

The Girls & Boys Brigade

***(A Company Limited by
Guarantee)***

ABN 40 409 258 077

Annual Report for the
Financial Year Ended

31 December 2018

THE GIRLS & BOYS BRIGADE

ABN 40 409 258 077

**GENERAL PURPOSE FINANCIAL REPORT
FOR THE FINANCIAL YEAR ENDED
31 DECEMBER 2018**

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THE GIRLS & BOYS BRIGADE DIRECTORS' REPORT

The Directors of The Girls & Boys Brigade (the Brigade) submit herewith the annual financial report of the company for the financial year ended 31 December 2018. In order to comply with the provisions of the Australian Charities and Not-for-profits Commission Act 2012, the Directors report as follows:

DIRECTORS

The names and particulars of the members of the Board of the company during or since the end of the financial year are:

John Brehmer Fairfax, AO

President of the Brigade. Appointed to the Board in 1979 and elected President in June 1993. Director of Marinya Capital Pty Limited.

Cam Neville Gower Smith

Chairman of the Brigade, appointed to the Board in 1995. Stockbroker with RBS Morgans Limited.

Graham Douglas Bates

Appointed to the Board in 1987. Retired solicitor and former partner and consultant to the legal firm King & Wood Mallesons.

Ruth Armytage, AM

Appointed to the Board in 1990. Director of the Vincent Fairfax Family Foundation.

John Henry Herron

Appointed to the Board in January 2004. Appointed Company Secretary in 2009. Solicitor.

Paul Masi

Appointed to the Board in February 2010. Chairman of Shaw and Partners Ltd, President and Chairman of the Cerebral Palsy Alliance, Chairman of Greenwich Capital Partners Pty Ltd and Non-Executive Director of Argus Property Partners Pty Ltd

Fiona Louise Ratcliffe

Appointed to the Board May 2011. Director at JBWere Wealth Management and on the Finance Committee of Royal Sydney Golf Club and Development Committee for Bell Shakespeare.

Michael James Forsdick

Appointed to the Board September 2013. Treasurer of the Brigade from January 2014. Chartered Accountant.

Antony Paul Strutt

Appointed to the Board May 2015.

Kylie Jane Macdonald

Appointed to the Board June 2014. Investment & Philanthropy Adviser, Morgans Financial Ltd. Director, Morgans Philanthropy Ltd - Morgans Client Giving Foundation. Director, Inner City Legal Centre Foundation. Director - Light Earth Foundation, Director – KYDS-Ku-ring-gai Youth Development Service.

MEETING OF DIRECTORS

The following sets out the number of Directors' meetings held during the financial year and the number of meetings attended by each Director.

	Board Meetings Held	Attended
John Brehmer Fairfax, AO	7	1
Cam Neville Gower Smith	7	5
Graham Douglas Bates	7	7
Ruth Armytage, AM	7	7
John Henry Herron	7	5
Paul Masi	7	5
Fiona Louise Ratcliffe	7	6
Michael James Forsdick	7	4
Antony Paul Strutt	7	6
Kylie Jane Macdonald	7	6

THE GIRLS & BOYS BRIGADE DIRECTORS' REPORT (Continued)

PRINCIPAL ACTIVITIES

The company's principal activities in the course of the financial year were the provision of recreational, educational and development activities for children and youth between the ages of 5 to 18 years old. We continue to work in close co-operation with the City of Sydney Council in providing our premises for use by the Surry Hills Children's Program. We are registered under the Charitable Fundraising Act 1991.

REVIEW OF OPERATIONS

The deficit from ordinary activities after income tax for the year ended 31 December 2018 amounted to \$277,148 (2017: \$1,022,467 deficit)

In 2018 total aggregate attendances for the Children's Vacation Care, Homework Program, Outdoor Recreation Program, Youth Program and Family Services were 6,563 covering 222 operative days.

CHANGES IN STATE OF AFFAIRS

During the financial year there was no significant change in the state of affairs of the company other than that referred to in the financial statements or notes thereto.

