



**National Council of  
Churches in Australia**

Special Purpose Financial Report

30 June 2018

**NATIONAL COUNCIL OF CHURCHES IN AUSTRALIA**  
**Statement of Profit and Loss and Other Comprehensive Income for the Year Ended June 30, 2018**

	12 months to June 2018	12 months to June 2017
<b>Income</b>		
Church contribution	272,990	268,710
Gifts and donations	8,614	7,560
Grants	6,500	33,600
Support service fees	0	427,159
Projects and events	42,328	55,701
Interest	254,626	269,678
Bequests	13,567	80,091
Sale of Materials	25,082	21,859
Conference Income	0	60,219
Rental Income	36,184	25,000
Other Income	1,558	966
	<u>661,449</u>	<u>1,250,543</u>
<b>Expenditure</b>		
Staff costs	215,553	515,239
Consultancy & Service Fees	61,798	141,167
Sub-total - Staff Costs and Consultancy & Service Fees	<u>277,351</u>	<u>656,406</u>
Travel and meetings	27,643	25,449
Occupancy	36,759	34,960
Office costs	57,580	44,336
Support Services Fees	67,711	58,250
Projects and events	27,536	54,688
	<u>494,580</u>	<u>874,089</u>
Profit/(Loss) from Ordinary Activities	<u>166,869</u>	<u>376,454</u>
Profit/(Loss)	<u>166,869</u>	<u>376,454</u>
Other Comprehensive Income for the Year	0	0
Total Comprehensive Income for the Year	<u>166,869</u>	<u>376,454</u>
Profit Attributable to the Members of the Entity	<u>166,869</u>	<u>376,454</u>
Total Comprehensive Income Attributable to the Members of the Entity	<u>166,869</u>	<u>376,454</u>

**NATIONAL COUNCIL OF CHURCHES IN AUSTRALIA**  
**Statement of Financial Position**

	Notes	30 June 2018	30 June 2017
<u>Current Assets</u>			
Cash		6,367	17,599
Inter NCCA accounts	9	11,135,480	10,767,143
Other Assets	10	21,540	79,250
		11,163,387	10,863,992
<u>Non Current Assets</u>			
Beneficial Interest in Equipment	11	197,875	445,216
Beneficial Interest in Property	11	1,116,079	750,817
		1,313,954	1,196,033
<b>Total Assets</b>		<b>12,477,341</b>	<b>12,060,025</b>
<u>Liabilities</u>			
Sundry Creditors	12	98,398	112,659
Employee Entitlements	13	11,830	52,085
		110,228	164,744
<u>Accumulated Funds &amp; Reserves</u>			
Accumulated Funds	14	980,890	1,057,542
Earmarked Reserves	15	11,386,223	10,837,739
		12,367,113	11,895,281
<b>Total Liabilities, Accum Funds &amp; Reserves</b>		<b>12,477,341</b>	<b>12,060,025</b>

*Further details on these amounts can be found in Notes 2 to 15*

## **Note 1 : Accounting Policies**

### **Financial Reporting Framework**

This financial report is a special purpose financial report which has been prepared for use by the Council's Executive and the member churches. The Executive has determined that the National Council of Churches in Australia is not a reporting entity and hence this report has been prepared in accordance with the applicable Australian Accounting Standards relevant to not-for-profit entities.

The financial report is prepared in a format which satisfies the requirements of the NCCA Constitution and Australian Charities and Not-for-profits Commission Act 2012 (ACNC Act).

The financial report has been prepared on an accrual basis (except as provided for in the statement below on income) in accordance with the historical cost convention. Cost is based on the fair value of the consideration given in exchange for assets.

### **Significant Accounting Policies**

Accounting policies are selected and applied in a manner which ensures that the resulting financial information satisfies the concepts of relevance and reliability, thereby ensuring that the substance of the underlying transactions or other events is reported.

The following significant accounting policies have been adopted in the preparation and presentation of the financial report :

#### **a) Recognition of Income**

The timing of the recognition of donations, grants, fundraising, legacies and bequests depends when control of these monies is obtained, usually receipt of the monies.

#### **b) Investment Income**

Investment interest is recognised in the Statement of Profit or Loss and Other Comprehensive Income when received. Interest accounts of the NCCA are held by its trust company, NCCA Limited. These monies are held in term deposits, unit trusts and cash management accounts.

#### **c) Donations and Fundraising**

In common with many charitable organisations, it is not practicable for the NCCA to establish accounting controls over all sources of donations and fundraising income prior to it being recorded in the accounting records.

