YoungLife Australia

ABN 96 592 278 795

Financial Report

For the Year ended 30 June 2019

REGISTERED CHARITY
acnc.gov.au/charityregister

Young Life Australia Incorporated

ABN 96 592 278 795

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 "Association") are pleased to present their report on the financial results for the year ended 30 June 2019.

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	4
Kerrie Sheaves	Director	31/05/2008	12/12/2018	2	0
Fudge Jordan	Director	27/05/2006		4	3
Mitchell Broom	Deputy Chairman	12/05/2012		4	3
Daryl Redford	Director	15/09/2012		4	2
Raj Mudaliar	Director & Secretary	14/11/2015		4	3
Peter Amos	Director	22/09/2018		3	3
Karen Stephen	Director	28/11/2018		2	2

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

Finance & Remuneration Committee

Peter Amos	Chair
Mitchell Broom	Member
Glyn Henman	Member
Llew Morris	Member/Secretary

Risk Committee

Mitchell Broom	Chair
Peter Amos	Member
Daryl Redford	Member
Llew Morris	Member/Secretary

Kirkwood Street Management Committee

Mark Stretton	Chair
Area Manager	Member
Stephen Goldsmith	Member
Bronwyn Mitchell	Member
Matthew Tierney	Member
Glyn Henman	Member
Llew Morris	Member/Secretary

Fundraising & Communication Group

Raj Mudaliar	Chair
Karen Stephen	Member
Glyn Henman	Member
Llew Morris	Member/Secretary

Ministry Activities, Growth & Business Plan Group

Fudge Jordan	Chair
Glyn Henman	Member
Llew Morris	Member/Secretary

Young Life Australia Incorporated
ABN 96 592 278 795

Report of the Board (continued)

Principal Activities

Four key objectives of Young Life Australia Incorporated are:
- to build confidence, values and resilience in Australia's young people through significant relationships with adults who model the love of Jesus Christ;
- 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:

<u>Growth initiative:</u> There have been some sound developments throughout the year.
We saw a new area start in Guyra (NSW) and there was exciting progress in Parramatta, Sydney's Eastern Suburbs, Warren (NSW) and Ipswich (QLD) which started up a year ago.
Dubbo, Ryde, Melbourne, Hobart, Canberra, Barossa and Redlands all continued to develop.
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 and joined the new student wellbeing support program in NSW. We provide chaplaincy and student wellbeing support services in 12 schools - two in Victoria, one in ACT, eight in NSW and one in Queensland. Funding is partly via the Federal Government's National School Chaplaincy Programme with additional support from private donations and some schools providing additional funding themselves.

<u>Contact with young people:</u> 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."*

<u>Events:</u> 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.

<u>Camping:</u> 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.

<u>Schools</u>: 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.

<u>Small Groups:</u> 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.

<u>Ski Mission:</u> 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.

Young Life Australia Incorporated
ABN 96 592 278 795

Report of the Board (continued)

Operating Result and Organisation Review
The operating result for the year ended 30 June 2019 was a surplus of $10,149
(surplus of $22,398 last year).

To meet changing operational needs, the Board has decided to implement an organisation restructure which will result in the creation of several new positions and the elimination of several existing positions. The financial impact of these changes will be by way of some net additional employment costs in future years and some redundancy costs.

Signed in accordance with a resolution of the Board.

Mitchell Broom - Director

Peter Amos - Director

Date: 29th day of August 2019

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 2019, 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 2019 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

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.

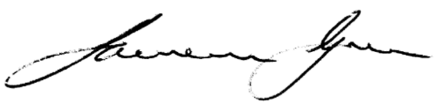
Auditor's Responsibilities for the Audit of the Financial Report

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 2019
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 - 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 2019 and performance for the year ended on that date of the Association;
   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

Peter Amos - Director

Date: 29th day of August 2019

Young Life Australia Incorporated

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Income Statement

For the Year ended 30 June 2019

	Note	2019 $	2018 $
Income	**4**		
Donation Income		**1,107,567**	1,074,141
Donations for Chaplaincy Services		**135,610**	130,152
Grants for Chaplaincy Services		**150,047**	134,345
Other Grants		**41,866**	25,477
Camping Income		**169,768**	168,048
Local Activities		**79,231**	93,558
Staff & Committee Training		**21,837**	25,776
Fundraising		**90,548**	81,378
Miscellaneous Income		**20,259**	16,576
Sale of Assets	**5**	**12,090**	300
Total Income		**1,828,823**	1,749,751
Expense			
Employment		**1,217,302**	1,145,543
Camping		**168,399**	141,166
Local Activities		**99,815**	112,782
Staff & Committee Training		**74,622**	71,804
Administration		**130,815**	149,267
Promotion & Advertising		**21,887**	8,993
Fundraising		**34,286**	21,315
Depreciation		**71,548**	76,482
Total Expenses		**1,818,674**	1,727,353
Operating Surplus		**$10,149**	$22,398

