

THE RELIGIOUS SOCIETY OF FRIENDS (QUAKERS) IN AUSTRALIA INCORPORATED
ABN 16 036 715 933

FINANCIAL REPORT
FOR THE YEAR ENDED 30 SEPTEMBER 2016

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THE RELIGIOUS SOCIETY OF FRIENDS (QUAKERS) IN AUSTRALIA INCORPORATED
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COMMITTEE'S REPORT

Your committee members submit the financial report of the Religious Society of Friends (Quakers) in Australia for the financial year ended 30 September 2016.

Finance Committee Members

The names of the finance committee members at the date of this report are:

Roger Sawkins
David Lowry
David Lowe
Jane Drexler

Principal Activities

The principal activities of the association during the financial year were:

- to promote the spiritual development of members

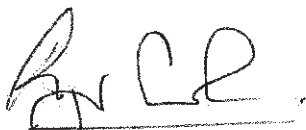
Significant Changes

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

Operating Result

The surplus/ (Deficit) for the year amounted to (\$33,575) (2015 \$14,750)

Signed in accordance with a resolution of the Committee.



Roger Sawkins

Dated this 24 day of January 2017

THE RELIGIOUS SOCIETY OF FRIENDS (QUAKERS) IN AUSTRALIA INCORPORATED
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INCOME STATEMENT FOR THE YEAR ENDED 30 SEPTEMBER 2016

	Note	2016 \$	2015 \$
INCOME - GENERAL FUND			
Regional meeting quotas		167,600	152,400
Investment income		31,197	31,069
General fund sales		146	100
		198,943	183,569
INCOME - OTHER FUNDS			
Function income		45,683	111,547
Donations received		31,136	47,626
Sanctuary income		18,168	20,255
Publication sales		2,768	5,009
Other		-	77
		97,755	184,513
TOTAL INCOME		296,698	368,082
GENERAL FUND OUTGOINGS			
Salaries		63,173	49,355
Superannuation		5,266	4,686
Workers compensation		935	290
Audit fees		4,500	4,400
Accounting		2,008	2,318
Donations paid		13,286	12,850
Office expenses		24,261	20,098
Rent		12,585	8,750
Travel expenses		12,000	9,500
Other general fund outgoings		-	2,450
		138,014	114,697
OTHER FUND OUTGOINGS			
Salaries and Superannuation		19,074	18,670
Grants paid		82,007	62,862
Publication costs		31,935	13,173
Sanctuary outgoings		2,555	1,250
Function expenses		45,593	128,233
Other expenses		11,095	14,448
		192,259	238,635
TOTAL OUTGOINGS		330,273	353,332
NET OPERATING SURPLUS / (DEFICIT)		(33,575)	14,750

The accompanying notes form part of these financial statements.

THE RELIGIOUS SOCIETY OF FRIENDS (QUAKERS) IN AUSTRALIA INCORPORATED
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BALANCE SHEET AS AT 30 SEPTEMBER 2016

	Note	2016 \$	2015 \$
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	2	47,612	73,675
Trade and other receivables	3	17,413	35,375
Financial assets	4	113,864	109,289
TOTAL CURRENT ASSETS		178,889	218,339
NON CURRENT ASSETS			
Financial assets	4	634,877	599,481
Property, plant and equipment	5	950,000	950,000
Trade and other receivables	3	58,000	58,000
TOTAL NON CURRENT ASSETS		1,642,877	1,607,481
TOTAL ASSETS		1,821,766	1,825,820
CURRENT LIABILITIES			
Trade and other payables	6	4,588	6,023
TOTAL CURRENT LIABILITIES		4,588	6,023
NON CURRENT LIABILITIES			
Long term borrowings	7	31,000	31,000
TOTAL NON CURRENT LIABILITIES		31,000	31,000
TOTAL LIABILITIES		35,588	37,023
NET ASSETS		1,786,178	1,788,797
EQUITY			
General reserve - Administration Funds		425,078	407,903
Other reserves - Other Funds		1,361,101	1,380,894
TOTAL EQUITY		1,786,179	1,788,797

The accompanying notes form part of these financial statements.