SUBSEQUENT EVENTS

There has not been any matter or circumstance that has arisen since the end of the financial year that has significantly affected, or may significantly affect, the operations of the company, the results of those operations, or the state of affairs of the company in future financial years.

FUTURE DEVELOPMENTS

There are no likely developments in the operations of the company, which would affect the expected results in subsequent financial years, to which Directors wish to bring attention.

ENVIRONMENT REGULATIONS

The company's operations are not subject to any significant environmental regulations under either Commonwealth or State legislation.

DIVIDENDS

The company has no share capital, as it is a company limited by guarantee. This means it is precluded from paying a dividend to its members, and therefore, no dividends have been declared, recommended or paid since the close of the last financial year.

THE GIRLS & BOYS BRIGADE DIRECTORS' REPORT (Continued)

INDEMNIFICATION OF OFFICERS AND AUDITORS

During the financial year the company paid a premium in respect of a contract insuring the Directors of the company (as named above), the Company Secretary and all Executive Officers of the company against a liability incurred as such a Director, Secretary or Executive Officer to the extent permitted by the Australian Charities and Not-for-profits Commission Act 2012. The contract of insurance prohibits disclosure of the nature of the liability and amount of the premium.

The company has not otherwise, during or since the financial year, indemnified or agreed to indemnify an officer or auditor of the company against a liability incurred as such an officer or auditor.

DIRECTORS' BENEFITS

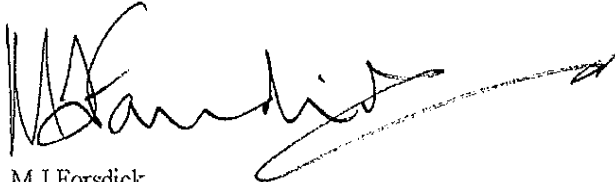
Since the end of the previous financial year, no Director has received or become entitled to receive a benefit by reason of any contract made by the company with any Director or with a firm of which the Director is a member or with an entity in which the Director has a substantial financial interest.

AUDITOR'S INDEPENDENCE DECLARATION

The auditor's independence declaration is included on page 5.

Signed in accordance with a resolution of the directors.

On behalf of the Directors

A handwritten signature in black ink, appearing to read 'M J Forsdick', with a long horizontal flourish extending to the right.

M J Forsdick
Director

Sydney

Date: 11 June 2019

The Board of Directors
The Girls and Boys Brigade
404 Riley Street,
Surry Hills NSW 2010

11 June 2019

Dear Board Members

The Girls and Boys Brigade

In accordance with Subdivision 60-C of the *Australian Charities and Not-for-profits Commission Act 2012*, I am pleased to provide the following declaration of independence to the directors of The Girls and Boys Brigade.

As lead audit partner for the audit of the financial statements of The Girls and Boys Brigade for the financial period ended 31 December 2018, I declare that to the best of my knowledge and belief, there have been no contraventions of:

- (i) the auditor independence requirements of the *Australian Charities and Not-for-profits Commission Act 2012* in relation to the audit; and
- (ii) any applicable code of professional conduct in relation to the audit.

Yours sincerely



DELOITTE TOUCHE TOHMATSU



Margaret Dreyer
Partner
Chartered Accountants

Independent Auditor's Report to the Members of The Girls & Boys Brigade

Opinion

We have audited the financial report of The Girls and Boys Brigade (the "Entity"), which comprises the statement of financial position as at 31 December 2018, the statement of comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information, and the directors' declaration as set out on pages 9 to 26. In addition, we have audited the Entity's compliance with specific requirements of the *Charitable Fundraising Act 1991* for the year ended 31 December 2018.

