

THE PRESBYTERIAN CHURCH OF QUEENSLAND
CAPITAL FUND

FINANCIAL STATEMENTS

31 DECEMBER 2018

Contents

	<i>Page</i>
Statement by the Finance and Administration Board	2
Statement of Income and Expenditure	3
Balance Sheet	4
Statement of Cash Flows	5
Notes to the Financial Statements	6-10
Auditor's Independence Declaration	11
Independent Auditors' Report to the Finance and Administration Board	12-13

**THE PRESBYTERIAN CHURCH OF QUEENSLAND
CAPITAL FUND**

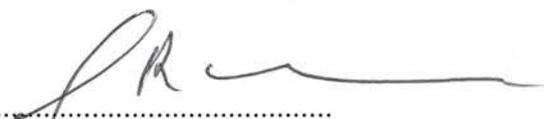
STATEMENT BY THE FINANCE AND ADMINISTRATION BOARD

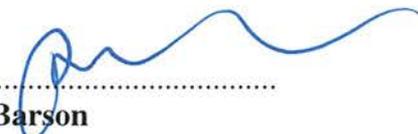
The Finance and Administration Board has determined that The Presbyterian Church of Queensland Capital Fund ("the Fund") is not a reporting entity. The Finance and Administration Board has determined that this special purpose financial report should be prepared in accordance with the accounting policies 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 to give a true and fair view of the surplus of the Capital Fund for the year ended 31 December 2018.
2. The accompanying balance sheet is drawn up to give a true and fair view of the state of affairs of the Capital Fund as at 31 December 2018.
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 to give a true and fair view of cash flows for the year ended 31 December 2018.

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 18th day of April 2019.

**THE PRESBYTERIAN CHURCH OF QUEENSLAND
CAPITAL FUND**

**STATEMENT OF INCOME AND EXPENDITURE
FOR THE YEAR ENDED 31 DECEMBER 2018**

	Note	2018 \$	2017 \$
INCOME			
Interest Received:			
Loans		508,349	302,570
Bank		430	523
Cash on Deposit		78,360	81,185
Dividends		323,089	252,144
Profit on Sale of Shares		85,763	213,624
		<u>995,991</u>	<u>850,046</u>
LESS EXPENDITURE			
Interest Paid		713,758	648,861
Bank Charges		291	66
Movement in the provision for the decline in market value of investments	3	254,084	-
		<u>968,133</u>	<u>648,927</u>
SURPLUS FOR THE YEAR		<u>27,858</u>	<u>201,119</u>

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 2018**

	Note	2018 \$	2017 \$
ACCUMULATED FUNDS			
Capital Account	2	1,726,930	1,699,072
WR Black Grant for Interest Free Loans		10,000	10,000
		<u>1,736,930</u>	<u>1,709,072</u>
- Represented by -			
CURRENT ASSETS			
Cash at Bank	5 (a)	71,991	30,647
Cash on Deposit	5 (a)	3,594,130	3,716,817
Accounts Receivable		74,450	58,022
Investments	3	2,016,834	1,286,261
Loan Accounts	4	995,533	652,364
		<u>6,752,938</u>	<u>5,744,111</u>
CURRENT LIABILITIES			
Accounts Payable & Accruals		496	302,324
Deposits at Call - Interest Bearing		17,683,258	14,505,804
- Interest Free		16,383	16,383
		<u>17,700,137</u>	<u>14,824,511</u>
WORKING CAPITAL		<u>(10,947,199)</u>	<u>(9,080,400)</u>
NON-CURRENT ASSETS			
Investments	3	4,051,922	4,025,689
Loan Accounts	4	8,632,207	6,763,783
		<u>12,684,129</u>	<u>10,789,472</u>
		<u>1,736,930</u>	<u>1,709,072</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 2018**

	2018	2017
	\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES:		
Interest Received	546,480	415,810
Interest Paid	(713,757)	(648,861)
Dividend Received	323,089	252,144
GST Received/ (Paid)	765	(756)
Other Receipts/ (Payments)	(171,436)	(57,301)
Net Cash inflow from Operating activities	5 (b) <u>(14,859)</u>	<u>(38,964)</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Loans (advanced)/repaid	(2,211,591)	(195,613)
Debentures/shares purchased	(186,902)	170,576
Net Cash outflow from Investing activities	<u>(2,398,493)</u>	<u>(25,037)</u>
CASH FLOWS FROM FINANCING ACTIVITIES:		
Deposits Received	2,901,914	(35,582)
Net Cash inflow from Financing activities	<u>2,901,914</u>	<u>(35,582)</u>
Net increase/(decrease) in cash held	488,562	(99,584)
Cash at the beginning of the financial year	3,863,705	3,963,289
Cash at the end of the financial year	5 (a) <u>4,352,267</u>	<u>3,863,705</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 2018**

