



OVERSEAS COUNCIL AUSTRALIA

A Company Limited by Guarantee

ABN 68 092 388 746

**Special Purpose
Financial Reports**

For the Year ended 30 June 2014

Overseas Council Australia Directors' Report

In respect of the financial period ended 30 June 2014, the directors of Overseas Council Australia (OCA) submit the following report made out in accordance with a resolution of the directors:

Directors

The names of the directors of the company in office at any time during the financial year and at the date of this report are:

John Duncan Anderson	Alan Jeffrey Hall
Colin McLean Adam	Stephen Robert Kerr
John Philip Allison	Philip Johnson Twyman
David Barrie Brown	Malcolm Ross Wood
Kenneth McCathie Chapman	

Principal Activity

The Company's stated aims are to:

- * assist persons in developing countries to pursue their education
- * work to provide assistance to training institutions and students in developing countries
- * assist the training of persons who aspire to take up leadership in the areas of religion, academia, business or society

Operating Results

The net Administration surplus/(deficit) for the year was: \$ (21,304)

Review of Operations

The major source of income for OCA continues to be donations towards projects and sponsorships at supported colleges. Donations rose by approximately 17%, to a record high income level of \$1,896,298. Despite considerable cost reductions last year in salaries and other expenses we still ended the year with an Administration deficit of \$21,304. While an improvement on last year the Directors are still working towards reducing administration expenses and building a stronger capital base. In order to achieve this, along with other cost savings, staff numbers were reduced by one. The Directors are aware of the time frames for the delivery of funds to projects and are confident OCA's obligations are able to be met when and as they fall due. We continue to seek the goodwill and support of our donors to share the OCA vision of providing Biblically trained leaders for the fast growing churches of the developing world and provide the necessary donations and support for the year ahead. The Directors are aware of the time frames for the delivery of funds to projects and are confident OCA's obligations are able to be met when and as they fall due.

It is pleasing that a total of \$1,342,527 was allocated to our partner colleges this year including the gift in kind of the Tahlee Ministries' library, valued at over \$177,000. This 15,000 volume theological library is already in Papua New Guinea and is being allocated to several Bible schools including our partner college, Christian Leaders' Training Centre. Throughout the year we directly supported over 210 Bible college students and about 40 faculty members to receive masters and doctoral degrees. We also completed numerous projects in our 25 partner Bible colleges, assisting with libraries, IT, distance education programs, specialist research centres and other campus needs. It is our privilege to be able to facilitate these significant ministries in Asia, the Pacific, the Middle East and Africa. Directors are grateful to the many individuals, churches and foundations which support this ministry.

Objectives and Strategies

Our objectives remain unchanged. We exist to help partner colleges build their capabilities to serve their communities through leadership and scholarship. Ultimately we expect that colleges will become self sufficient as they become better established. We work in cooperation with other Overseas Council affiliates in US, Canada, Europe and NZ. Our prime focus is colleges in the geographic vee to the north of Australia where we have national trade links, travel times are shorter, etc. The remainder of the OC network focus on other parts of the world.

Our longer term strategy is to assist partner colleges by helping them to build capabilities via building funds, student scholarships, faculty study grants and libraries. We work as partners, not masters. We do this by linking generous donors in Australia with colleges and by building awareness of the special needs of the church in the post-colonial world.

In the shorter term we have been meeting the challenges of the difficult economic conditions and by building our own capabilities to present college needs professionally and to assist in better management at colleges.

A summary of this year's activity compared to last year's is as follows:

	This year	Last year
Income		
Donations	1,693,426	1,507,218
Goods in kind donated	177,518	-
Interest and other income	25,355	110,294
	<u>1,896,298</u>	<u>1,617,512</u>
Outgo		
Personnel	388,467	436,866
Administration	186,610	220,549
Projects & Scholarships Paid	889,626	1,043,466
Goods in kind supplied	177,518	-
Projects & Scholarships Yet to be Paid	275,383	23,557
	<u>1,917,602</u>	<u>1,724,438</u>
Operating Surplus/(Deficit) adjusted against Reserves	<u>(21,304)</u>	<u>(106,927)</u>