In our opinion,

a) the accompanying financial report of the Entity is in accordance with Division 60 of the *Australian Charities and Not-for-profits Commission Act 2012* (the "ACNC Act"), including:

- (i) giving a true and fair view of the Entity's financial position as at 31 December 2018 and of its financial performance for the year ended on that date; and
- (ii) complying with Australian Accounting Standards to the extent described in Note 1, and Division 60 of the ACNC Act;

b) the financial report agrees to the underlying financial records of the Entity, that have been maintained, in all material respects, in accordance with the *Charitable Fundraising Act 1991* and its regulations for the year ended 31 December 2018; and

c) monies received by the Entity as a result of fundraising appeals conducted during the year ended 31 December 2018, have been utilised for, and applied, in all material respects, in accordance with the *Charitable Fundraising Act 1991* and its regulations.

Basis for Opinion

We conducted our 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 and Compliance with Specific Requirements of the Charitable Fundraising Act 1991* section of our report. We are independent of the Entity in accordance with the auditor independence requirements of the 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 and compliance with specific requirements of the *Charitable Fundraising Act 1991* 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.

Other Information

Management are responsible for the other information. The other information comprises the information included in the Entity's annual report for the year ended 31 December 2018, but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Emphasis of Matter – Basis of Accounting and Restriction on Distribution and Use

We draw attention to Note 1 to the financial report, which describes the basis of accounting. The financial report has been prepared to assist the Entity to meet the financial reporting requirements under the ACNC Act and *Charitable Fundraising Act 1991*. As a result, the financial report may not be suitable for another purpose. Our report is intended solely for the Members and should not be distributed or used by parties other than the Members. Our opinion is not modified in respect of this matter.

Responsibilities of Management and the Directors of the Financial Report

The directors of the Entity are responsible for compliance with the *Charitable Fundraising Act 1991* and the preparation of the financial report that gives a true and fair view, and have determined that the basis of preparation described in Note 1 to the financial report is appropriate to meet the requirements of the ACNC Act and the *Charitable Fundraising Act 1991* and the needs of the Entity. The directors' responsibility also includes such internal control as the directors determine is 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, and to enable compliance with the *Charitable Fundraising Act 1991*.

In preparing the financial report, the directors are responsible for assessing the ability of the Entity to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Entity or to cease operations, or has no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Report

Our 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 the Entity complied, in all material respects, with specific requirements of the *Charitable Fundraising Act 1991*, 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 this financial report.

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of non-compliance with the specific requirements of the *Charitable Fundraising Act 1991* and 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 Entity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of the directors' 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 Entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the 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.

Inherent Limitations

Because of the inherent limitations of any compliance procedure, it is possible that fraud, error or non-compliance with the *Charitable Fundraising Act 1991* may occur and not be detected. An audit is not designed to detect all weaknesses in the Entity's compliance with the *Charitable Fundraising Act 1991* as an audit is not performed continuously throughout the period and the tests are performed on a sample basis. Any projection of the evaluation of the compliance procedures to future periods is subject to the risk that the procedures, may become inadequate because of changes in conditions, or that the degree of compliance with them may deteriorate.

We communicate with management 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 our audit.

A handwritten signature in black ink that reads "Deloitte Touche Tohmatsu". The signature is written in a cursive, flowing style.

DELOITTE TOUCHE TOHMATSU

A handwritten signature in black ink, appearing to read 'Dreyer', with a large, stylized initial 'D'.

Margaret Dreyer
Partner
Chartered Accountants
Sydney, 11 June 2019

THE GIRLS & BOYS BRIGADE

DIRECTORS' DECLARATION

The Directors declare that:

- (a) 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; and,
- (b) in the Directors' opinion, the attached financial statements and notes thereto are in accordance with the Australian Charities and Not-for-profits Commission Act 2012, including compliance with accounting standards and giving a true and fair value of the financial position and performance of the company.

