenue received on underlying equity instruments investments will still be recognised in profit or loss.

Regular way purchases and sales of financial assets are recognised and derecognised at settlement date in accordance with the Company's accounting policy.

#### **Derecognition**

Derecognition refers to the removal of a previously recognised financial asset or financial liability from the statement of financial position.

#### *Derecognition of financial liabilities*

A liability is derecognised when it is extinguished (ie when the obligation in the contract is discharged, cancelled or expires). An exchange of an existing financial liability for a new one with substantially modified terms, or a substantial modification to the terms of a financial liability, is treated as an extinguishment of the existing liability and recognition of a new financial liability.

The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss.

#### *Derecognition of financial assets*

A financial asset is derecognised when the holder's contractual rights to its cash flows expires, or the asset is transferred in such a way that all the risks and rewards of ownership are substantially transferred.

All the following criteria need to be satisfied for the derecognition of a financial asset:

- the right to receive cash flows from the asset has expired or been transferred;
- all risk and rewards of ownership of the asset have been substantially transferred; and
- the Company no longer controls the asset (ie it has no practical ability to make unilateral decisions to sell the asset to a third party).

On derecognition of a financial asset measured at amortised cost, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognised in profit or loss.

# BAPTIST EDUCATION FUND LTD

ABN 42 640 062 764

## Notes to the Financial Statements for the year ended 31 December 2023

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### Note 5. Summary of Significant Accounting Policies (cont'd)

#### b. Financial Instruments (cont'd)

On derecognition of a debt instrument classified as fair value through other comprehensive income, the cumulative gain or loss previously accumulated in the investment revaluation reserve is reclassified to profit or loss.

On derecognition of an investment in equity which the Company elected to classify under fair value through other comprehensive income, the cumulative gain or loss previously accumulated in the investments revaluation reserve is not reclassified to profit or loss, but is transferred to retained earnings.

#### Impairment

The Company recognises a loss allowance for expected credit losses on:

- financial assets that are measured at amortised cost or fair value through other comprehensive income;
- lease receivables;
- contract assets (eg amount due from customers under construction contracts);
- loan commitments that are not measured at fair value through profit or loss; and
- financial guarantee contracts that are not measured at fair value through profit or loss.

Loss allowance is not recognised for:

- financial assets measured at fair value through profit or loss; or
- equity instruments measured at fair value through other comprehensive income.

Expected credit losses are the probability-weighted estimate of credit losses over the expected life of a financial instrument. A credit loss is the difference between all contractual cash flows that are due and all cash flows expected to be received, all discounted at the original effective interest rate of the financial instrument.

The Company uses the following approaches to impairment, as applicable under AASB 9: *Financial Instruments*:

- the general approach;
- the simplified approach;
- the purchased or originated credit impaired approach; and
- low credit risk operational simplification.

#### *General approach*

Under the general approach, at each reporting period, the Company assessed whether the financial instruments are credit impaired, and:

- if the credit risk of the financial instrument increased significantly since initial recognition, the Company measured the loss allowance of the financial instruments at an amount equal to the lifetime expected credit losses; and
- if there was no significant increase in credit risk since initial recognition, the Company measured the loss allowance for that financial instrument at an amount equal to 12-month expected credit losses.

#### *Simplified approach*

The simplified approach does not require tracking of changes in credit risk at every reporting period, but instead requires the recognition of lifetime expected credit loss at all times.

This approach is applicable to:

- trade receivables or contract assets that result from transactions that are within the scope of AASB 15: *Revenue from Contracts with Customers*, and which do not contain a significant financing component; and
- lease receivables.

# BAPTIST EDUCATION FUND LTD

ABN 42 640 062 764

## Notes to the Financial Statements for the year ended 31 December 2023

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### Note 5. Summary of Significant Accounting Policies (cont'd)

#### b. Financial Instruments (cont'd)

In measuring the expected credit loss, a provision matrix for trade receivables is used taking into consideration various data to get to an expected credit loss (ie diversity of its customer base, appropriate groupings of its historical loss experience, etc).