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 2019

	Notes	2019 $	2018 $
Current Assets			
Cash		**111,401**	27,480
Investment accounts		**679,373**	885,662
Accounts receivable		**30,910**	9,745
Prepayments		**9,872**	2,500
Undeposited funds		**14,370**	25,228
Total Current Assets		**845,926**	950,615
Non-Current Assets			
Plant and Equipment	**9**	**11,872**	15,425
Motor Vehicles	**9**	**57,732**	51,578
Ski Boats	**9**	**72,205**	97,424
Buildings, Property and Improvements	**9**	**756,026**	797,041
Furniture and Fittings	**9**	**2,807**	4,335
Total Non-Current Assets		**900,641**	965,803
Total Assets		**1,746,568**	1,916,418
Current Liabilities			
Accounts Payable and Accrued Expenses		**5,014**	30,436
Specified Grants and Donations	**7**	**489,525**	608,171
Payroll Liabilities		**6,683**	7,430
Staff Entitlements	**11**	**164,210**	174,334
Financing & Loans	**13**	**35,000**	35,000
Tax Payable/(Recoverable)		**(2,676)**	(12,617)
Total Current Liabilities		**697,754**	842,754
Non-Current Liabilities			
Financing & Loans	**13**	**590,000**	625,000
Total Non-Current Liabilities		**590,000**	625,000
Total Liabilities		**1,287,754**	1,467,754
NET ASSETS		**$ 458,813**	$ 448,664
Accumulated Funds and Reserves			
Accumulated Funds at the beginning of the year		**448,664**	426,266
Operating Surplus		**10,149**	22,398
ACCUMULATED FUNDS at the end of the year		**$ 458,813**	$ 448,664

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 2019

	Note	2019 $	2018 $
Cashflows used in operating activities			
Donations and income from activities		**1,544,278**	1,665,938
Fundraising income		**90,548**	81,378
Other Income		**42,096**	42,652
Payments to suppliers and employees		**(1,790,793)**	(1,634,203)
Net cash (used in)/provided by operating activities		**(113,871)**	155,765
Cash Flows from Investing Activities			
(Decrease)/Increase in loans		**(35,000)**	(35,000)
(Increase)/Decrease in undeposited funds		**10,858**	(7,443)
(Increase)/Decrease in tax recoverable		**9,941**	(5,026)
Prior year adjustments		**-**	-
Proceeds from sale of assets		**29,000**	-
Purchase of Assets		**(23,296)**	(137,213)
Net cash used in investing activities		**(8,497)**	(184,683)
Net (decrease)/increase in cash held		**(122,368)**	(28,918)
Cash at the beginning of the financial year		**913,142**	942,060
Cash at the end of the financial year	**14**	**790,774**	913,142

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

	2019	2018
Operating (deficit)/surplus	**10,149**	22,398
(Surplus)/Deficit on disposal of assets	**(12,090)**	
Depreciation	**71,548**	76,482
(Increase)/Decrease in receivables	**(21,165)**	(7,856)
Increase/(Decrease) in Provision for doubtful debts	**-**	-
Decrease/(Increase) in Prepayments	**(7,372)**	6,650
Increase/(Decrease) in specified grants and donations	**(118,646)**	48,072
Increase/(decrease) in payroll liabilities	**(748)**	879
Increase/(Decrease) in staff entitlement provisions	**(10,125)**	35,950
Increase/(Decrease) in payables	**(25,422)**	(26,811)
Net cash (used in)/provided by operating activities	**(113,871)**	155,765

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)

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.

NOTE 1.1: NEW STANDARDS ADOPTED AS AT 1 JULY 2018
AASB 9 Financial Instruments

AASB 9 Financial Instruments replaces AASB 139 Financial Instruments: Recognition and Measurement. The new standard makes potentially major changes to the previous guidance on the classification and measurement of financial assets and introduces an ‘expected credit loss’ model for impairment of financial assets.