INFORMATION AND DECLARATION TO BE FURNISHED UNDER THE CHARITABLE FUNDRAISING ACT 1991

Declaration

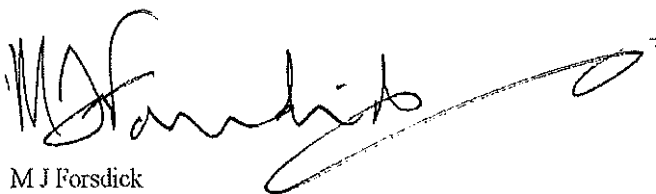
In respect of fundraising appeals in accordance with the Charitable Fundraising Act 1991.

The Directors declare that:

- a) the financial statements give a true and fair view of all income and expenditure of The Girls & Boys Brigade organisation with respect to fundraising appeals for the financial year ended 31 December 2018;
- b) the statement of financial position gives a true and fair view of the state of affairs with respect to fundraising appeals as at 31 December 2018;
- c) the provisions of the Act, the regulations under the Act and the conditions attached to the Authority have been complied with; and
- d) the internal controls exercised by The Girls & Boys Brigade are appropriate and effective in accounting for all income received and applied from any fundraising appeals.

Signed in accordance with a resolution of the directors.

On behalf of the Directors



M J Forsdick
Director

Sydney

Date: 11 June 2019

THE GIRLS & BOYS BRIGADE

STATEMENT OF COMPREHENSIVE INCOME FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2018

	Notes	2018 \$	2017 \$
Revenue	2	764,531	2,379,739
Supervision, instructional & recreational activities		(647,978)	(586,160)
Administration		(189,726)	(160,629)
Portfolio Management Fees		(10,027)	-
Building Maintenance		-	(132,959)
Donation to The Girls & Boys Brigade Foundation		-	(2,370,000)
5 Year Strategic Plan Consultancy		(33,070)	-
Fundraising expenses		(160,878)	(152,458)
(Deficit) before income tax expense		(277,148)	(1,022,467)
Income tax expense	1(d)	-	-
(Deficit) for the year		(277,148)	(1,022,467)
Other comprehensive income			
Increase of available-for-sale revaluation reserve		-	2,382
Total comprehensive (Deficit) for the year		(277,148)	(1,020,085)

Notes to the financial statements are included on pages 14 to 26

THE GIRLS & BOYS BRIGADE

STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2018

		2018 \$	2017 \$
CURRENT ASSETS	Notes		
Cash and cash equivalents	13(a)	172,312	173,537
Other	4	30,446	64,592
TOTAL CURRENT ASSETS		<u>202,758</u>	<u>238,129</u>
NON-CURRENT ASSETS			
Financial assets	3	773,686	967,051
Property, plant and equipment	8	182,993	209,673
TOTAL NON-CURRENT ASSETS		<u>956,679</u>	<u>1,176,724</u>
TOTAL ASSETS		<u>1,159,437</u>	<u>1,414,853</u>
CURRENT LIABILITIES			
Payables	5	56,590	12,358
Provisions	6	60,969	79,972
Other	7	107,182	79,194
TOTAL CURRENT LIABILITIES		<u>224,741</u>	<u>171,524</u>
NON-CURRENT LIABILITIES			
Provisions	6	35,056	66,540
TOTAL NON-CURRENT LIABILITIES		<u>35,056</u>	<u>66,540</u>
TOTAL LIABILITIES		<u>259,797</u>	<u>238,064</u>
NET ASSETS		<u>899,640</u>	<u>1,176,788</u>
RETAINED SURPLUS	9	899,640	951,605
AVAILABLE-FOR-SALE REVALUATION RESERVE	10	-	225,183
		<u>899,640</u>	<u>1,176,788</u>

Notes to the financial statements are included on pages 14 to 26

THE GIRLS & BOYS BRIGADE

STATEMENT OF CHANGES IN EQUITY FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2018