#### **d) Value of Volunteers**

The value of services provided by volunteers is not included in revenue or expenses because of the practical difficulties involved.

#### **e) Accounts Payable**

Accruals and other creditors are recognised when the Council becomes obliged to make future payments resulting from the purchase of goods and services.

**f) Acquisition of Assets**

Assets acquired are recorded at the cost of acquisition, being the purchase consideration determined as at the date of acquisition plus costs incidental to the acquisition.

**g) Employee Benefits**

Provision is made for benefits accruing to employees in respect of wages and salaries, annual leave and long service leave when it is probable that settlement will be required and they are capable of being measured reliably.

**h) Goods and services tax**

Revenues, expenses and assets are recognised net of the amount of goods and services tax (GST). The net amount of GST recoverable from, or payable to, the taxation authority is included as part of the Statement of Financial Position.

**i) Recoverable amount of non-current assets**

Non-current assets are written down to recoverable amount where the carrying value of any non-current asset exceeds recoverable amount.

**j) Revaluation of non-current assets**

Equity in property is measured on the fair value basis. Fair value is determined on the basis of an independent valuation prepared by external valuation experts based on capitalisation of net income. All property of the NCCA is held by its trust company, NCCA Limited. There are 3 equity holders in the Kent Street property, and each stake holder recognises its interest in the property as an asset and as a reserve.

**Note 2 : Detailed Income Statement  
Results for Year Ending June 30, 2018**

	Communications	Faith & Unity	Secretariat	Social Justice Network	NATSIEC	Safe Church Program	National	NCCA
<u>Income</u>								
Church contribution	-	-	272,990	-	-	-	-	272,990
Gifts and donations	380	220	705	4	7,305	-	-	8,614
Grants	-	-	6,500	-	-	-	-	6,500
Sales of materials	-	-	-	-	-	25,082	-	25,082
Projects and events	-	-	-	-	-	11,588	-	11,588
Membership fees	-	-	-	-	-	30,740	-	30,740
Interest	-	-	4,294	-	6,812	-	243,520	254,626
Bequests	-	-	11,567	-	2,000	-	-	13,567
Rental income	-	-	36,184	-	-	-	-	36,184
Other income	-	-	1,558	-	-	-	-	1,558
	380	220	333,798	4	16,117	67,410	243,520	661,449
<u>Expenditure</u>								
Staff costs	-	-	118,673	-	-	96,880	-	215,553
Travel and meetings	-	376	22,338	37	-	4,892	-	27,643
Occupancy	-	-	31,958	-	-	4,801	-	36,759
Audit Fees	-	-	-	-	-	-	-	-
Insurance	-	-	-	-	-	-	-	-
Consultancy & Service Fees	-	-	61,798	-	-	-	-	61,798
Office costs	-	3	19,450	-	36	38,091	-	57,580
Support service fees	-	-	62,837	-	-	4,874	-	67,711
Projects and events expenses	-	-	-	-	25,000	2,536	-	27,536
	-	379	317,054	37	25,036	152,074	-	494,580
	380	(159)	16,744	(33)	(8,919)	(84,664)	243,520	166,869
Profit/(Loss) from Ordinary Activities								

**Note 3 :****Secretariat, Communications, Support Services and Forum**

	<b>12 months to June 2018</b>	<b>12 months to June 2017</b>
<u>Income</u>		
Church contribution	272,990	268,710
Gifts and donations	1,085	460
Support service fees	0	445,409
Projects and events	0	140
Interest	4,294	1,219
Bequest	11,567	80,091
Grants	6,500	6,500
Rental Income	36,184	25,000
Other income	1,558	966
	<b>334,178</b>	<b>828,495</b>
<u>Expenditure</u>		
Staff costs	118,673	411,805
Consultancy & Service Fees	61,798	141,167
Travel and meetings	22,338	15,883
Occupancy	31,958	33,515
Office costs	19,450	81,346
Support Services Fees	62,837	0
	<b>317,054</b>	<b>683,716</b>
Surplus/ (Deficit)	<b>17,124</b>	<b>144,779</b>

**Note 4 :****Social Justice Network**

	<b>12 months to June 2018</b>	<b>12 months to June 2017</b>
<u>Income</u>		
Gifts and Donations	4	0
	4	0
<u>Expenditure</u>		
Travel and Meetings	37	391
	37	391
Surplus/(Deficit)	<b>(33)</b>	<b>(391)</b>

