



ABN 96 592 278 795

**Special Purpose Financial Report**

**For the Year ended 30 June 2016**

**Audited**

## **Report of the Board**

Notwithstanding that the ACNC 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 2016.

## **Board Members**

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

Chairman	Mark Stretton (appointed 23/02/2002, Chairman from 18/02/2012)
Deputy Chairman	Kerrie Sheaves (appointed 31/05/2008)
Board Member & Secretary	Mitchell Broom (appointed 12/05/2012)
Board Member	Fudge Jordan (appointed 27/05/2006)
Board Member	Ken Ewald (appointed 14/09/2008)
Board Member	Ben Staunton (appointed 12/09/2009, resigned 05/09/2015)
Board Member	Daryl Redford (appointed 15/09/2012)
Board Member	Stephen Beaumont (appointed 02/10/2014)
Board Member	Rajnathan Mudaliar (appointed 14/11/2015)

## **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; 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 other areas growing. Work continued on developing a hub-based model of growth in pursuit of our targets. We purchased a property in Armidale, NSW to be used as a residential Training College and Community Centre. 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.

Contact with young people: Young Life goes to where young people are and meets them in their environment on "their turf" (in their schools, 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.

**Young Life Australia Incorporated**  
**ABN 96 592 278 795**

**Report of the Board (continued)**

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 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 friend.

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 2016 was a surplus of \$43,694  
(surplus of \$27,397 last year).

Signed in accordance with a resolution of the Board.

  
\_\_\_\_\_  
Mitchell Broom - Director

  
\_\_\_\_\_  
Kerrie Sheaves - Director

Date: 8th day of August 2016



CHARTERED ACCOUNTANTS  
AUSTRALIA + NEW ZEALAND

## SHEDDEN & GREEN PARTNERS

ABN 43 723 342 276

### INDEPENDENT AUDIT REPORT

To: The Members of Young Life Australia Inc.

#### Scope

##### The financial report and committee's responsibility

The special purpose financial report comprises the balance sheet, income statement, accompanying notes to the financial statements, and the statement by members of the committee for Young Life Australia Inc. for the year ended 30 June 2016.

The committee of the entity is responsible for the preparation and true and fair presentation of the financial report in accordance with Australian Accounting Standards and the Australian Charities and Not For Profits Commission Act 2012 and are appropriate to meet the needs of the members. This includes responsibility for the maintenance of adequate accounting records and internal controls that are designed to prevent and detect fraud and error, and for the accounting policies and accounting estimates inherent in the financial report.

#### Audit Approach

Our responsibility is to express an opinion on the financial report based on our audit. Our audit was conducted in accordance with Australian Auditing Standards, in order to provide reasonable assurance as to whether the financial report is free of material misstatement. The nature of an audit is influenced by factors such as the use of professional judgment, selective testing, the inherent limitations of internal control, and the availability of persuasive rather than conclusive evidence. Therefore, an audit cannot guarantee that all material misstatements have been detected.

We performed procedures to assess whether in all material respects the financial report presents fairly, in accordance with the accounting policies described in Note 1, so as to present a view which is consistent with our understanding of the Entity's financial position, and of its performance as represented by the results of its operations. These policies do not require the application of all Accounting Standards and other mandatory professional reporting requirements in Australia. No opinion is expressed as to whether the accounting policies used and described in Note 1, are appropriate for the needs of the members.

We formed our audit opinion on the basis of these procedures, which included:

- examining, on a test basis, information to provide evidence supporting the amounts and disclosures in the financial report, and

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- assessing the appropriateness of the accounting policies and disclosures used and the reasonableness of significant accounting estimates made by the committee.

While we considered the effectiveness of management's internal controls over financial reporting when determining the nature and extent of our procedures, our audit was not designed to provide assurance on internal controls.

### **Independence**

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

### **Audit Opinion**

In our opinion, the financial report of Young life Australia Inc. has been prepared in accordance with Division 60 of the ACNC Act 2012 including:

- (a) giving a true and fair view of the Entity's financial position as at 30 June 2016 and of its financial performance and Cashflows for the year ended on that date; and
- (b) complying with Australian Accounting Standards and Division 60 of the Australian Charities and Not for Profits Commission Regulation 2013.



Shedden & Green Partners  
Lawrence R Green FCA – Partner

Dated: 8 August 2016  
Miranda NSW


**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 and the Associations Incorporation Act 2009 (NSW); and
  - b. give a true and fair view of the financial position as at 30th June 2016 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).