	Retained Surplus	Available for Sale Revaluation Reserve	Total
	\$	\$	\$
Balance at 1 January 2017	1,974,072	222,801	2,196,873
(Deficit) for the year	(1,022,467)	-	(1,022,467)
Movement in the fair value of investments through other comprehensive income	-	2,382	2,382
Total Comprehensive (Deficit) for the year	(1,022,467)	2,382	(1,020,085)
Balance at 31 December 2017	951,605	225,183	1,176,788
 Balance at 1 January 2018	 951,605	 225,183	 1,176,788
Implementation of AASB 9 adjustment	225,183	(225,183)	-
Adjusted Balance at 1 January 2018	1,176,788	-	1,176,788
(Deficit) for the year	(277,148)	-	(277,148)
Total Comprehensive (Deficit) for the year	(277,148)	-	(277,148)
Balance at 31 December 2018	899,640	-	899,640

Notes to the financial statements are included on pages 14 to 26

THE GIRLS & BOYS BRIGADE

STATEMENT OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2018

	Notes	2018 \$	2017 \$
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from donors/supporters		815,579	2,080,578
Payments to suppliers and employees		(1,010,620)	(982,991)
Donations to The Girls & Boys Brigade Foundation		-	(2,370,000)
Interest received		<u>735</u>	<u>7,686</u>
Net cash used in operating activities	13 (b)	<u>(194,306)</u>	<u>(1,264,727)</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchases of Shares – Peak Investments		(147,902)	(558,644)
Sale of Shares – Peak Investments		286,214	1,666,051
Income from investments		66,936	64,510
Purchase of property, plant & equipment		<u>(12,167)</u>	<u>(15,970)</u>
Net cash provided by investing activities		<u>193,081</u>	<u>1,155,947</u>
Net (decrease) in cash held		(1,225)	(108,781)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE FINANCIAL YEAR		<u>173,537</u>	<u>282,318</u>
CASH AND CASH EQUIVALENTS AT THE END OF THE FINANCIAL YEAR	13(a)	<u>172,312</u>	<u>173,537</u>

Notes to the financial statements are included on pages 14 to 26

THE GIRLS & BOYS BRIGADE
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2018

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

Statement of Compliance

The financial report is a general purpose financial report which has been prepared in accordance with the Australian Charities and Not-for-profits Commission Act 2012 and Accounting Standards and complies with the other requirements of law and the Charitable Fundraising Act 1991 (NSW).

Accounting Standards include Australian equivalents to International Financial Reporting Standards ("A-IFRS"). A statement of compliance with IFRS cannot be made due to the application of not for profit sector specific requirement contained in the A-IFRS.

Basis of Preparation

The financial report has been prepared on the basis of historical cost, except for the revaluation of certain financial instruments. Cost is based on the fair values of the consideration given in exchange for assets.

The following significant accounting policies have been adopted in the preparation and presentation of the financial report:

(a) Impact of the Adoption of AASB 9 Financial Instruments

The Brigade has adopted AASB 9 Financial Instruments from 1 January 2018 which resulted in the movements in fair value of certain equity investments previously designated as 'available-for-sale' being accounted for as fair value through profit or loss. The cumulative movements in fair value taken to equity up to 31 December 2017 for these investments have been transferred from other reserves to retained earnings, resulting in an increase in retained earnings of \$225,183 and a corresponding decrease in other reserves.

The requirement under AASB 9 to use an expected loss method of impairment of financial assets did not have a material effect on the Brigade due to the short-term nature of the Brigade's trade and other receivables, which are due from the asset portfolio.

Comparatives have not been restated in accordance with the transitional guidance in IFRS 9 and the cumulative impact of adopting the standard on reserves at 1 January 2018 is shown in the consolidated statement of changes in equity. Therefore in the comparative balances the fair value movement on Available for Sale Financial Instruments is sitting within the available for sale revaluation reserve with all realized gain being recycled through the statement of profit and loss.

(b) Impact of the adoption of AASB 15 Revenue from Contracts with Customers

The standard establishes principles for recognition and reporting of the nature, amount, timing and uncertainty of revenues. The new standard requires extensive disclosures including disaggregation of total revenue and key judgements and estimates.

