



ABN 96 592 278 795

General Purpose Financial Report

For the Year ended 30 June 2017

Audited



Report of the Board

Notwithstanding that the Australian Charities and Not-for-profits Commission does not require a report by the Board, nevertheless the Board of Young Life Australia Incorporated (the "Organisation") are pleased to present their report on the financial results for the year ended 30 June 2017.

Board and Committees

The names of the Directors throughout the year and at the date of this report are:

The Board		DATE APPOINTED	DATE RESIGNED	ELIGIBLE MEETINGS	MEETINGS ATTENDED
Mark Stretton	Chairman	23/02/2002		4	3
Kerrie Sheaves	Deputy Chairman	31/05/2008		4	4
Mitchell Broom	Director & Secretary	12/05/2012		4	3
Fudge Jordan	Director	27/05/2006		4	1
Ken Ewald	Director	14/09/2008		4	4
Daryl Redford	Director	15/09/2012		4	2
Stephen Beaumont	Director	02/10/2014	11/03/2017	2	1
Raj Mudaliar	Director	14/11/2015		4	4
Erin Cramlet	Director	17/06/2017		1	1

The Board has delegated responsibility for certain matters to a number of Committees and Task Groups:

		ELIGIBLE MEETINGS	MEETINGS ATTENDED
Finance & Remuneration Committee			
Ken Ewald	Chair	4	3
Mitchell Broom	Member	4	4
Risk Committee			
Mitchell Broom	Chair	1	1
Daryl Redford	Member	1	0
Mark Stretton	Member	1	1
Erin Cramlet	Member	0	0
Fundraising & Communication Group			
Kerrie Sheaves	Chair	2	2
Raj Mudaliar	Member	2	1

Principal Activities

Three key objectives of Young Life Australia Incorporated are:

- to assist adolescent youth, particularly those at risk through alienation, aimlessness, addiction or abuse, and including those disadvantaged by broken homes, difficulties at school or unemployment;
- to encourage adolescent youth to develop as whole persons in mind, body and spirit enabling them to live meaningful and productive lives as intended by God; and
- to work co-operatively with families, schools, churches and community groups in addressing the needs of young people.

The principal activities in pursuit of these objectives during the financial year were:

Growth initiative: There have been some exciting developments throughout the year. We have seen new areas start up in Sydney and Regional NSW, and envigoration of areas in Hobart, Melbourne, Canberra and Barossa. Work continued to strengthen the Organisation's internal governance and organisational capabilities.

Young Life operates a hub-based model of growth in pursuit of our targets.

The residential property at Armidale, NSW continued to be used as a Training College and Community Centre, as well as a base for the New England region activities.

We continued to provide chaplains in schools, now providing eleven chaplains - three in Victoria, one in ACT, six in NSW and one in Queensland. Funding is mostly via the Federal Government's National School Chaplaincy Programme with additional support from private donations and some schools providing additional funding themselves.

Young Life Australia Incorporated
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Report of the Board (continued)

Contact with young people: Young Life goes to where young people are and meets them in their environment on "their turf" (through our Volunteers in Schools program, at the skate park, in shopping centres). We demonstrate an interest in their lives by initiating friendships. What we are saying is "You are important."

Events: Regular activities that provide a positive, safe environment where friendships and social skills are developed. Events are anywhere we can be with kids and kids can be themselves without masks.

Camping: The camp experience is life-changing and therefore a strategic part of Young Life. It is a combination of adventure, relationship building and the living out of the Christian faith. The major camping activities during the year were Summer Camp, Wyldlife Camp and Year 12 Study Camp.

Schools: Young Life supports the school environment by providing an avenue for help to teachers. Young Life staff and volunteers can provide mentoring and support to reach troubled or difficult young people.

Small Groups: If young people wish to discuss the issues of hope, faith and life further we set up support groups for young people which is led by their adult volunteer leader.

Ski Mission: We have utilized water skiing as a tool to help the development of self esteem in young people and connecting with small victories in their lives through achievement.

Operating Result

The operating result for the year ended 30 June 2017 was a surplus of \$56,053
(surplus of \$43,694 last year).

Signed in accordance with a resolution of the Board.