##### *Purchased or originated credit-impaired approach*

For a financial assets that are considered to be credit-impaired (not on acquisition or originations), the Company measures any change in its lifetime expected credit loss as the difference between the asset's gross carrying amount and the present value of estimated future cash flows discounted at the financial asset's original effective interest rate. Any adjustment is recognised in profit or loss as an impairment gain or loss.

Evidence of credit impairment includes:

- significant financial difficulty of the issuer or borrower;
- a breach of contract (eg default or past due event);
- where a lender has granted to the borrower a concession, due to the borrower's financial difficulty, that the lender would not otherwise consider;
- the likelihood that the borrower will enter bankruptcy or other financial reorganisation; and
- the disappearance of an active market for the financial asset because of financial difficulties.

##### *Low credit risk operational simplification approach*

If a financial asset is determined to have low credit risk at the initial reporting date, the Company assumes that the credit risk has not increased significantly since initial recognition and, accordingly, can continue to recognise a loss allowance of 12-month expected credit loss.

In order to make such a determination that the financial asset has low credit risk, the Company applies its internal credit risk ratings or other methodologies using a globally comparable definition of low credit risk.

A financial asset is considered to have low credit risk if:

- there is a low risk of default by the borrower;
- the borrower has strong capacity to meet its contractual cash flow obligations in the near term; and
- adverse changes in economic and business conditions in the longer term, may, but not necessarily, reduce the ability of the borrower to fulfil its contractual cash flow obligations.

A financial asset is not considered to carry low credit risk merely due to existence of collateral, or because a borrower has a lower risk of default than the risk inherent in the financial assets, or lower than the credit risk of the jurisdiction in which it operates.

##### *Recognition of expected credit losses in financial statements*

At each reporting date, the Company recognises the movement in the loss allowance as an impairment gain or loss in the statement of profit or loss and other comprehensive income.

The carrying amount of financial assets measured at amortised cost includes the loss allowance relating to that asset.

Assets measured at fair value through other comprehensive income are recognised at fair value with changes in fair value recognised in other comprehensive income. The amount in relation to change in credit risk is transferred from other comprehensive income to profit or loss at every reporting period.

For financial assets that are unrecognised (eg loan commitments yet to be drawn, financial guarantees), a provision for loss allowance is created in the statement of financial position to recognise the loss allowance.

#### c. Cash and Cash Equivalents

Cash and cash equivalents include cash on hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities on the statement of financial position.

# **BAPTIST EDUCATION FUND LTD**

**ABN 42 640 062 764**

## **Notes to the Financial Statements for the year ended 31 December 2023**

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### **Note 5. Summary of Significant Accounting Policies (cont'd)**

#### **d. Revenue Recognition**

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 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**

##### **Donations**

The Company receives donations from Australian Baptist Education (ABE) since ABE undertakes to financially support the Company until they are producing an annual surplus to a maximum of \$200,000.

Donations are recognized as income once the Company is entitled to receive it.

##### **Interest from ABE**

The Company earns interest from the loans provided to ABE, which is taken from the funds from investors. Revenue is recognized over time in the accounting period when services are rendered.

The Company has determined that no significant financing component exists in respect of the interest income since the period between when the Company earns the interest and ABE actually pays for it will be one year or less. Interest is calculated on the basis of the daily balance outstanding and is charged in arrears to the account each month.

A receivable in relation to these services is recognized when a bill has been invoiced, as this is the point in time that the consideration is unconditional because only the passage of time is required before the payment is due.

##### **Other income**

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

The revenue recognition policies for the principal revenue stream of the Company is:

Revenue generated by the Company is categorised as follows:

- Bank interest
- Interest from loans; and
- Donations.

#### **e. Trade and Other Receivables**

Trade and other receivables include amounts due from customers for goods sold and services performed in the ordinary course of business. Receivables expected to be collected within 12 months of the end of the reporting period are classified as current assets. All other receivables are classified as non-current assets.

#### **f. Trade and Other Payables**

Trade and other payables represent the liabilities for goods and services received by the Company

# **BAPTIST EDUCATION FUND LTD**

**ABN 42 640 062 764**

## **Notes to the Financial Statements for the year ended 31 December 2023**

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### **Note 5. Summary of Significant Accounting Policies (cont'd)**

#### **f. Trade and Other Payables (cont'd)**

that remain unpaid at the end of the reporting period. The balance is recognised as a current liability with the amounts normally paid within one month of recognition of the liability. Trade and other payables are initially measured at fair value and subsequently measured at amortised cost using the effective interest method.