Directors' Meetings

The number of directors' meetings held in the period each director held office during the financial year and the number of meetings attended by each director were:

	<u>Meetings attended</u>	<u>Meetings</u>
John Duncan Anderson	4	4
Colin McLean Adam	2	4
John Philip Allison	3	4
David Barrie Brown	3	4
Kenneth McCathie Chapman	4	4
Alan Jeffrey Hall	4	4
Stephen Robert Kerr	4	4
Philip Johnson Twyman	4	4
Malcolm Ross Wood	3	4

No indemnity has been given or insurance premium 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 with the exception that Directors and Officers insurances have been taken out by the company and that premiums have been paid for professional indemnity insurance in respect of the directors.

Auditors

The company's auditors follow the independence requirements of the Australian ethical pronouncements and the Corporations Act 2001. The auditors have provided the Board of Directors with a written declaration of their independence.

Members Guarantee

The entity is a company limited by guarantee. Under the Constitution, in the event of a shortfall of funds upon a winding up the members guarantee the obligations of the Company to the extent of \$10 per member. At balance date as there were 62 members, the amount so guaranteed in total amounted to \$620.

26th October 2014

For and on behalf of the board:

Director

KEN CHAPMAN



SHEDDEN & GREEN PARTNERS

CHARTERED ACCOUNTANTS

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INDEPENDENT AUDIT REPORT

TO: The Members, Overseas Council Australia

We have audited the accompanying financial report of Overseas Council Australia, which comprises the Balance Sheet as at 30 June 2014, and the Statement of Changes in Equity Funds and Reserves, Statement of Comprehensive Income and the Statement of Cash Flows for the year ended on that date, a summary of significant accounting policies, other explanatory notes and the Directors' Declaration

Directors' Responsibility for the Financial Report

The Directors of the Company are responsible for the preparation and fair presentation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Corporations Act 2001 and for such internal control as the directors deem 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.

Auditor's Responsibility

The Auditor's responsibility is to express an opinion on the financial report based on the audit. The audit was conducted in accordance with Australian Auditing Standards. Those Standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit so as 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 control relevant to the company's preparation of the financial report that gives a true and fair view 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. 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 the audit, we have complied with the independence requirements of the Corporations Act 2001. We confirm that the independence declaration required by that Act and provided to the directors of the Overseas Council Australia would be in the same terms if provided to the directors as at the time of this auditor's report.

Opinion

In our opinion the financial report of the Overseas Council Australia is in accordance with the Corporations Act 2001, including:

- (i) giving a true and fair view of the Company's financial position as at 30 June 2014 and of its performance for the year ended on that date; and
- (ii) complying with Australian Accounting Standards and the Corporations Regulations 2001.

Shedden and Green Partners
Lawrence R Green FCA – Partner



Dated 26th October 2014
Miranda NSW

Overseas Council Australia

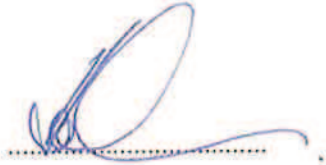
DIRECTORS' DECLARATION

The directors of the company declare that:

1. The financial statements and notes
 - (a) comply with Accounting Standards and the Corporations Act 2001; and
 - (b) give a true and fair view of the financial position as at 30 June 2014 and performance for the year ended on that date; and
2. The provisions of the Charitable Fundraising Act 1991 and the conditions attached to the Authority to Fundraise have been complied with;
3. Internal Controls exercised by the Organisation are appropriate and effective in accounting for all income received and applied from any fundraising appeals.
4. 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.