**Note 5 : Safe Church Program**

	<b>12 months to June 2018</b>	<b>12 months to June 2017</b>
<u>Income</u>		
Grants	0	25,000
Projects and Events	11,588	18,000
Conference Income	0	60,219
Sale of Materials	25,082	21,859
Membership fees	30,740	36,950
	<u>67,410</u>	<u>162,028</u>
<u>Expenditure</u>		
Staff Costs	96,880	103,434
Travel and Meetings	4,892	9,175
Occupancy	4,801	1,445
Office Costs	38,091	20,493
Support Service Fees	4,874	10,000
Projects and Events	2,536	39,534
	<u>152,074</u>	<u>184,081</u>
Surplus/ (Deficit)	<u>(84,664)</u>	<u>(22,053)</u>

**Note 6 : NATSIEC**

	<b>12 months to June 2018</b>	<b>12 months to June 2017</b>
<u>Income</u>		
Gifts and Donations	7,305	7,100
Bequests	2,000	0
Interest	6,812	7,923
	<u>16,117</u>	<u>15,023</u>
<u>Expenditure</u>		
Office Costs	36	34
Support Service Fees	0	8,250
Projects and Events	25,000	13,330
	<u>25,036</u>	<u>21,614</u>
Surplus/ (Deficit)	<u>(8,919)</u>	<u>(6,591)</u>



**Note 7 : Faith and Unity**

	<b>12 months to June 2018</b>	<b>12 months to June 2017</b>
<u>Income</u>		
Gifts and donations	220	0
Projects and Events	0	611
	<b>220</b>	<b>611</b>
<u>Expenditure</u>		
Travel and Meetings	376	0
Office Costs	3	713
Support Service Fees	0	0
	<b>379</b>	<b>713</b>
Surplus/(Deficit)	<b>(159)</b>	<b>(102)</b>

**Note 8 : National**

	<b>12 months to June 2018</b>	<b>12 months to June 2017</b>
<u>Income</u>		
Interest	243,520	260,536
	<b>243,520</b>	<b>260,536</b>
Surplus/ (Deficit)	<b>243,520</b>	<b>260,536</b>

**Note 9 : Inter-NCCA Accounts**

	<b>12 months to June 2018</b>	<b>30 June 2017</b>
Investments with NCCA Limited - property	653,891	638,134
Investments with NCCA Limited	10,481,589	10,129,009
	<b>11,135,480</b>	<b>10,767,143</b>

Investment accounts of the NCCA are held by its trust company, NCCA Limited. These monies are in term deposits, unit trusts and cash management accounts.

**Note 10: Other Current Assets**

	<b>30 June 2018</b>	<b>30 June 2017</b>
GST Receivable	1,918	3,396
Public Investments	17,735	17,132
Prepayments	0	11,409
Receivables	1,887	47,236
Receivable from NSWEC	0	77
	<b>21,540</b>	<b>79,250</b>

**Note 11 : Beneficial Interest in Property and Equipment**

	30 June 2018	30 June 2017
Interest in Property		
379 Kent Street	1,116,079	750,817
	1,116,079	750,817
Interest in Equipment & Building Improvements		
Cost	541,923	958,803
Accumulated Depreciation	(344,048)	(513,587)
	197,875	445,216
Total Interest in Property and Equipment	<b>1,313,954</b>	<b>1,196,033</b>

All property of the NCCA is held by its trust company, NCCA Limited. There are 3 equity holders in the Kent Street property, and each stakeholder recognizes their interest in the property as an asset and as a reserve.

**Note 12 : Sundry Creditors**

	30 June 2018	30 June 2017
Supplier accruals	11,815	11,458
Income in Advance	78,056	54,600
Payroll accruals	8,527	46,601
	<b>98,398</b>	<b>112,659</b>

**Note 13 : Employee Entitlements**

	30 June 2018	30 June 2017
Provision for Annual Leave	11,830	37,019
Provision for Long Service Leave	0	15,066
	<b>11,830</b>	<b>52,085</b>

**Note 14 : Accumulated Funds**

	30 June 2018	30 June 2017
Secretariat/Support Services/Forum/Communications	564,310	632,043
NATSIEC	406,287	415,206
Youth	10,000	10,000
APRO	293	293
	<b>980,890</b>	<b>1,057,542</b>

**Note 15 : Earmarked Reserves**

	30 June 2018	30 June 2017
Refugee Reserves	7,673,628	7,488,832
Glenburnie	1,519,134	1,543,301
Property Reserves	653,890	638,133
General Legacies & Bequests	171,928	169,153
Ronald Wilson Ecumenical Leadership	251,564	247,503
Property (see note 11)	1,116,079	750,817
	<b>11,386,223</b>	<b>10,837,739</b>