Ken Ewald - Director



Mitchell Broom - Director

Date: 29th day of August 2017

Young Life Australia Incorporated
ABN 96 592 278 795

Declaration by The Board

The Board of the Organisation declare that:

- 1 The financial report consisting of the Income Statement, Balance Sheet, Statement of Cashflows and Notes to and Forming Part of the Financial Statements:
 - a. satisfy the requirements of the Australian Charities and Not-for-profits Commission Act 2012 (Cth) including Australian Accounting Standards - Reduced Disclosure Requirements and the Associations Incorporation Act 2009 (NSW); and
 - b. give a true and fair view of the financial position as at 30th June 2017 and performance for the year ended on that date of the Organisation;
 - c. give a true and fair view of all income and expenditure with respect to fundraising activities.
- 2 The substantive provisions of the Charitable Fundraising Act 1991 (NSW), the Regulations under the Act, and the Authority conditions are complied with.
- 3 Internal controls exercised are appropriate and effective in accounting for all income received and applied from all sources, including fundraising appeals.
- 4 At the date of this statement there are reasonable grounds to believe that Young Life Australia Incorporated will be able to pay its debts as and when they fall due.

Signed in accordance with subsection 60.15(2) of the Australian Charities and Not-for-profits Commission Regulation 2013 (Cth).



Ken Ewald - Director



Mitchell Broom - Director

Date: 29th day of August 2017



CHARTERED ACCOUNTANTS
AUSTRALIA + NEW ZEALAND

SHEDDEN & GREEN PARTNERS

ABN 43 723 342 276

INDEPENDENT AUDIT REPORT

To: The Members of Young Life Australia Inc.

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of Young Life Australia Inc., which comprises the Balance Sheet as at 30 June 2017, and the Income Statement, and the Statement of Cash Flows for the year ended on that date, a summary of significant accounting policies, other explanatory notes and the Declaration by the Board of the entity.

In our opinion the financial report of Young Life Australia Inc. 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 registered entity's financial position as at 30 June 2017 and of its financial performance for the year then ended; and
- (b) complying with Australian Accounting Standards – Reduced Disclosure Requirements, the requirements of the Associations Incorporation Act (NSW) 2009 and of Division 60 the *Australian Charities and Not-for-profits Commission Regulation 2013*.

Basis for opinion

We conducted the 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 registered entity in accordance with the *Australian Charities and Not-for-profits Commission Act 2012* (ACNC Act) and 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.

Responsibility of Those Charged with Governance for the Financial Report

The responsible entities of the registered entity are responsible for the preparation of the financial report that gives a true and fair view and have determined that the basis of preparation of the financial report is appropriate to meet the requirements of the ACNC Act and the Associations Incorporation Act (NSW) 2009 the Constitution and the needs of the members. The responsible

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entities' responsibility also includes such internal control as the responsible entities determine 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 responsible entities are responsible for assessing the registered 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 responsible entities either intend to liquidate the registered entity or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Report

The audit 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 the 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 the 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 registered entity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by responsible entities.
- Conclude on the appropriateness of responsible entities' 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 registered entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in the auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify the audit opinion. Our conclusions are based on the audit evidence obtained up to the date of the auditor's report. However, future events or conditions may cause the registered 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 those charged with governance 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 the audit.



Shedden & Green Partners
Lawrence R Green FCA – Partner

Dated: 29 August 2017
Miranda NSW

Young Life Australia Incorporated
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Income Statement
For the Year ended 30 June 2017

	Note	2017 \$	2016 \$
Income	4		
Donation Income		943,885	762,197
Donations for Chaplaincy Services		133,148	104,659
Grants for Chaplaincy Services		123,507	131,216
Other Grants		60,800	31,297
Camping Income		183,282	181,600
Local Activities		103,699	126,081
Staff & Committee Training		21,925	48,051
Fundraising		83,206	83,484
Miscellaneous Income		18,078	19,722
Total Income		<u>1,671,530</u>	<u>1,488,307</u>
Expense			
Employment		1,013,328	774,358
Camping		166,001	164,466
Local Activities		94,654	109,481
Staff & Committee Training		62,550	90,721
Administration		161,160	184,172
Promotion & Advertising		14,364	30,468
Fundraising		20,689	39,370
Depreciation		82,731	51,576
Total Expenses		<u>1,615,477</u>	<u>1,444,613</u>
Operating Surplus		<u><u>\$56,053</u></u>	<u><u>\$43,694</u></u>

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

Young Life Australia Incorporated
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 Balance Sheet as at 30 June 2017