There has been no significant impact arising from the adoption of the new standard.

NOTE 1.2 FINANCIAL INSTRUMENTS
Recognition, initial measurement and derecognition

Financial assets and financial liabilities are recognised when the Entity becomes a party to the contractual provisions of the financial instrument, and are measured initially at fair value adjusted by transactions costs, except for those carried at fair value through profit or loss, which are measured initially at fair value. Subsequent measurement of financial assets and financial liabilities are described below.

Financial assets are derecognised when the contractual rights to the cash flows from the financial asset expire, or when the financial asset and all substantial risks and rewards are transferred. A financial liability is derecognised when it is extinguished, discharged, cancelled or expires.

Classification and subsequent measurement of financial assets

Except for those trade receivables that do not contain a significant financing component and are measured at the transaction price, all financial assets are initially measured at fair value adjusted for transaction costs (where applicable).

For the purpose of subsequent measurement, financial assets other than those designated and effective as hedging instruments are classified into the following categories upon initial recognition:
- amortised cost
- fair value through profit or loss (FVPL)
- equity instruments at fair value through other comprehensive income (FVOCI)

All income and expenses relating to financial assets that are recognised in profit or loss are presented within finance costs, finance income or other financial items, except for impairment of trade receivables which is presented within other expenses.

Classifications are determined by both:
- The entities business model for managing the financial asset
- The contractual cash flow characteristics of the financial assets

All income and expenses relating to financial assets that are recognised in profit or loss are presented within finance costs, finance income or other financial items, except for impairment of trade receivables, which is presented within other expenses.

Subsequent measurement financial assets
Financial assets at amortised cost

Financial assets are measured at amortised cost if the assets meet the following conditions (and are not designated as FVPL):

- they are held within a business model whose objective is to hold the financial assets and collect its contractual cash flows;

- the contractual terms of the financial assets give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding.

After initial recognition, these are measured at amortised cost using the effective interest method. Discounting is omitted where the effect of discounting is immaterial. The Entity’s cash and cash equivalents, trade and most other receivables fall into this category of financial instruments as well as long-term deposit that were previously classified as held-to-maturity under AASB 139.

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)

NOTE 1.2 FINANCIAL INSTRUMENTS (continued)

Financial assets at fair value through profit or loss (FVPL)

Financial assets that are held within a different business model other than 'hold to collect' or 'hold to collect and sell' are categorised at fair value through profit and loss. Further, irrespective of business model financial assets whose contractual cash flows are not solely payments of principal and interest are accounted for at FVPL. All derivative financial instruments fall into this category, except for those designated and effective as hedging instruments, for which the hedge accounting requirements apply.

Equity instruments at fair value through other comprehensive income (Equity FVOCI)

Investments in equity instruments that are not held for trading are eligible for an irrevocable election at inception to be measured at FVOCI. Under Equity FVOCI, subsequent movements in fair value are recognised in other comprehensive income and are never reclassified to profit or loss. Dividend from these investments continue to be recorded as other income within the profit or loss unless the dividend clearly represents return of capital.

Impairment of Financial assets

AASB 9's impairment requirements use more forward looking information to recognize expected credit losses -the 'expected credit losses (ECL) model'. Instruments within the scope of the new requirements included loans and other debt-type financial assets measured at amortised cost and FVOCI, trade receivables and loan commitments and some financial guarantee contracts (for the issuer) that are not measured at fair value through profit or loss.

The Entity considers a broader range of information when assessing credit risk and measuring expected credit losses, including past events, current conditions, reasonable and supportable forecasts that affect the expected collectability of the future cash flows of the instrument.

Measurement of the expected credit losses is determined by a probability-weighted estimate of credit losses over the expected life of the financial instrument.

Trade and other receivables

The Entity makes use of a simplified approach in accounting for trade and other receivables and records the loss allowance at the amount equal to the expected lifetime credit losses. In using this practical expedient, the Entity uses its historical experience, external indicators and forward-looking information to calculate the expected credit losses using a provision matrix.

Classification and measurement of financial liabilities

As the accounting for financial liabilities remains largely unchanged from AASB 139, the Entity's financial liabilities were not impacted by the adoption of AASB 9. However, for completeness, the accounting policy is disclosed below.

The Entity's financial liabilities include borrowings and trade and other payables.
Financial liabilities are initially measured at fair value, and, where applicable, adjusted for transaction costs unless the Entity designated a financial liability at fair value through profit or loss.

