

**THE PRESBYTERIAN CHURCH OF QUEENSLAND  
CAPITAL FUND**

**FINANCIAL STATEMENTS**

**31 DECEMBER 2017**

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**THE PRESBYTERIAN CHURCH OF QUEENSLAND  
CAPITAL FUND**


**STATEMENT BY THE FINANCE AND ADMINISTRATION BOARD**

The Finance and Administration Board has determined that The Presbyterian Church of Queensland Capital Fund ("the Fund") is not a reporting entity. The Finance and Administration Board has determined that this special purpose financial report should be prepared in accordance with the accounting policies outlined in Note 1 to the financial statements.

In the opinion of the Finance and Administration Board:

1. The accompanying statement of income and expenditure is drawn up so as to give a true and fair view of the deficit of the Capital Fund for the year ended 31 December 2017.
2. The accompanying balance sheet is drawn up so as to give a true and fair view of the state of affairs of the Capital Fund as at 31 December 2017.
3. At the date of this statement, there are reasonable grounds to believe that the Capital Fund will be able to pay its debts as and when they fall due.
4. The accompanying Statement of Cash Flows is drawn up so as to give a true and fair view of cash flows for the year ended 31 December 2017.

This statement is made in accordance with a resolution of the Finance and Administration Board and is signed for and on behalf of the Finance and Administration Board by:

  
.....  
**G R Harris**

  
.....  
**P J Barson**

Signed at Brisbane on this 19<sup>th</sup> day of April 2018.

**THE PRESBYTERIAN CHURCH OF QUEENSLAND  
CAPITAL FUND**

**STATEMENT OF INCOME AND EXPENDITURE  
FOR THE YEAR ENDED 31 DECEMBER 2017**

	<b>2017</b>	<b>2016</b>
	\$	\$
<b>INCOME</b>		
Interest Received:		
Loans	302,570	197,790
Bank	523	791
Cash on Deposit	81,185	105,860
Dividends	252,144	215,436
Profit on Sale of Shares	213,624	104,916
	850,046	624,793
<b>LESS EXPENDITURE</b>		
Interest Paid	648,861	583,949
Bank Charges	66	287
Movement in the provision for the decline in market value of investments	-	(78,602)
	648,927	505,634
<b>SURPLUS/(DEFICIT) FOR THE YEAR</b>	<b>\$201,119</b>	<b>\$119,159</b>

The above Statement of Income and Expenditure should be read in conjunction with the notes thereto.

**THE PRESBYTERIAN CHURCH OF QUEENSLAND  
CAPITAL FUND**

**BALANCE SHEET  
AS AT 31 DECEMBER 2017**

	Note	2017 \$	2016 \$
<b>ACCUMULATED FUNDS</b>			
Capital Account	2	1,699,072	1,497,953
WR Black Grant for Interest Free Loans		10,000	10,000
		<u>\$1,709,072</u>	<u>\$1,507,953</u>
- Represented by -			
<b>CURRENT ASSETS</b>			
Cash at Bank	5 (a)	30,647	32,765
Cash on Deposit	5 (a)	3,716,817	3,189,569
Accounts Receivable		58,022	65,162
Investments	3	1,286,261	2,080,450
Loan Accounts	4	652,364	527,351
		<u>5,744,111</u>	<u>5,895,297</u>
<b>CURRENT LIABILITIES</b>			
Accounts Payable & Accruals		302,324	274,007
Deposits at Call - Interest Bearing		14,505,804	14,816,927
- Interest Free		16,383	16,383
		<u>14,824,511</u>	<u>15,107,317</u>
<b>WORKING CAPITAL</b>	1	<u>(9,080,400)</u>	<u>(9,212,020)</u>
<b>NON-CURRENT ASSETS</b>			
Investments	3	4,025,689	3,660,599
Loan Accounts	4	6,763,783	7,059,374
		<u>10,789,472</u>	<u>10,719,973</u>
		<u>\$1,709,072</u>	<u>\$1,507,953</u>

The above Balance Sheet should be read in conjunction with the notes thereto.