	Notes	2017 \$	2016 \$
Current Assets			
Cash		64,992	40,746
Investment accounts		877,068	863,490
Accounts receivable		1,889	7,956
Prepayments		9,150	3,346
Undeposited funds		17,785	12,700
Total Current Assets		970,885	928,238
Non-Current Assets			
Plant and Equipment	9	16,785	19,916
Motor Vehicles	9	8,850	11,394
Ski Boats	9	30,196	42,196
Donor Management Items	9	-	6,222
Buildings, Property and Improvements	9	844,566	736,549
Furniture and Fittings	9	4,674	7,011
Total Non-Current Assets		905,072	823,288
Total Assets		1,875,956	1,751,526
Current Liabilities			
Accounts Payable and Accrued Expenses		57,247	29,724
Specified Grants and Donations	7	560,099	513,760
Payroll Liabilities		6,551	11,344
Staff Entitlements	10	138,384	134,235
Financing & Loans	12	35,000	35,000
Tax Payable/(Recoverable)		(7,591)	(7,749)
Total Current Liabilities		789,690	716,313
Non-Current Liabilities			
Financing & Loans	12	660,000	665,000
Total Non-Current Liabilities		660,000	665,000
Total Liabilities		1,449,690	1,381,313
NET ASSETS		\$ 426,266	\$ 370,213
Accumulated Funds and Reserves			
Accumulated Funds at the beginning of the year		370,213	328,826
Prior Year Adjustment/Rounding			(2,307)
Operating Surplus		56,053	43,694
ACCUMULATED FUNDS at the end of the year		\$ 426,266	\$ 370,213

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

Young Life Australia Incorporated
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 Statement of Cash Flows
 For the Year ended 30 June 2017

	Note	2017 \$	2016 \$
Cashflows used in operating activities			
Donations and income from activities		1,600,727	1,387,822
Fundraising income		83,206	83,484
Other Income		40,003	67,773
Payments to suppliers and employees		<u>(1,511,670)</u>	<u>(1,362,036)</u>
Net cash (used in)/provided by operating activities		<u>212,265</u>	<u>177,043</u>
Cash Flows from Investing Activities			
(Decrease)/Increase in loans		(5,000)	700,000
(Increase)/Decrease in undeposited funds		(5,085)	(8,667)
(Increase)/Decrease in tax recoverable		158	2,402
Prior year adjustments		-	(2,307)
Purchase of Assets		<u>(164,514)</u>	<u>(770,791)</u>
Net cash used in investing activities		<u>(174,441)</u>	<u>(79,363)</u>
Net (decrease)/increase in cash held		37,825	97,680
Cash at the beginning of the financial year		<u>904,236</u>	<u>806,556</u>
Cash at the end of the financial year	14	<u><u>942,060</u></u>	<u><u>904,236</u></u>
Reconciliation of Net cash used in operating activities to operating (deficit)/surplus			
Operating (deficit)/surplus		56,053	43,694
Depreciation		82,731	51,576
(Increase)/Decrease in receivables		6,067	(6,316)
Decrease/(Increase) in Prepayments		(5,804)	(3,346)
Increase/(Decrease) in specified grants and donations		46,339	57,088
Increase/(decrease) in payroll liabilities		(4,793)	2,488
Increase/(Decrease) in staff entitlement provisions		4,149	15,029
Increase/(Decrease) in payables		<u>27,523</u>	<u>16,831</u>
Net cash (used in)/provided by operating activities		<u><u>212,265</u></u>	<u><u>177,043</u></u>

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

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

The Financial Statements are general purpose statements that have been prepared in accordance with Australian Accounting Standards - Reduced Disclosure Requirements of the Australian Accounting Standards Board (AASB), to satisfy the requirements of the Australian Charities and Not For Profits Commission Act 2012 and the Associations Incorporation Act (NSW) 2009. Australian Accounting Standards set out accounting policies that the AASB has concluded would result in financial statements containing relevant and reliable information about transactions events and conditions. Significant accounting policies adopted in the preparation of these financial statements are presented below and have been consistently applied unless otherwise stated.

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

Australian Accounting Standards set out accounting policies that the AASB has concluded would result in a financial report containing relevant and reliable information about transactions, events and conditions. Compliance with Australian Accounting Standards ensures that the financial statements and notes also comply with International Reporting Standards. Material accounting policies adopted in the preparation of this financial report are presented below and have been consistently applied unless otherwise stated.

The financial report has been prepared on an accruals basis and is based on historical costs, modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and financial liabilities.

The following specific accounting policies have been adopted in the preparation of these statements:

Structure

The Organisation is an Incorporated Association, incorporated in New South Wales.

Property, Plant and Equipment

Property, plant and equipment are brought to account at cost valuation, less, where applicable, any accumulated depreciation or amortisation.