THE RELIGIOUS SOCIETY OF FRIENDS (QUAKERS) IN AUSTRALIA INCORPORATED
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STATEMENT OF RECOGNISED INCOME AND EXPENDITURE FOR THE YEAR ENDED 30 SEPTEMBER 2016

	Opening balance	Income (*)	Outgoings (*)	Net Income/(Deficit)	Transfers	Income/outgoings recognised directly in Reserves	Total
	\$	\$	\$	\$	\$	\$	\$
GENERAL RESERVES							
General Fund	76,168	152,255	(193,175)	(40,920)	20,000	1,762	57,010
Annual Meeting Fund	(11,709)	59,497	(39,462)	20,035			8,326
Reserve Fund	291,020	17,767	-	17,767			308,787
Travel Fund	10,410	11,136	(21,800)	(10,664)			(254)
Movements in Investment Values	42,014	-	-	-	(20,000)	29,195	51,209
	407,903	240,655	(254,437)	(13,782)	-	30,957	425,078
OTHER RESERVES							
First Nations Concerns Fund	7,156	6,190	(1,212)	4,978			12,134
Quaker Learning Australia Fund	17,923	14,740	(15,872)	(1,132)			16,791
Peace and Social Justice Fund	105,972	32,286	(25,166)	7,120			113,092
Earthcare Fund (**)	15,807	953	-	953			16,560
Publications Fund (**)	30,766	21,046	(40,192)	(19,146)			11,620
Friends in Stitches Fund	4,647	894	-	894			5,541
Carbon Offsets Fund	900	-	(900)	(400)			500
Children and JVF Fund	16,733	12,180	(15,578)	(3,398)			13,335
Sanctuary at Valuation	950,000	-	-	-			950,000
Sanctuary Management Fund	70,845	22,493	(22,555)	(62)			70,783
Thanksgiving Capital Fund	92,011	-	-	-			92,011
Thanksgiving Current Fund	68,334	12,995	(22,695)	(9,600)			58,734
	1,380,894	124,277	(144,070)	(19,793)	-	-	1,361,101
TOTAL EQUITY	1,788,797	364,932	(398,507)	(33,575)	-	30,957	1,786,179

* Income and outgoings of individual funds may include internal transactions and / or allocations from other funds. Such transactions are included in this statement but are eliminated in the presentation of the Income Statement.

** During the year name of the Peace and Earthcare Office Fund was changed to the Earthcare Fund and the name of the Communications Fund was changed to the Publications Fund.

The accompanying notes form part of these financial statements.

THE RELIGIOUS SOCIETY OF FRIENDS (QUAKERS) IN AUSTRALIA INCORPORATED
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2016

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

This financial report is a special purpose financial report prepared in order to satisfy the financial reporting requirements of the Associations Incorporation Act (ACT).

The Committee has determined that the Association is not a reporting entity and therefore there is no requirement to apply Accounting Standards and other mandatory professional reporting requirements (Urgent Issues Group Consensus Views) in the preparation of these statements.

The financial report has been prepared on an accruals basis and is based on historic costs and does not take into account changing money values, or except where specifically stated, current valuations of non current assets.

The following is a summary of the material accounting policies adopted by the Association in the preparation of the financial report. The accounting policies have been consistently applied, unless otherwise stated.

(a) Property, Plant and Equipment

Land and buildings

Freehold land and buildings are shown at their fair value (being the amount for which an asset could be exchanged between knowledgeable willing parties in an arms length transaction), based on periodic valuations by the committee. Buildings are not depreciated.

Other assets

All other assets are expensed through the income statement at the time of acquisition.

(b) Income Tax

The Association is exempt from income tax.

(c) Leases

Lease payments for operating leases, where substantially all the risks and benefits remain with the lessor, are charged as expenses in the periods in which they are incurred.

(d) Inventories

Stock, comprising items held for resale are expensed at the time of purchase.

(e) Financial instruments

Financial instruments are initially measured at cost on trade date, which includes transaction cost, when the related contractual rights or obligations exist. Subsequent to initial recognition, these instruments are measured as set out below.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2016

NOTE 1: STATEMENT OF ACCOUNTING POLICIES (continued)

Financial assets at fair value through profit and loss

A financial asset is classified in this category if acquired principally for the purpose of selling in the short term or if so designated by management. Realised and unrealised gains and losses arising from changes in the fair value of these assets are included in the income statement in the period in which they arise.