**THE PRESBYTERIAN CHURCH OF QUEENSLAND  
CAPITAL FUND**

**STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED 31 DECEMBER 2017**

	2017	2016
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>		
Interest Received	415,810	279,659
Interest Paid	(648,861)	(553,369)
Dividend Received	252,144	215,436
GST Received/ (Paid)	(756)	(617)
Other Receipts/ (Payments)	(57,301)	185,902
Net Cash inflow from Operating activities	5 (b) <u>(38,964)</u>	<u>127,011</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>		
Loans (advanced)/repaid	(195,613)	(3,737,912)
Debentures/shares purchased	170,576	168,775
Net Cash outflow from Investing activities	<u>(25,037)</u>	<u>(3,569,137)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES:</b>		
Deposits Received	(35,582)	2,738,026
Net Cash inflow from Financing activities	<u>(35,582)</u>	<u>2,738,026</u>
Net increase/(decrease) in cash held	(99,583)	(704,100)
Cash at the beginning of the financial year	3,963,289	4,667,389
Cash at the end of the financial year	5 (a) <u>3,863,706</u>	<u>3,963,289</u>

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

**THE PRESBYTERIAN CHURCH OF QUEENSLAND  
CAPITAL FUND**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2017**

**1. STATEMENT OF ACCOUNTING POLICIES**

This special purpose financial report of The Presbyterian Church of Queensland Capital Fund (“the Fund”) has been prepared for distribution to the Finance and Administration Board to fulfil the Finance and Administration Board's financial reporting requirements under the rules of The Presbyterian Church of Queensland. The accounting policies used in the preparation of this report, as described below, are consistent with the financial reporting requirements under The Presbyterian Church of Queensland and with previous years, and are appropriate to meet the needs of the Finance and Administration Board.

The requirements of Australian Accounting Standards and other professional reporting requirements (including the Australian Accounting Interpretations) do not have mandatory applicability to The Presbyterian Church of Queensland Capital Fund because it is not a 'reporting entity'. The Finance and Administration Board has, however, prepared the financial report in accordance with the Australian Accounting Standards listed below. No other Australian Accounting Standards or other professional reporting requirements have been applied.

AASB 110:	Events after the Balance Sheet Date
AASB 107:	Cash Flow Statements

This Report was authorised for issue by the Finance and Administration Board on the 19<sup>th</sup> day of April 2018.

The statements are prepared on an accruals basis. They are based on historic costs and do not take into account changing money values or, except where specifically stated, current valuations of non-current assets.

The following specific accounting policies, which are consistent with the previous period unless otherwise stated, have been adopted in the preparation of these statements:

***Income Recognition***

Interest earned on investments but not yet receivable has been recognised as at balance date. The accrued interest payable on deposits and accrued interest receivable on loans has been recognised as at balance date.

***Cash Policy***

For the purposes of the statement of cash flows, cash includes cash on hand and in banks and investments in money market instruments, net of outstanding bank overdrafts.

***Events Subsequent to Balance Date***

There has not arisen in the interval between the end of the financial year and the date of this report any item, transaction or event of a material and unusual nature likely, in the opinion of the Finance and Administration Board, to affect significantly the operations of the Fund, the results of those operations, or the state of affairs of the Fund in future financial years.

**THE PRESBYTERIAN CHURCH OF QUEENSLAND  
CAPITAL FUND**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2017**

***Going Concern***

The Finance and Administration Board notes that the Balance Sheet shows a negative Working Capital figure of \$9,080,400 (2016: \$9,212,020). The reason for this is that, in accordance with Australian Accounting Standards, Deposits at Call have to be shown as Current Liabilities. The Board is confident that the Fund is able to continue as a going concern because the Fund has had a Working Capital deficiency for over 20 years. History has proven that only a small portion of the liability is called on each year and therefore it is highly unlikely that the total liability will be required to be extinguished within the next 12 months.

**2. MOVEMENTS ON CAPITAL ACCOUNT FOR THE YEAR**

	<b>2017</b>	<b>2016</b>
	<b>\$</b>	<b>\$</b>
Balance - 1 January	1,497,953	1,378,794
(Deficit)/Surplus for the Year	201,119	119,159
	<hr/>	<hr/>
Balance - 31 December	1,699,072	1,497,953
	<hr/>	<hr/>

**3. INVESTMENTS**

***Current***

Cash Management Account	116,242	740,955
Managed Investments	1,170,019	1,339,495
	<hr/>	<hr/>
	1,286,261	2,080,450
	<hr/>	<hr/>

***Non-Current***

Shares in Listed Public Companies at cost (market value - \$4,309,891 2016 - \$3,838,426)	4,025,689	3,660,599
	<hr/>	<hr/>
	4,025,689	3,660,599
	<hr/>	<hr/>
	5,311,950	5,741,049
	<hr/> <hr/>	<hr/> <hr/>