The carrying amount of property, plant and equipment is reviewed annually by Directors to ensure it is not in excess of the recoverable amount from these assets. The recoverable amount is assessed on the basis of the expected net cash flows which will be received from the assets' employment and subsequent disposal.

The expected net cash flows have not been discounted to their present values in determining recoverable amounts.

Depreciation

Depreciable infrastructure, plant and equipment assets are written off to their estimated residual values over their estimated useful lives to Young Life using, in all cases, the diminishing value method of depreciation.

Depreciation rates applying to each class of depreciable asset are based on the following useful lives:

Buildings and building modifications	2.5% (40 years)
Plant and machinery	20% (5 years)
Furniture and equipment	33% (3 years)
Computer equipment and software	33% (3 years)

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Staff Entitlements

Provision is made for the Organisation's liability for employee entitlements arising from services rendered by employees to balance date. Employee entitlements expected to be settled within one year together with entitlements arising from wages and salaries and annual leave which will be settled after one year have been measured at their nominal amount.

Contributions are made by the Organisation to employee superannuation funds and are charged as expenses when incurred.

Cash Flows

For the purpose of the statement of cash flows, cash includes cash on hand, cash at bank, and financial instruments immediately convertible into cash.

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 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 expenses. Receivables and payables in the balance sheet are shown inclusive of GST.

Financial Instruments

Financial assets and financial liabilities are recognised when the Organisation becomes a party to the contractual provisions to the instrument. They are initially measured at fair value plus transaction costs except when expensed immediately. Subsequent measurement is at fair value, amortised using the effective interest rate method or cost. Where available quoted market prices are used to determine fair value.

Critical Accounting Estimates and Judgements

The Directors evaluate estimates and judgements incorporated into the financial statements based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and within.

The Organisation assesses impairment at the end of each reporting period by evaluating the conditions and events specific to the Organisation that may be indicative of impairment triggers. Recoverable amounts of relevant assets are reassessed using value-in-use calculations which incorporate various key assumptions.

NOTE 2: ENDORSEMENT AS A DEDUCTIBLE GIFT RECIPIENT & INCOME TAX EXEMPT CHARITY

The Organisation has been endorsed as a Deductible Gift Recipient and a Public Benevolent Institution which is income tax exempt and is registered with ACNC as a charity. Accordingly no income tax is applicable.

NOTE 3: OPERATIONS OF ORGANISATION

The financial statements reflect amounts received and paid through the Organisation's accounts.

NOTE 4: INCOME

Income received prior to holding an event is recognised as a pre-payment. It is brought to account as income at the time the event occurs. Donations and non-reciprocal transfers are recorded upon receipt.

NOTE 5: SALE OF ASSETS

\$0 (Previous year: 0)

NOTE 6: DEPRECIATION EXPENSE AND PROFIT OR LOSS ON ASSET DISPOSAL

Assets are depreciated using the diminishing value method based on their estimated useful life.

NOTE 7: SPECIFIED GRANTS AND DONATIONS

These are grants and donations received for new areas and/or activities where the area and/or activity has not yet commenced. Grants, including grants for chaplaincy services, are held on the balance sheet until the service is delivered.

NOTE 8: KEY MANAGEMENT PERSONNEL COMPENSATION

	2017 \$	2016 \$
Key management personnel compensation	309,621	245,200

The totals represent the remuneration paid to five key management personnel during the year. Any person(s) having authority and responsibility for planning, directing and controlling the activities of the organisation is considered key management personnel. In accordance with the Constitution, no Director received any financial benefit during the year.