Held-to-maturity investments

These investments have fixed maturities, and it is the Association's intention to hold these investments to maturity. Any held to maturity investments held by the Association are stated at amortised cost using the effective interest rate method.

Available for sale financial assets

Available for sale financial assets include any financial assets not included in the above categories. Available for sale financial assets are reflected at either fair value or cost. Unrealised gains and losses arising from changes in fair value are taken directly to equity.

Impairment

At each reporting date, the entity assesses whether there is objective evidence that a financial instrument has been impaired. In the case of available for sale financial instruments, a prolonged decline in the value of the instrument is considered to determine whether an impairment has arisen. Impairment losses are recognised in the Income Statement.

(f) Employee Benefits

Provision is made for the Association's liability for employee benefits arising from services rendered by employees to balance date. Employee benefits that are expected to be settled within one year have been measured at the amounts expected to be paid when the liability is settled, plus related on-costs. Employee benefits payable later than one year have been measured at the present value of the estimated future cash outflows to be made for those benefits.

Contributions to superannuation funds are charged as expenses when incurred.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2016

NOTE 1: STATEMENT OF ACCOUNTING POLICIES (continued)

(g) Cash and Cash Equivalents

Cash and cash equivalents includes 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 Balance Sheet.

(h) Revenue

Revenue from the sale of goods is recognised upon the delivery of goods to customers.

Donations and other income are generally recognised when received or receivable.

Investment income is recognised when paid or payable.

From time to time donations and other monies are received from persons and entities under instructions they be remitted to third parties. Such monies are not recognised as revenue nor is the subsequent remittance recognised as an expense.

Rental income is recognised upon receipt after deducting expenses and other charges incurred by the property manager.

All revenue is stated net of the amount of goods and services tax (GST).

(i) 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 Tax Office. In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense.

Receivables and payables in the Balance Sheet are shown inclusive of GST.

THE RELIGIOUS SOCIETY OF FRIENDS (QUAKERS) IN AUSTRALIA INCORPORATED
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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2016

	2016 \$	2015 \$
NOTE 2: CASH AND CASH EQUIVALENTS		
Cash at bank - CBA Main Account	-	5
Cash at bank - Bank of Australia	47,598	71,311
Cash at bank - CBA High Interest Account	-	2,359
Cash at bank - Bank of Australia Yearly Meeting	14	-
	<u>47,612</u>	<u>73,675</u>
NOTE 3: TRADE AND OTHER RECEIVABLES		
CURRENT		
Trade debtors	4,000	11,962
Prepayments	13,413	23,413
	<u>17,413</u>	<u>35,375</u>
NON-CURRENT		
Loan receivable - The Friends School	58,000	58,000
	<u>58,000</u>	<u>58,000</u>
NOTE 4: FINANCIAL ASSETS		
Held to maturity investments		
CURRENT		
Bendigo Bank term deposit	56,376	54,417
Maleny District Credit Union term deposit	57,488	54,871
	<u>113,864</u>	<u>109,289</u>
Available for sale financial assets comprise:		
NON-CURRENT		
Shares in Kangaroo Valley Friends Properties Pty Ltd, at cost	900	900
Australian Ethical Investment Trust -Religious Society of Friends, at fair value	346,994	317,895
Praemium Investments	62,899	55,541
Preference Shares Portfolio, at fair value	224,084	225,145
	<u>634,877</u>	<u>599,481</u>

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2016

	2016 \$	2015 \$
NOTE 5: PROPERTY, PLANT AND EQUIPMENT		
Property at valuation	950,000	950,000
Total property, plant and equipment	<u>950,000</u>	<u>950,000</u>

The property located at Wahroonga was most recently independently valued by the firm of Laing and Simmons in December 2013

NOTE 6: TRADE AND OTHER PAYABLES

CURRENT

Trade payables	365	-
GST payable	-	39
Funds held - Associated Groups	6(a) 4,223	5,984
	<u>4,588</u>	<u>6,023</u>