**THE PRESBYTERIAN CHURCH OF QUEENSLAND  
CAPITAL FUND**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2017**

**4. LOAN ACCOUNTS**

	2017			2016		
	Current \$	Non Current \$	Total \$	Current \$	Non Current \$	Total \$
<b><u>Congregations</u></b>						
Korean	204,063	829,369	1,033,432	201,628	958,036	1,159,664
Graceville	21,372	53,410	74,782	21,372	348,352	369,724
Mitchelton	68,567	412,301	480,868	71,602	471,977	543,579
Southside	-	1,999,899	1,999,899	-	1,670,466	1,670,466
St George / D'bandi	3,231	15,710	18,941	3,425	18,850	22,275
Tamborine Mtn	30,075	159,242	189,317	30,716	181,638	212,354
Wavell Heights	5,389	37,018	42,407	5,837	43,194	49,031
	332,697	3,506,949	3,839,646	334,580	3,692,513	4,027,093
<b><u>Other</u></b>						
Staff	319,667	256,834	576,501	192,771	366,861	559,632
Credeere Services	-	3,000,000	3,000,000	-	3,000,000	3,000,000
	319,667	3,256,834	3,576,501	192,771	3,366,861	3,559,632
<b>TOTAL</b>	<b>652,364</b>	<b>6,763,783</b>	<b>7,416,147</b>	<b>527,351</b>	<b>7,059,374</b>	<b>7,586,725</b>



**THE PRESBYTERIAN CHURCH OF QUEENSLAND  
CAPITAL FUND**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2017**

**5. CASH FLOW INFORMATION**

	<b>2017</b>	<b>2016</b>
	<b>\$</b>	<b>\$</b>
(a) Reconciliation of Cash:		
Cash at bank	30,647	32,765
Cash on Deposit	3,716,817	3,189,569
Cash Management Account	116,241	740,955
	<u>3,863,705</u>	<u>3,963,289</u>
(b) Reconciliation of net cash provided by operating activities to operating surplus		
Operating (Deficit)/Surplus	201,119	119,159
Changes in assets and liabilities:		
(Increase)/Decrease in receivables	31,532	(23,523)
Increase/(Decrease) in payables	(270,859)	31,992
Increase/(Decrease) in GST	(756)	(617)
Net cash provided by operating activities	<u>(38,964)</u>	<u>127,011</u>

**THE PRESBYTERIAN CHURCH OF QUEENSLAND  
CAPITAL FUND**

**AUDITORS INDEPENDENCE DECLARATION**



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**DECLARATION OF INDEPENDENCE BY K L COLYER TO THE FINANCE AND ADMINISTRATION BOARD OF  
THE PRESBYTERIAN CHURCH OF QUEENSLAND CAPITAL FUND**

As lead auditor of The Presbyterian Church of Queensland for the year ended 31 December 2017, I declare that, to the best of my knowledge and belief, there have been no contraventions of the auditor independence requirements of s290 of APES 110 *Code of Ethics for Professional Accountants* in relation to the audit.

A handwritten signature in black ink, appearing to read 'K L Colyer'.

**K L Colyer**

Director

**BDO Audit Pty Ltd**

Brisbane, 19 April 2018

## INDEPENDENT AUDITOR'S REPORT

To the members of The Presbyterian Church of Queensland - Capital Fund

### Report on the Audit of the Financial Report

#### Opinion

We have audited the financial report of The Presbyterian Church of Queensland - Capital Fund (the Entity), which comprises the balance sheet as at 31 December 2017, the statement of income and expenditure, the statement of cash flows for the year then ended, and notes to the financial report, including a summary of significant accounting policies, and the Finance and Administration Board's assertion statement.

In our opinion the accompanying financial report presents fairly, in all material respects, the financial position of the Entity as at 31 December 2017 and of its financial performance and its cash flows for the year then ended in accordance with the basis of accounting described in note 1.

#### 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 Entity in accordance with 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 to meet the requirements of Finance and Administration Board. 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 the Finance and Administration Board and those charged with governance for the Financial Report

The Finance and Administration Board is responsible for the preparation and fair presentation of the financial report, and have determined that the basis of preparation described in Note 1 is appropriate to meet the requirements of the Finance and Administration Board and for such internal control as management determines is necessary to enable the preparation and fair presentation of a financial report that is free from material misstatement, whether due to fraud or error.

In preparing the financial report, management is responsible for assessing the Entity's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless management either intends to liquidate the Entity or to cease operations, or has no realistic alternative but to do so.

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

#### **Auditor's responsibilities for the audit of the Financial Report**

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website (<http://www.auasb.gov.au/Home.aspx>) at:

[http://www.auasb.gov.au/auditors\\_responsibilities/ar4.pdf](http://www.auasb.gov.au/auditors_responsibilities/ar4.pdf)

This description forms part of our auditor's report.

**BDO Audit Pty Ltd**



**K L Colyer**  
Director

Brisbane, 19 April 2018