NOTE 9: FIXED ASSETS

	2017 \$	2016 \$
Plant and Equipment		
Plant and Equipment at cost	62,108	50,167
Accumulated Depreciation	<u>(45,323)</u>	<u>(30,251)</u>
Total Plant & Equipment	<u>16,785</u>	<u>19,916</u>
Opening Balance	19,916	19,061
Additions	11,941	7,381
Depreciation Expense	<u>(15,072)</u>	<u>(6,526)</u>
Closing Balance	<u>16,785</u>	<u>19,916</u>
Motor Vehicles		
Motor Vehicles at cost	49,381	35,653
Accumulated Depreciation	<u>(40,531)</u>	<u>(24,259)</u>
Total Motor Vehicles	<u>8,850</u>	<u>11,394</u>
Opening Balance	11,394	14,018
Additions	13,728	-
Depreciation Expense	<u>(16,272)</u>	<u>(2,624)</u>
Closing Balance	<u>8,850</u>	<u>11,394</u>
Ski Boats		
Ski Boats at cost	68,136	68,136
Accumulated Depreciation	<u>(37,940)</u>	<u>(25,940)</u>
Total Ski Boats	<u>30,196</u>	<u>42,196</u>
Opening Balance	42,196	54,196
Additions	0	0
Depreciation Expense	<u>(12,000)</u>	<u>(12,000)</u>
Closing Balance	<u>30,196</u>	<u>42,196</u>
Buildings, Property and Improvements		
Buildings and Property at cost	893,315	754,470
Accumulated Depreciation	<u>(48,749)</u>	<u>(17,921)</u>
Total Buildings, Property and Improvements	<u>844,566</u>	<u>736,549</u>
Opening Balance	736,549	1,576
Additions	138,845	752,894
Depreciation Expense	<u>(30,828)</u>	<u>(17,921)</u>
Closing Balance	<u>844,566</u>	<u>736,549</u>
Furniture and Fittings		
Furniture and Fittings at cost	10,516	10,516
Accumulated Depreciation	<u>(5,842)</u>	<u>(3,505)</u>
Total Furniture and Fittings	<u>4,674</u>	<u>7,011</u>
Opening Balance	7,011	0
Additions	0	10,516
Depreciation Expense	<u>(2,337)</u>	<u>(3,505)</u>
Closing Balance	<u>4,674</u>	<u>7,011</u>
INTANGIBLE ASSETS:		
Donor Management Items		
Donor Management Items at cost	20,022	99,334
Accumulated Depreciation	<u>(20,022)</u>	<u>(93,111)</u>
Total Donor Management Items	<u>-</u>	<u>6,222</u>
Opening Balance	6,222	15,222
Additions	0	-
Depreciation Expense	<u>(6,222)</u>	<u>(9,000)</u>
Closing Balance	<u>0</u>	<u>6,222</u>

NOTE 10: STATEMENT SHOWING HOW FUNDS RECEIVED WERE APPLIED TO CHARITABLE PURPOSES

Fundraising was by direct contact, events, appeals, Newsletters and through Churches.
 Four appeals were conducted through the year.
 Fundraising ratios are as follows:

	2017		2016	
	\$	%	\$	%
Total Cost of Fundraising	35,053		69,838	
Gross Income from Fundraising	1,027,091	3%	845,681	8%
Net Surplus from Fundraising	992,038		775,844	
Gross Income from Fundraising	1,027,091	97%	845,681	92%
Total Cost of Services Provided	1,580,424		1,374,776	
Total Expenditure	1,615,477	98%	1,444,613	95%
Total Cost of Services Provided	1,580,424		1,374,776	
Total Income Received	1,671,530	95%	1,488,307	92%

NOTE 11: EMPLOYEE LEAVE ENTITLEMENTS

This includes provisions for long service leave \$75,437 (2016: \$56,470) and annual leave \$51,632 (2016: \$49,860). The provision for long service leave is calculated for employees who have completed more than five years service. Entitlements do not vest until completion of ten years of service. No provision has been made for employees with less than five years of service.

Analysis of provisions	2017	2016
	\$	\$
Opening Balance	106,330	101,973
Additional provisions	67,657	44,761
Amounts used	-46,918	-40,404
Closing Balance	127,069	106,330
Long Service Leave Accrual	2017	2016
	\$	\$
Long Service Leave Accrued		
Vested amounts	58,767	34,549
Amounts not yet vested	16,670	21,921
Closing Balance	75,437	56,470

NOTE 12: PROPERTY

In November 2015 the Organisation purchased a property situated at 35 Kirkwood Street, Armidale, NSW to be used as a Community Centre and Training College with residential accommodation facilities. The purchase price of \$715,000 was funded from donations and concessional loans.

NOTE 13: LOANS AND FINANCING

The Organisation has entered into 2 loans totalling \$730,000 to assist with the the acquisition and upgrade of the Armidale, NSW property. The loans have been provided on concessional terms and repayment arrangements.

NOTE 14: FINANCIAL INSTRUMENTS AND RISK

Cash and investment funds are held in Australian banks which are 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 investment 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:

	2017	2016
	\$	\$
Cash and investment funds		
Bearing interest	878,228	864,715
Not bearing interest	63,832	34,551
Totals	942,060	899,266
	2017	2016
	\$	\$
For a change of 2% in interest rates		
Miscellaneous (interest) income would change by:	17,565	17,294