Note 6 (a) Funds held - Associated Groups

	Opening Balance	Income	Outgoings	Closing Balance
Quaker Service Australia	18	18	(18)	18
FWCC World	1,127	800	(1,277)	650
FWCC Asia / West Pacific	2,794	1,735	(3,074)	1,455
FWCC QUNO	1,875	2,004	(2,305)	1,574
Woodbrooke	10	50	27	87
Pendle Hill	10	100	19	129
Australian Young Friends	150	460	(150)	460
Silver Wattle	-	-	(150)	(150)
	<u>5,984</u>	<u>5,167</u>	<u>(6,928)</u>	<u>4,223</u>

NOTE 7: BORROWINGS

NON-CURRENT

Loans payable	31,000	31,000
	<u>31,000</u>	<u>31,000</u>

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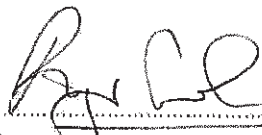
STATEMENT BY THE COMMITTEE

The Committee of The Religious Society of Friends (Quakers) in Australia Incorporated have determined that the Association is not a reporting entity, and that this special purpose financial report should be prepared in accordance with the accounting policies outlined in Note 1 to the financial statements.

The Committee of The Religious Society of Friends (Quakers) in Australia Incorporated declare that:

1. The financial statements and notes, as set out on pages 4 to 11 present fairly the Association's financial position as at 30 September 2016 and its performance for the year ended on that date in accordance with the accounting policies described in Note 1 to the financial statements;
2. At the date of this statement, there are reasonable grounds to believe that the Association 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 Committee and is signed for and on behalf of the Committee by:


.....
Treasurer

Dated this 24 day of January 2017

THE RELIGIOUS SOCIETY OF FRIENDS (QUAKERS) IN AUSTRALIA INCORPORATED
ABN 16 036 715 933

INDEPENDENT AUDIT REPORT TO THE MEMBERS OF
THE RELIGIOUS SOCIETY OF FRIENDS (QUAKERS) IN AUSTRALIA INCORPORATED

Report on the Financial Report

We have audited the accompanying financial report, being a special purpose financial report, of The Religious Society of Friends (Quakers) in Australia Incorporated which comprises the balance sheet as at 30 September 2016, the income statement, statement of recognised income and expenditure, a summary of significant accounting policies and other explanatory notes, and the statement by the committee.

Committee's Responsibility for the Financial Report

The Committee is responsible for the preparation and fair presentation of the financial report and have determined that the accounting policies described in Note 1 to the financial statements, which form part of the financial statements, are appropriate to meet the requirements of the Association Incorporations Act (ACT) and are appropriate to meet the needs of the members. The committee's responsibility also includes establishing and maintaining internal control relevant to the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's Responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. These Auditing Standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal controls relevant to the entity's preparation and fair presentation of the financial report 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. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial report.

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

Independence

In conducting our audit, we have complied with the independence requirements of Australian professional ethical pronouncements.

Qualification

As is common for organisations of this type, it is not practicable for The Religious Society of Friends (Quakers) in Australia Incorporated to maintain an effective system of internal control over the receipt of donations and other fund raising activities until their initial entry into the accounting records. Accordingly, our audit of these listed activities was limited to amounts recorded.

Qualified Audit Opinion

In our opinion, except for the effects of such adjustments, if any, as might have been necessary had the limitation of scope of our work as discussed in the qualification paragraph not existed, the financial report presents fairly in accordance with the accounting policies described in Note 1 to the financial statements and the Associations Incorporation Act (ACT), the financial position of The Religious Society of Friends (Quakers) in Australia Incorporated as at 30 September 2016, and the results of its operations for the year then ended.

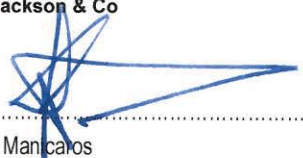
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Basis of Accounting

Without modifying our opinion, we draw attention to Note 1 of the financial report, which describes the basis of accounting. The financial report has been prepared for the purpose of fulfilling the committee's financial reporting responsibilities under the Associations Incorporations Act (ACT). As a result, the financial report may not be suitable for another purpose.

AH Jackson & Co



Elias Maniagos

Partner

Dated: **24th** January 2017

Brisbane