  
\_\_\_\_\_  
Mitchell Broom - Director

  
\_\_\_\_\_  
Kerrie Sheaves - Director

Date: 8th day of August 2016

**Young Life Australia Incorporated**  
**ABN 96 592 278 795**  
**Income Statement**  
**For the Year ended 30 June 2016**

	Note	2016 \$	2015 \$
<b>Income</b>	<b>4</b>		
Donation Income		762,197	662,186
Donations for Chaplaincy Services		104,659	49,016
Grants for Chaplaincy Services		131,216	186,174
Other Grants		31,297	24,097
Camping Income		181,600	137,541
Local Activities		126,081	83,766
Staff & Committee Training		48,051	48,079
Fundraising		83,484	111,865
Miscellaneous Income		19,722	14,969
Total Income		<u>1,488,307</u>	<u>1,317,693</u>
<b>Expense</b>			
Employment		774,358	719,922
Camping		164,466	115,533
Local Activities		109,481	130,452
Staff & Committee Training		90,721	76,781
Administration		184,172	161,816
Promotion & Advertising		30,468	12,428
Fundraising		39,370	50,430
Depreciation		51,576	22,935
Total Expenses		<u>1,444,613</u>	<u>1,290,296</u>
<b>Operating Surplus</b>		<u>\$43,694</u>	<u>\$27,397</u>

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

Young Life Australia Incorporated  
 ABN 96 592 278 795  
 Balance Sheet as at 30 June 2016

	Notes	2016 \$	2015 \$
<b>Current Assets</b>			
Cash		40,746	33,264
Investment accounts		863,490	773,292
Accounts receivable		7,956	1,640
Undeposited funds		12,700	4,033
<b>Total Current Assets</b>		<b>924,892</b>	<b>812,229</b>
<b>Non-Current Assets</b>			
Plant and Equipment	9	15,287	16,342
Motor Vehicles	9	11,394	14,018
Office Equipment	9	4,628	2,719
Ski Boats	9	42,196	54,196
Donor Management Items	9	6,222	15,222
Buildings and Property	9	712,534	1,576
Furniture and Fittings	9	7,011	-
Property Improvements	9	24,015	-
<b>Total Non-Current Assets</b>		<b>823,288</b>	<b>104,073</b>
<b>Total Assets</b>		<b>1,748,180</b>	<b>916,302</b>
<b>Current Liabilities</b>			
Accounts Payable and Accrued Expenses		26,377	12,893
Specified Grants and Donations	7	513,760	456,673
Payroll Liabilities		11,344	8,856
Staff Entitlements	10	134,235	119,206
Financing & Loans	12	35,000	0
Tax Payable/(Recoverable)		(7,749)	(10,151)
<b>Total Current Liabilities</b>		<b>712,967</b>	<b>587,477</b>
<b>Non-Current Liabilities</b>			
Financing & Loans	12	665,000	0
<b>Total Non-Current Liabilities</b>		<b>665,000</b>	<b>0</b>
<b>Total Liabilities</b>		<b>1,377,967</b>	<b>587,477</b>
<b>NET ASSETS</b>		<b>\$ 370,213</b>	<b>\$ 328,826</b>
<b>Accumulated Funds and Reserves</b>			
Accumulated Funds at the beginning of the year		328,826	301,097
Prior Year Adjustment/Rounding		(2,307)	332
Operating Surplus		43,694	27,397
<b>ACCUMULATED FUNDS at the end of the year</b>		<b>\$ 370,213</b>	<b>\$ 328,826</b>

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



Young Life Australia Incorporated  
 ABN 96 592 278 795  
 Statement of Cash Flows  
 For the Year ended 30 June 2016

	Note	2016 \$	2015 \$
<b>Cashflows used in operating activities</b>			
Donations and income from activities		1,387,822	1,262,540
Fundraising income		83,484	111,865
Other Income		67,773	63,047
Payments to suppliers and employees		<u>(1,362,036)</u>	<u>(1,276,754)</u>
<b>Net cash (used in)/provided by operating activities</b>		<u>177,043</u>	<u>160,698</u>
<b>Cash Flows from Investing Activities</b>			
(Decrease)/Increase in loans		700,000	-
(Increase)/Decrease in undeposited funds		(8,667)	(1,507)
(Increase)/Decrease in tax recoverable		2,402	(9,100)
Prior year adjustments		(2,307)	332
Purchase of Assets		<u>(770,791)</u>	<u>(40,169)</u>
<b>Net cash used in investing activities</b>		<u>(79,364)</u>	<u>(50,444)</u>
<b>Net (decrease)/increase in cash held</b>		<b>97,680</b>	<b>110,254</b>
<b>Cash at the beginning of the financial year</b>		<u>806,556</u>	<u>696,302</u>
<b>Cash at the end of the financial year</b>	<b>13</b>	<u><u>904,236</u></u>	<u><u>806,556</u></u>