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 19th 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 operation 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 2018**

Going Concern

The Finance and Administration Board notes that the Balance Sheet shows a negative Working Capital figure of \$10,947,199 (2017: \$9,080,400). 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

	2018	2017
	\$	\$
Balance - 1 January	1,699,072	1,497,953
Surplus for the Year	27,858	201,119
	<hr/>	<hr/>
Balance - 31 December	1,726,930	1,699,072
	<hr/>	<hr/>

THE PRESBYTERIAN CHURCH OF QUEENSLAND
CAPITAL FUND

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

3. INVESTMENTS

	2018		2017			
<i>Current</i>	Carrying Value	Revaluation Movement	Closing Balance	Carrying Value	Revaluation Movement	Closing Balance
Cash Management Account	686,146	-	686,146	116,242	-	116,242
Management Investments						
Total Global Equities (Market Value - \$1,155,506 2017 - \$1,450,628)	810,478	-	810,478	904,318	-	904,318
Total Australian Property (Market Value - \$499,880 2017 - \$298,463)	549,658	(49,778)	499,880	265,701	-	265,701
Global Property (Market Value - \$20,330 2017 \$-)	26,802	(6,472)	20,330	-	-	-
Total Current Investments	2,073,084	(56,250)	2,016,834	1,286,261	-	1,286,261
<i>Non-Current</i>						
Australian Equities (Market Value -\$4,051,921 2017- \$4,309,891)	4,249,756	(197,834)	4,051,922	4,025,689	-	4,025,689
Total Non-Current Investments	4,249,756	(197,834)	4,051,922	4,025,689	-	4,025,689
Total Investments	6,322,840	(254,084)	6,068,756	5,311,950	-	5,311,950

**THE PRESBYTERIAN CHURCH OF QUEENSLAND
CAPITAL FUND**

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

4. LOAN ACCOUNTS

	2018			2017		
	Current \$	Non Current \$	Total \$	Current \$	Non Current \$	Total \$
<u>Congregations</u>						
Korean	203,867	680,200	884,067	204,063	829,369	1,033,432
Graceville	21,372	56,000	77,372	21,372	53,410	74,782
Mitchelton	71,117	384,058	455,175	68,567	412,301	480,868
Southside	181,298	1,730,347	1,911,646	-	1,999,899	1,999,899
St George / D'bandi	2,019	8,441	10,460	3,231	15,710	18,941
Tamborine Mtn	31,040	144,016	175,056	30,075	159,242	189,317
Wavell Heights	5,118	32,278	37,396	5,389	37,018	42,407
Dalby	1,268	10,996	12,263	-	-	-
Coorparoo	10,631	109,797	120,428	-	-	-
	527,730	3,156,133	3,683,863	332,697	3,506,949	3,839,646
<u>Other</u>						
Staff	467,803	126,074	593,877	319,667	256,834	576,501
Credere Services	-	5,350,000	5,350,000	-	3,000,000	3,000,000
	467,803	5,476,074	5,943,877	319,667	3,256,834	3,576,501
TOTAL	995,533	8,632,207	9,627,740	652,364	6,763,783	7,416,147

**THE PRESBYTERIAN CHURCH OF QUEENSLAND
CAPITAL FUND**

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

5. CASH FLOW INFORMATION

	2018	2017
	\$	\$
(a) Reconciliation of Cash:		
Cash at bank	71,991	30,647
Cash on Deposit	3,594,130	3,716,817
Cash Management Account	686,146	116,241
	<u>4,352,267</u>	<u>3,863,705</u>
(b) Reconciliation of net cash provided by operating activities to operating surplus		
Operating (Deficit)/Surplus	27,858	201,119
Changes in assets and liabilities:		
(Increase)/Decrease in receivables	(40,659)	31,532
Increase/(Decrease) in payables	(2,823)	(270,859)
Increase/(Decrease) in GST	765	(756)
Net cash provided by operating activities	<u>(14,859)</u>	<u>(38,964)</u>

**THE PRESBYTERIAN CHURCH OF QUEENSLAND
CAPITAL FUND**

AUDITOR'S 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 2018, 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'. The signature is fluid and cursive, with a large loop at the end.

K L Colyer
Director

BDO Audit Pty Ltd

Brisbane, 18 April 2019



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 2018, 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

This description forms part of our auditor's report.

BDO Audit Pty Ltd

The BDO logo consists of the letters 'BDO' in a stylized, handwritten font.

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

K L Colyer
Director

Brisbane, 18 April 2019