#### **g. Goods and Services Tax (GST)**

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

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 ATO is included with other receivables or 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, which are recoverable from or payable to the ATO, are presented as operating cash flows included in receipts from customers or payments to suppliers.

#### **h. Comparative Figures**

When required by Accounting Standards, comparative figures have been adjusted to conform to changes in presentation for the current financial year.

#### **i. New and Amended Accounting Policies Adopted by the Company**

The company has adopted AASB 1060 General Purpose Financial Statements – Simplified Disclosures for For-Profit and Not-for-Profit Tier 2 entities and AASB 2020-2 Amendments to Australian Accounting Standards – Removal of Special Purpose Financial Statements for Certain For-Profit Private Sector Entities.

The above standard and amendments did not have any impact on the amounts recognized in prior periods and are not expected to significantly affect the current or future year periods.



**BAPTIST EDUCATION FUND LTD**

ABN 42 640 062 764

**Notes to the Financial Statements  
for the year ended 31 December 2023**

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	2023	2022
	\$	\$
<b>Note 6. Cash Assets</b>		
Debit Card	4,910	1,354
Investor Funds Account	189,953	385,550
Operating Account	20,840	65,025
Term Deposits	350,000	-
Online Saver	206,309	-
Total Cash Assets	772,012	451,929
<b>Note 7. Receivables and Other Assets</b>		
Accounts Receivables	59,375	13,771
Total Receivables and Other Assets	59,375	13,771
<b>Note 8. Current Tax Assets</b>		
GST Receivable	578	481
Total Current Tax Assets	578	481
<b>Note 9. Financial Assets</b>		
<b>Current</b>		
Loans to Australian Baptist Education-Related Party	-	225,000
Current Financial Assets	-	225,000
<b>Non-Current</b>		
Loans to Australian Baptist Education-Related Party	5,934,513	1,290,005
Non-Current Financial Assets	5,934,513	1,290,005
Total Financial Assets	5,934,513	1,515,005
<b>Note 10. Payables</b>		
Accounts Payable	4,500	-
Total Payables	4,500	-

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**BAPTIST EDUCATION FUND LTD**

ABN 42 640 062 764

**Notes to the Financial Statements  
for the year ended 31 December 2023**

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	2023 \$	2022 \$
<b>Note 11. Financial Liabilities</b>		
<b>Current</b>		
Funds from Investors	80,000	225,000
Current Financial Liabilities	80,000	225,000
<b>Non-Current</b>		
Funds from Investors	6,409,219	1,660,500
Non-Current Financial Liabilities	6,409,219	1,660,500
Total Financial Liabilities	6,489,219	1,885,500
<b>Note 12. Other</b>		
<b>Current</b>		
Accrued Interest Payable	70,461	5,209
Current Other Liabilities	70,461	5,209
<b>Non-Current</b>		
Accrued Interest Payable	121,800	21,210
Non-Current Other Liabilities	121,800	21,210
Tota Other Liabilities	192,261	26,419
<b>Note 13. Revenue</b>		
Donations Received	60,000	110,000
Interest Income – ABE	481,074	48,609
Total Revenue	541,074	158,609
<b>Note 14. Other Income</b>		
Interest Income – Bank	7,841	-
Total Other Income	7,841	-

**BAPTIST EDUCATION FUND LTD**

ABN 42 640 062 764

**Notes to the Financial Statements  
for the year ended 31 December 2023**

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	2023 \$	2022 \$
<b>Note 15. Administration Expenses</b>		
Audit Fees	2,500	2,500
Bank Charges	96	52
Computer & Software	1,791	1,489
Consulting	15,909	14,583
Insurance	25,489	31,808
Interest - Investors	440,543	46,667
Investment & Lending Platform Software	50,575	38,530
Legal Expenses	152	357
Professional Development & Training	414	394
Subscriptions	-	60
Telephone & Internet	215	720
Total Administration Expenses	<u>537,684</u>	<u>137,160</u>