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

Operating (deficit)/surplus		43,694	27,397
Depreciation		51,576	22,935
(Increase)/Decrease in receivables		(6,316)	6,539
Increase/(Decrease) in specified grants and donations		57,088	113,220
Increase/(decrease) in payroll liabilities		2,488	8,856
Increase/(Decrease) in staff entitlement provisions		15,029	1,196
Increase/(Decrease) in payables		<u>13,484</u>	<u>(19,445)</u>
<b>Net cash (used in)/provided by operating activities</b>		<u><u>177,043</u></u>	<u><u>160,698</u></u>

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

**NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES**

This is a special purpose financial report that has been prepared for the sole purpose of satisfying the requirements of the Australian Charities and Not-for-profits Commission Act 2012 (Cth) to prepare and distribute financial statements to members and must not be used for any other purpose. The Board of Directors has determined that the accounting policies adopted are appropriate to meet the needs of the members.

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.

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

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:

**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	20% (5 years)
Computer equipment and software	33% (3 years)

**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.

**NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**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.

**Structure**

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

**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: 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:

	2016		2015	
	\$	%	\$	%
Total Cost of Fundraising	69,838		62,858	
Gross Income from Fundraising	845,681	8%	774,052	8%
Net Surplus from Fundraising	775,844		711,194	
Gross Income from Fundraising	845,681	92%	774,052	92%
Total Cost of Services Provided	1,374,776		1,227,438	
Total Expenditure	1,444,613	95%	1,290,296	95%
Total Cost of Services Provided	1,374,776		1,227,438	
Total Income Received	1,488,307	92%	1,317,693	93%

**NOTE 9: FIXED ASSETS**

	2016	2015
	\$	\$
<b>Plant and Equipment</b>		
Plant and Equipment at cost	40,286	35,887
Accumulated Depreciation	(24,999)	(19,545)
Total Plant & Equipment	15,287	16,342
<b>Motor Vehicles</b>		
Motor Vehicles at cost	35,653	35,653
Accumulated Depreciation	(24,259)	(21,635)
Total Motor Vehicles	11,394	14,018
<b>Office Equipment</b>		
Office Equipment at cost	9,881	6,899
Accumulated Depreciation	(5,253)	(4,180)
Total Office Equipment	4,628	2,719
<b>Ski Boats</b>		
Ski Boats at cost	68,136	68,136
Accumulated Depreciation	(25,940)	(13,940)
Total Ski Boats	42,196	54,196
<b>Donor Management Items</b>		
Donor Management Items at cost	99,334	99,334
Accumulated Depreciation	(93,111)	(84,111)
Total Donor Management Items	6,222	15,222
<b>Buildings and Property</b>		
Buildings and Property at cost	724,451	1,576
Accumulated Depreciation	(11,917)	-
Total Buildings and Property	712,534	1,576
<b>Furniture and Fittings</b>		
Furniture and Fittings at cost	10,516	-
Accumulated Depreciation	(3,505)	-
Total Furniture and Fittings	7,011	-
<b>Property Improvements</b>		
Property Improvements at cost	30,019	-
Accumulated Depreciation	(6,004)	-
Total Property Improvements	24,015	-

**Young Life Australia Incorporated**  
**ABN 96 592 278 795**  
**Notes to and Forming Part of the Financial Statements**  
**For the Year ended 30 June 2016**

**NOTE 10: EMPLOYEE LEAVE ENTITLEMENTS**

This includes provisions for long service leave \$56,470 (2015: \$47,950) and annual leave \$49,860 (2015: \$54,023). The provision for long service leave is calculated for employees who have completed more than five years service. No provision has been made for employees with less than five years service.

**NOTE 11: PROPERTY ACQUISITION**

On 5 November 2015 the Organisation completed the purchase of 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 12: LOANS AND FINANCING**

On 5 November 2015, the Organisation entered into a loan of \$700,000 to assist with the the acquisition of a property in Armidale, NSW. The loan has been provided on concessional terms and is repayable over a term of 20 years.

**NOTE 13: 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:

	2016	2015
	\$	\$
For a change of 2% in interest rates		
Miscellaneous (interest) income would change by:	18,085	16,131