Subsequently, financial liabilities are measured at amortised cost using the effective interest method except for derivatives and financial liabilities designated at FVPL, which are carried subsequently at fair value with gains or losses recognised in profit or loss (other than derivative financial instruments that are designated and effective as hedging instruments).

All interest-related charges and, if applicable, changes in an instrument's fair value that are reported in profit or loss are included within finance costs or finance income.

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

$12,090 *(Previous year: $300)*

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

	2019 **$**	**2018** **$**
Key management personnel compensation	**348,419**	358,519

The totals represent the remuneration paid to 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

	2019 $	2018 $
Plant and Equipment		
Plant and Equipment at cost	**69,152**	65,856
Accumulated Depreciation	**(57,280)**	(50,431)
Total Plant & Equipment	**11,872**	15,425
Opening Balance	**15,425**	16,785
Additions	**3,296**	3,748
Depreciation Expense	**(6,849)**	(5,108)
Closing Balance	**11,872**	15,425
Motor Vehicles		
Motor Vehicles at cost	**109,514**	98,878
Accumulated Depreciation	**(51,782)**	(47,300)
Total Motor Vehicles	**57,732**	51,578
Opening Balance	**51,578**	8,850
Additions/(Disposals)	**10,636**	49,497
Depreciation Expense	**(4,482)**	(6,770)
Closing Balance	**57,732**	51,578
Ski Boats		
Ski Boats at cost	**94,677**	150,814
Accumulated Depreciation	**(22,473)**	(53,390)
Total Ski Boats	**72,205**	97,424
Opening Balance	**97,424**	30,196
Additions/(Disposals)	**(56,136)**	82,677
Depreciation Expense	**30,917**	(15,450)
Closing Balance	**72,205**	97,424
Buildings, Property and Improvements		
Buildings and Property at cost	**893,315**	893,315
Accumulated Depreciation	**(137,289)**	(96,274)
Total Buildings, Property and Improvements	**756,026**	797,041
Opening Balance	**797,041**	844,566
Additions	**0**	0
Depreciation Expense	**(41,015)**	(47,525)
Closing Balance	**756,026**	797,041
Furniture and Fittings		
Furniture and Fittings at cost	**11,807**	11,807
Accumulated Depreciation	**(9,000)**	(7,472)
Total Furniture and Fittings	**2,807**	4,335
Opening Balance	**4,335**	4,674
Additions	**0**	1,291
Depreciation Expense	**(1,528)**	(1,630)
Closing Balance	**2,807**	4,335
INTANGIBLE ASSETS:		
Donor Management Items		
Donor Management Items at cost	**20,022**	20,022
Accumulated Depreciation	**(20,022)**	(20,022)
Total Donor Management Items	**-**	-

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:

	2019 $	%	2018 $	%
Total Cost of Fundraising	56,174		30,309	
Gross Income from Fundraising	1,198,116	5%	1,155,519	3%
Net Surplus from Fundraising	1,141,942		1,125,210	
Gross Income from Fundraising	1,198,116	95%	1,155,519	97%
Total Cost of Services Provided	1,762,500		1,697,044	
Total Expenditure	1,818,674	97%	1,727,353	98%
Total Cost of Services Provided	1,762,500		1,697,044	
Total Income Received	1,828,823	96%	1,749,751	97%

NOTE 11: EMPLOYEE LEAVE ENTITLEMENTS

This includes provisions for long service leave $79,599 (2018: $91,087) and annual leave $60,841 (2018: $59,826). 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	2019 $	2018 $
Opening Balance	**150,913**	127,069
Additional provisions	**69,566**	69,568
Amounts used	**(80,039)**	(45,724)
Closing Balance	**140,440**	150,913

Long Service Leave Accrual	2019 $	2018 $
Long Service Leave Accrued		
Vested amounts	**69,879**	77,395
Amounts not yet vested	**9,720**	13,691
Closing Balance	**79,599**	91,087

NOTE 12: PROPERTY

In November 2015 the Association 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 Association 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:

	2019 $	2018 $
Cash and investment funds		
Bearing interest	**679,373**	885,662
Not bearing interest	**111,401**	27,480
Totals	**790,774**	913,142

	2019 $	2018 $
For a change of 2% in interest rates		
Miscellaneous (interest) income would change by:	**13,587**	17,713