## NCCA Executive Declaration

In the opinion of the NCCA Executive:

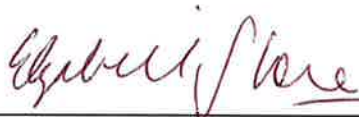
- a) the financial statements and notes are in accordance with the NCCA Constitution and Australian Charities and Not-for-profits Commission Act (ACNC 2012) including:
  - I. giving fair view of the financial position of the Council as at 30 June 2018 and of its performance as presented by the results of its operations for the year ended on that date; and
  - II. complying with the relevant Australian Accounting Standards stated in note 1; and
- b. there are reasonable grounds to believe that the council will be able to pay its debts as and when they become due and payable.

Dated at Sydney this 11<sup>th</sup> day of October 2018.



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DEIRDRE ANNE ASHE - Director of Business and Finance



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ELIZABETH STONE - Interim General Secretary



**THOMAS DAVIS & CO**  
CHARTERED ACCOUNTANTS  
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www.thomasdavis.com.au  
mail@thomasdavis.com.au

**NATIONAL COUNCIL OF CHURCHES IN AUSTRALIA**

**Auditor's Independence Declaration to the Executive Committee of the National Council of Churches in Australia under section 60-40 of the Australian Charities and Not-for-profits Commission Act 2012 (ACNC Act)**

I declare that, to the best of my knowledge and belief, during the year ended 30 June 2018 there have been:

- (a) no contraventions of the auditor independence requirements of section 60-40 of the ACNC Act in relation to the audit; and.
- (b) no contraventions of any applicable code of professional conduct in relation to the audit.

**THOMAS DAVIS & CO.**

J.G. RYAN

PARTNER

Chartered Accountants

Sydney

Dated: *11th October 2018*

A member of



Independent legal & accounting firms

L13, 56 Pitt St    GPO Box 492    T: (02) 9232 1188  
Sydney 2000    Sydney 2001    F: (02) 9231 6792

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CHARTERED ACCOUNTANTS  
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www.thomasdavis.com.au  
mail@thomasdavis.com.au

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBER CHURCHES OF NATIONAL COUNCIL OF CHURCHES IN AUSTRALIA**

**Opinion**

We have audited the financial report of National Council of Churches in Australia, which comprises the statement of financial position as at 30 June 2018, and the statement of profit or loss and other comprehensive income for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and the Executive Committee Members' declaration.

In our opinion, the financial report of National Council of Churches in Australia has been prepared in accordance with Division 60 of the Australian Charities and Not-for-profits Commission Act 2012, including;

- (a) giving a true and fair view of the entity's financial position as at 30 June, 2018 and of its financial performance for the year then ended; and
- (b) complying with Australian Accounting Standards to the extent described in Note 1 and 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 entity in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110: Code of Ethics for Professional Accountants (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

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

**Emphasis of Matter - Basis of Accounting and Restriction on Distribution and Use**

We draw attention to Note 1(c) to the financial report which describes the revenue recognition policy of National Council of Churches in Australia including the limitations that exist in relation to recording of cash receipts from Donations and Fundraising. Revenue from this source represents a significant proportion of revenue of National Council of Churches in Australia. Our opinion is unmodified in respect of this matter.

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 Executive's financial reporting responsibilities under the Australian Charities and Not-for-profits Commission Act 2012. As a result, the financial report may not be suitable for another purpose. Our opinion is not modified in respect of this matter.

**Responsibilities of the Executive Committee for the Financial Report**

The Executive Committee of the Council are 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 needs of the requirements of the Australian Charities and Not-for-profits Commission Act 2012 and is appropriate to meet the needs of the members. The Executives' responsibility also includes such internal control as the Executive determines is necessary to enable the preparation of a 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 Executive 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 the Executive either intend to liquidate the entity or to cease operations, or have no realistic alternative but to do so.

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L13, 56 Pitt St    GPO Box 492    T: (02) 9232 1188  
Sydney 2000    Sydney 2001    F: (02) 9231 6792

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## 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 my 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 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 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 entity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Executive.
- Conclude on the appropriateness of the Executives' 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 entity'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 entity 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 Executive 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.

*Thomas Davis & Co.*

THOMAS DAVIS & CO.

*J.G. Ryan*

J.G. RYAN

PARTNER

Chartered Accountants

SYDNEY,

Dated: *11th October 2018*

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