The Brigade has conducted a review of its revenue contracts and has concluded that this revenue recognition standard does not have a material effect on the financial statements.

THE GIRLS & BOYS BRIGADE
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2018

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(c) Property, Plant and Equipment

Property, plant and equipment are stated at cost less accumulated depreciation and impairment. Depreciation is provided on property, plant and equipment. Depreciation is calculated on a straight line basis so as to write off the net cost of each asset over its expected useful life. The following estimated useful lives are used in the calculation of depreciation:

- | | |
|------------------------------------|------------|
| • Land and Buildings | 15 years |
| • Equipment | 5-10 years |
| • Computer Equipment | 2–2½ years |
| • Camping and Recreation Equipment | 5-10 years |

Note re depreciation of Microsoft computers and software:

Software 100% in first year

Hardware 5 years

(d) Taxation

The Girls & Boys Brigade has been granted exemption from income tax under Section 50-5 of the Income Tax Assessment Act 1997.

(e) Employee Benefits

A liability is recognised for benefits accruing to employees in respect of wages and salaries, annual leave and long service leave when it is probable that settlement will be required and they are capable of being measured reliably.

Liabilities recognised in respect of employee benefits which are expected to be settled within 12 months, are measured at their nominal values using the remuneration rate expected to apply at the time of settlement.

Liabilities recognised in respect of employee benefits which are not expected to be settled within 12 months are measured as the present value of the estimated future cash outflows to be made by the company in respect of services provided by employees up to the reporting date.

Defined Contributions Plans

Contributions to defined contribution superannuation plans are expensed when incurred.

THE GIRLS & BOYS BRIGADE
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2018

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(f) Accounts Payable

Trade payables and other accounts payable are recognised when the company becomes obliged to make future payments resulting from the purchase of goods and services.

(g) Revenue Recognition

Donations and contributions

Revenue in the form of bequests, donations, contributions and 'in kind' sponsorships is recognised in the year in which it is received. Donations in respect of specific projects or activities received in advance are recognised as income over the periods necessary to match them with the related costs, which they are intended to compensate on a systematic basis.

Interest revenue

Interest revenue is recognised as it accrues.

(h) Goods and Services Tax

Revenues, expenses and assets are recognised net of the amount of goods and services tax (GST), except:

- (i) where the amount of GST incurred is not recoverable from the taxation authority, it is recognised as part of the cost of acquisition of an asset or as part of an item of expense; or
- (ii) for receivables and payables which are recognised inclusive of GST.

The net amount of GST recoverable from, or payable to, the taxation authority is included as part of receivables or payables.

Cash flows are included in the statement of cash flows on a gross basis. The GST component of cash flows arising from investing and financing activities which is recoverable from, or payable to, the taxation authority is classified as operating cash flows.

(i) Financial Assets

Financial assets at FVTPL are stated at fair value, with any gains or losses arising on re-measurement recognised in profit or loss. The net gain or loss recognised in profit or loss incorporates any dividend or interest earned on the financial asset and is included in the 'net realised/unrealised gains and losses' line item. For listed equities fair value is determined at year end based on quoted market prices, level 1 input in the fair value hierarchy.

THE GIRLS & BOYS BRIGADE

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2018

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(j) Going concern

In accordance with their responsibilities, the directors have considered the appropriateness of the going concern basis, which has been used in the preparation of these financial statements. The directors have no reason to believe that a material uncertainty exists that may cast significant doubt about the ability of The Girls & Boys Brigade to continue as a going concern.

At the year end the Company has a \$21,983 net current liability, whereby current liabilities exceed current assets. However the Company has total net assets of \$899,640 when including non-current assets and liabilities.

On the basis of their assessment of the Company's financial position and of the enquiries made, the directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the financial statements.