**Note 16. Reconciliation of Net Cash provided by the Operating Activities to Profit or Loss**

Profit as per statement of profit or loss after tax	11,231	21,449
Adjustments for -		
(Increase)/decrease in receivables	(45,604)	(13,397)
Increase/(decrease) in payables & accruals	<u>165,745</u>	<u>22,540</u>
Net cash (outflow) / inflow from operating activities	<u>131,372</u>	<u>30,592</u>

**Note 17. Auditor's remuneration**

Auditors of the Company – AMW Audit		
- Audit of the financial statement of the Company	2,500	2,500

# BAPTIST EDUCATION FUND LTD

ABN 42 640 062 764

## Notes to the Financial Statements for the year ended 31 December 2023

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### Note 18. Related parties

a) Transactions with the related parties:

	2023	2022
	\$	\$
i) Balance of unsecured loans to the related parties- Australian Baptist Education	5,934,513	1,515,005

### Note 19. Contingent liabilities

The Company had no contingent liabilities as at 31 December 2023 and 31 December 2022.

### Note 20. Events after the reporting period

No matter or circumstance has arisen since 31 December 2023 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.

### Note 21. Statutory Information

The Registered office address and principal place of business of the Company is:

Unit 18, 7 Aberdeen Street, PERTH WA 6000

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**Directors' Declaration**

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In accordance with a resolution of the Directors of Baptist Education Fund Ltd, the Directors of the Company declare that:

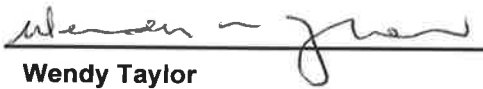
1. The financial statements and notes, as set out on pages 4 to 19 are in accordance with the *Corporations Act 2001* and *Division 60 of the Australian Charities and Not-for-Profits Commission Act 2012* and:
  - (a) comply with Australian Accounting Standards – Simplified Disclosures; and
  - (b) give a true and fair view of the financial position as at 31 December 2023 and of the 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.

This declaration is made in accordance with a resolution of the Board of Directors.



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**Warick Smith**  
Director



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**Wendy Taylor**  
Director

Dated this 26th day of April 2024

**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**

In accordance with section 307C of the *Corporations Act 2001* and Subdivision 60-C of the *Australian Charities and Not-for-profits Commission Act 2012*, I am pleased to provide the following declaration of independence to the directors of Baptist Education Fund Ltd. As the lead audit principal for the audit of the financial report of Baptist Education Fund Ltd for the year ended 31 December 2023, I declare that, to the best of my knowledge and belief, there have been no contraventions of:

- the auditor independence requirements of the *Corporations Act 2001* and *Australian Charities and Not-for-profits Commission Act 2012* in relation to the audit; and
- any applicable code of professional conduct in relation to the audit.

*AMW Audit*

**AMW AUDIT**  
Chartered Accountants

*Martin Shone*

**MARTIN SHONE**  
Principal

Perth, WA

Dated this 26<sup>th</sup> day of April 2024

## **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 2023, 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 2023 and of its financial performance for the year ended on that date; and
- (ii) complying with Australian Accounting Standards – AASB 1060: *General Purpose Financial Statements – Simplified Disclosures for For-Profit and Not-for-Profit Tier 2 Entities* to the extent described in Note 2, *Corporations Regulations 2001 and Division 60 of the Australian Charities and Not-for-profits Commission Regulations 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 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.

### **Information Other than the Financial Report and Auditor's Report Thereon**

The management are responsible for other information. The other information comprises the information included in the company's annual report for the year ended 31 December 2023, but does not include the financial report and our auditor's report thereon.

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

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise 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 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 in accordance with Australian Accounting Standards – AASB 1060: *General Purpose Financial Statements – Simplified Disclosures for For-Profit and Not-for-Profit Tier 2 Entities* to the extent described in Note 2, *Corporations Act 2001* and *Australian Charities and Not-for-profits Commission Act 2012 (ACNC Act)* and for 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**

Principal & Registered Company Auditor

Dated at Perth, Western Australia this 26<sup>th</sup> day of April 2024