Director



KEN COTTRILL

26th October 2014

AUDITORS INDEPENDENCE DECLARATION

To the Directors

We declare that, to the best of our knowledge and belief, during the year ended 30 June 2014 there have been:

- (i) no contraventions of the auditor independence requirements as set out in the Corporations Act (2001) in relation to the audit, and
- (ii) no contraventions of any applicable code of professional conduct in relation to the audit

Shedden & Green Partners



Lawrence R Green FCA
Partner

26th October 2014
Suite 28, 19-21 Central Road, Miranda NSW 2228

**Overseas Council Australia
Balance sheet as at 30 June 2014**

	Notes	2014 \$	2013 \$
Current Assets			
Cash	2	961,555	685,786
Receivables		2,500	-
Prepayments		-	2,231
Accrued Interest Income		-	1,717
		<u>964,055</u>	<u>689,733</u>
Non-Current Assets			
Fixed Assets	3	<u>12,521</u>	<u>20,132</u>
Total Assets		<u>976,576</u>	<u>709,865</u>
Current Liabilities			
Payables	4	1,000,920	712,643
Provisions	5	48,082	47,454
		<u>1,049,002</u>	<u>760,097</u>
Total Liabilities		<u>1,049,002</u>	<u>760,097</u>
Net Assets		<u>\$ (72,426)</u>	<u>\$ (50,232)</u>
Administration Reserves			
General Administration Reserve		(84,948)	(70,364)
Funds Invested in Assets Reserve		12,522	20,132
		<u>\$ (72,426)</u>	<u>\$ (50,232)</u>

The above Statement is to be read in conjunction with the accompanying notes

Overseas Council Australia
Statement of Changes in equity
Accumulated Funds and Reserves
For the Year ended 30 June 2014

	2014	2013
	\$	\$
Administration Reserve		
Balance at the beginning of the Year	(70,364)	27,617
Administration Surplus/(Deficit) for the Year	(21,304)	(106,927)
Prior year adjustments	(890)	(487)
Transfer from/(to) Funds Invested in Assets Reserve	7,610	9,434
	<u>(84,948)</u>	<u>(70,364)</u>
Funds Available at the end of the Year		
Funds Invested in Assets Reserve		
Balance at the beginning of the Year	20,132	29,566
Transfer (to)/from Administration Reserve	(7,610)	(9,434)
	<u>12,522</u>	<u>20,132</u>
Funds Available at the end of the Year		
Total Funds and Reserves	<u>\$ (72,426)</u>	<u>\$ (50,232)</u>

The above Statement is to be read in conjunction with the accompanying notes

Overseas Council Australia
Detailed Income Statement
For the Year ended 30 June 2014

	2014	2013
	\$	\$
Administration Account		
Income		
Deficit Reduction	66,740	-
Donations to expansion	12,000	22,000
Friends of Overseas Council	12,964	84,200
Interest Received	18,235	23,537
Ministry Expenses Income	436,713	418,194
Other Income	7,120	2,557
	<u>553,772</u>	<u>550,488</u>
Expenses		
Audit Fees	1,900	1,850
Bank and Merchant Charges	5,422	6,317
Depreciation	7,609	10,636
Electricity	1,648	2,192
Staffing Expenses	388,467	436,866
Provisions for Staff Entitlements	1,770	7,480
General Expenses	20,044	14,600
Insurance	5,898	4,450
Motor Vehicle Expenses	23,114	32,313
Office Equipment & Software	7,696	9,555
Postage Printing & Stationery	11,312	15,562
Promotion	47,812	56,158
Rent	17,674	16,560
Telecommunications and Web	22,190	20,009
Project Management Costs	12,521	22,867
	<u>575,076</u>	<u>657,415</u>
Administration Surplus/(Deficit)	<u>\$ (21,304)</u>	<u>\$ (106,927)</u>
College Account		
Income		
Faculty Development Income	225,110	210,311
Gifts in Kind	177,518	-
Project Income	655,608	559,566
Sponsorship Income	284,290	297,147
	<u>1,342,526</u>	<u>1,067,024</u>
Expense		
Faculty Development Payments	191,940	204,200
Gifts in Kind	177,518	-
Payments To Projects	413,575	491,875
Sponsorships Paid	284,111	347,391
	<u>1,067,143</u>	<u>1,043,466</u>
Projects Account Surplus/(Deficit)	<u>\$ 275,383</u>	<u>\$ 23,558</u>