(k) Standards and Interpretations in issue not yet adopted

At the date of authorisation of the financial statements, the Standards and Interpretations listed below were in issue but not yet effective:

(i) Standard/Interpretation	(ii) Effective for annual reporting periods beginning on or after	(iii) Expected to be initially applied in the financial year ending
AASB 2016-8 – <i>Amendments to Australian Accounting Standards - Australian Implementation Guidance for Non-For-Profit Entities</i>	1 January 2019	1 January 2019
AASB 1058 – <i>Income of Not for-Profit Entities</i>	1 January 2019	1 January 2019
AASB 16 - <i>Leases</i>	1 January 2019	1 January 2019

The Directors of the Brigade anticipate that the adoption of the Standards and Interpretations in future periods will have no material financial impact on the financial statements of the Brigade.

THE GIRLS & BOYS BRIGADE

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2018

2. SURPLUS/(DEFICIT) FROM ORDINARY ACTIVITIES

The operating surplus/deficit includes the following items of revenue and expense:

	2018 \$	2017 \$
OPERATING REVENUE		
Donations	532,661	501,529
Bequests	5,000	-
Bequest – GE Foster	10,000	-
Bequest – Eric Dare Foundation	-	1,396,400
Income from Investments	31,258	287,302
Net unrealised loss on Investments	(25,697)	-
Net realised loss on Investments	(29,356)	-
Interest and other income	735	7,686
Parents' Contributions	9,663	11,783
Rent Received	-	265
Charity Event – Haydn Ensemble	65,475	48,360
Charity Event – Golf Day	137,982	108,157
Charity event – WA Trek	26,810	-
Other Fundraising Activities	-	18,257
TOTAL REVENUE	764,531	2,379,739
EXPENSES		
Employee Benefit Expenses	638,633	577,771
3. FINANCIAL ASSETS		
Opening Investment Portfolio balance	967,051	
Purchases at cost	147,902	
Sales at cost	(286,214)	
Net unrealised loss on Investments	(25,697)	
Net realised loss on Investments	(29,356)	
Market Value of Investment Portfolio	773,686	967,051

THE GIRLS & BOYS BRIGADE

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2018

	2018 \$	2017 \$
4. OTHER CURRENT ASSETS		
Debtors	4,764	25,630
Accrued Income	11,768	26,580
Prepayments	13,914	12,382
	<u>30,446</u>	<u>64,592</u>
5. CURRENT PAYABLES		
Trade Payables	<u>56,590</u>	<u>12,358</u>
6. PROVISIONS		
Employee Benefits:		
Current Provision		
Annual Leave	56,097	66,514
Long Service Leave	<u>4,872</u>	<u>13,458</u>
	<u>60,969</u>	<u>79,972</u>
Non-Current Provision		
Long Service Leave	<u>35,056</u>	<u>66,540</u>
7. OTHER CURRENT LIABILITIES		
Income Received in Advance	<u>107,182</u>	<u>79,194</u>

THE GIRLS & BOYS BRIGADE

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2018

8. PROPERTY, PLANT & EQUIPMENT

Cost	Land and Buildings \$	Computers \$	Camping & Recreation Equipment \$	Equipment \$	Total \$
Balances as at 1st January 2017	388,886	90,515	14,470	61,481	555,351
Assets recategorised	38,029	-	-	(38,029)	(38,029)
Additions	14,272	834	864	-	15,970
Disposals	-	(4,925)	(3,744)	(9,893)	(18,562)
Balances as at 31st December 2017	441,186	86,424	11,590	13,559	552,759
Balances as at 1st January 2018	441,186	86,424	11,590	13,559	552,759
Additions	7,283	579	-	4,305	12,167
Disposals	-	-	-	(866)	(866)
Balances as at 31st December 2018	448,469	87,003	11,590	16,998	564,060
Accumulated Depreciation					
Balance as at 1st January 2017	(228,776)	(45,225)	(9,952)	(40,539)	(324,492)
Assets recategorised	(26,036)	-	-	26,036	-
Disposal of Assets	-	4,608	4,618	7,198	16,424
Depreciation Expense	(20,220)	(11,089)	(2,418)	(1,291)	(35,018)
Balances as at 31st December 2017	(275,032)	(51,706)	(7,752)	(8,596)	(343,086)
Balance as at 1st January 2018	(275,032)	(51,706)	(7,752)	(8,596)	(343,086)
Disposal of Assets	-	-	-	862	862
Depreciation Expense	(22,708)	(11,243)	(1,455)	(3,437)	(38,843)
Balances as at 31st December 2018	(297,740)	(62,949)	(9,207)	(11,171)	(381,067)
Net Book Value					
As at 31st December 2017	166,154	34,718	3,838	4,963	209,673
As at 31st December 2018	150,729	24,054	2,383	5,827	182,993