Overseas Council Australia
Income Statement
For the Year ended 30 June 2014

	Note	2014 \$	2013 \$
Income			
Operating Revenues	6	1,870,944	1,591,418
Interest	6	18,235	23,537
Other Income		7,120	2,557
		<u>1,896,298</u>	<u>1,617,512</u>
Expenses			
Personnel costs		388,467	436,866
Administration		186,610	220,549
Payments and in kind allocations to Projects	4	1,067,143	1,043,466
		<u>1,642,219</u>	<u>1,700,881</u>
Net Income		<u>254,079</u>	<u>(83,370)</u>

The above Statement is to be read in conjunction with the accompanying Notes

**Overseas Council Australia
Statement of Cashflows
For the Year ended 30 June 2014**

	2014	2013
	\$	\$
Cashflows used in operating activities		
Donations and sponsorships	1,708,224	1,591,418
Interest Received	19,951	22,671
Other income	9,620	2,557
Payments to Colleges and for Sponsorships	(889,626)	(1,043,466)
Payments to suppliers and employees	<u>(570,493)</u>	<u>(643,506)</u>
Net cash (used) in/provided by operating activities	<u>277,676</u>	<u>(70,327)</u>
Cash Flows (used in)/from Investing Activities		
Payments for Computers and Office Equipment	-	(1,200)
Disposal of Vehicle	12,826	-
Prior year adjustments	(890)	(1,900)
Increase/(Decrease) in Other Payables	<u>(13,843)</u>	<u>9,002</u>
	<u>(1,907)</u>	<u>5,902</u>
Net (decrease)/increase in cash held	275,769	(64,425)
Cash at the beginning of the financial year	<u>685,786</u>	<u>750,211</u>
Cash at the end of the financial year	<u><u>\$ 961,555</u></u>	<u><u>\$ 685,786</u></u>

Reconciliation of Net cash used in operating activities to operating (deficit)/surplus

Operating (deficit)/surplus	254,079	(83,370)
Depreciation	7,609	10,636
Gifts in Kind received	(177,518)	-
Gifts in Kind applied to projects	177,518	-
Decrease/(Increase) in Receivables	2,500	-
Decrease/(Increase) in Prepayments	(2,231)	2,231
Decrease/(Increase) in Interest Accrued	1,717	(866)
Increase/(Decrease) in PAYG Payable	(1,423)	(6,438)
Increase/(Decrease) in Income in Advance	14,797	-
Increase in Staff Entitlements	<u>628</u>	<u>7,480</u>
Net cash (used in)/provided by operating activities	<u><u>\$ 277,676</u></u>	<u><u>\$ (70,327)</u></u>

The above Statement is to be read in conjunction with the accompanying Notes

Overseas Council Australia
Notes to and Forming Part of the Accounts
For the Year ended 30 June 2014

Note 1 Summary of Significant Accounting Policies

The principal accounting policies adopted by OCA are stated to assist in a general understanding of the accounts. The policies have been consistently applied.

The following applicable Accounting Standards have been applied:

- AASB 101 Presentation of Financial Statements
- AASB 107 Cash Flow Statements
- AASB 108 Accounting Policies, Changes in Accounting Estimates and Errors
- AASB 110 Events after the Balance Sheet Date
- AASB 1031 Materiality
- AASB 1048 Interpretation and Application of Standards
- AASB 124 Related Party Disclosures

AASB 1 is not mandatory for the purpose of preparing a special purpose financial report and therefore Overseas Council Australia has not applied it. Management have considered the information needs of the users and are of the opinion that, as a not-for-profit organisation, there would not be any significant changes to its accounts if the AEIFRS had been adopted.

This is a special purpose financial report that has been prepared for the sole purpose of complying with the Corporations Law requirements, to prepare and distribute financial statements to members and must not be used for any other purpose. The Board of Management has determined that the accounting policies adopted are appropriate to meet the needs of the members.

(a) **Basis of Accounting**

The accounts have been prepared on a cash basis and in accordance with the historical cost convention and so do not reflect changes in the purchasing power of money.

(b) **Donations and Grants**

These are brought to account over the period to which they relate notwithstanding that the level of activity being funded may vary from time to time. Donations for specific purposes are brought to account against the project or purpose for which they are received.

(c) **Furniture, Equipment and Vehicles**

Minor asset items are written off as an expense in the year of acquisition. Larger items are depreciated over their estimated useful lives using the straight line method of depreciation.

(d) **Employee Entitlements**

Annual leave owing is charged as an expense to the result for the year in respect of all staff. Long Service Leave is provided for after five years of service.

(e) **Income Tax**

OCA is a not-for-profit entity which is exempt from income tax. Endorsement as an Income Tax Exempt entity was received from July 2000. OCA is registered with the ACNC as a charity.

(f) **Status**

Overseas Council Australia is a Company Limited by Guarantee.

Overseas Council Australia
Notes to and Forming Part of the Accounts
For the Year ended 30 June 2014

	2014	2013
	\$	\$
Note 2 Cash		
Administration Account	952	3,098
Term Deposits	424,818	373,506
Common Fund	387,096	190,942
Ancillary Fund	50,651	18,258
Undeposited Funds	96,550	98,917
Petty Cash	1,487	1,065
	<u>961,555</u>	<u>685,786</u>
	<u>\$ 961,555</u>	<u>\$ 685,786</u>
Note 3 Fixed Assets		
Plant Equipment and Vehicle - at cost	35,679	61,827
Less Accumulated Depreciation	(23,158)	(41,696)
	<u>12,521</u>	<u>20,132</u>
	<u>\$ 12,521</u>	<u>\$ 20,132</u>
Note 4 Payables		
Income in Advance	14,797	-
Project Balances Owing		
Project Funding Due	901,312	612,168
Sponsorships Funding Due	80,281	80,679
GST Payable/(Recoverable)	(5,633)	(4,935)
PAYG Payable	1,972	3,395
Other Payables	8,191	21,334
	<u>1,000,920</u>	<u>712,643</u>
	<u>\$ 1,000,920</u>	<u>\$ 712,643</u>
Note 5 Provisions		
Annual leave	19,123	19,746
Long Service leave	28,958	27,708
	<u>48,082</u>	<u>47,454</u>
	<u>\$ 48,082</u>	<u>\$ 47,454</u>
Note 6 Operating Result		
The Operating Result for the year is after:		
Crediting as income:		
Donations received	1,693,426	1,591,418
In kind donations	177,518	-
Interest received	18,235	23,537
Charging as expenses:		
Auditors remuneration - auditing the accounts (no other benefits were received by the auditors)	1,900	1,850
Provisions for employee entitlements	1,770	7,480
Depreciation	7,609	10,636

**Overseas Council Australia
Notes to and Forming Part of the Accounts
For the Year ended 30 June 2014**

Note 7 Segment Reporting

OCA is a not for profit Company Limited by Guarantee
(formerly an incorporated association) operating throughout Australia

Note 8 Related Parties

There were no transactions with related parties. No member of the Board received any form of remuneration.

The names of persons who held the office of Director at any time during the year are:

John Duncan Anderson
Colin McLean Adam
John Philip Allison
David Barrie Brown
Kenneth McCathie Chapman
Alan Jeffrey Hall
Stephen Robert Kerr
Philip Johnson Twyman
Malcolm Ross Wood

Note 9 Statement showing how funds received were applied to charitable purposes

Fundraising was by direct contact, Newsletters and through Churches. In view of the fact that the direct Newsletters are sent irrespective of fund raising appeals there are no appreciable separate costs of fundraising and so fundraising ratios are not included in these accounts
OCA holds an Authority to Fundraise CFN/20492 expiring 03/12/2018

Note 10 Financial Instruments and Risk

OCA raises funds for projects and sponsorships and regularly remits those funds to colleges with the result that generally no significant funds are held. All funds are held in Australian banks which have been subject to government guarantee.

There is no currency risk as funds are held in Australian currency and there are no foreign currency commitments.

There is no market risk as funds are held in short term interest bearing bank accounts and term deposits only.

The exposure to interest rate risk (based on funds held at balance date) is:

	2014	2013
For a change of 1.0% in interest rates	\$	\$
administration income would change by:	9,616	6,858