	2018 \$	2017 \$
9. RETAINED SURPLUS		
Balance at beginning of financial year	951,605	1,974,072
Implementation of AASB 9 adjustment	225,183	-
Net deficit for the year	(277,148)	(1,022,467)
Balance at end of financial year	<u>899,640</u>	<u>951,605</u>

THE GIRLS & BOYS BRIGADE

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2018

10. AVAILABLE-FOR-SALE REVALUATION RESERVE

	2018	2017
	\$	\$
Balance at beginning of Financial Year	225,183	222,801
Movement of fair value of investments	-	2,382
Implementation of AASB 9 adjustment	(225,183)	-
Balance at end of Financial Year	<u>-</u>	<u>225,183</u>

11. AUDITORS' REMUNERATION

The auditors did not receive fees for their service nor any other benefits.

12. SEGMENTAL INFORMATION

The Brigade operates wholly within Australia for the provision of recreational, educational and several activities to boys and girls in the 5 to 18 year range.

13. NOTES TO CASH FLOW STATEMENT

(a) Reconciliation of cash

For the purpose of the cash flow statement, cash and cash equivalents includes cash on hand and in banks and investments in money market instruments, net of outstanding bank overdrafts. Cash and cash equivalents at the end of the financial year as shown in the cash flow statement is reconciled to the related items in the balance sheet as follows:

	2018	2017
	\$	\$
Westpac – Cash at bank	113,261	112,571
Westpac – Maxi-I Direct Account	21,426	54,778
Macquarie Bank - Cash Management Account	37,625	6,188
	<u>172,312</u>	<u>173,537</u>

(b) Reconciliation of net cash provided by operating activities to operating (deficit)/surplus for the year

	2018	2017
	\$	\$
Operating (deficit)/surplus	(277,148)	(1,022,467)
Adjustment for:		
Depreciation	38,847	35,144
Income from investments	(31,258)	(287,696)
Net unrealised loss on investments	25,697	-
Net realised loss on investments	29,356	-
Changes in net assets and liabilities:		
(Decrease) /Increase in employee entitlements	(50,487)	18,849
Decrease /(Increase) in prepayments	(1,532)	(19,732)
Increase /(Decrease) in trade and other payables	44,231	(5,202)
Increase in income received in advance	27,988	13,377
Net cash used in operating activities	<u>(194,306)</u>	<u>(1,267,727)</u>

THE GIRLS & BOYS BRIGADE

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2018

14. MEMBERS GUARANTEE

The company is limited by guarantee. In the event of a winding up, the 10 members are limited in their liability to the amount of \$1 to meet outstanding obligations as per the company's Articles of Association.

15. ADDITIONAL COMPANY INFORMATION

The Girls and Boys Brigade is a public company limited by guarantee, incorporated and operating in Australia.

Registered Office and Principal Place of Business:
404 Riley Street
Surry Hills NSW 2010

16. RELATED PARTY DISCLOSURES

The Directors in office during the financial year were:

J B Fairfax, AO
C N G Smith
G D Bates
R Armytage, AM
J H Herron
P Masi
F Ratcliffe
M J Forsdick
A P Strutt
K J Macdonald

There were no related party transactions during the financial year other than the donations received from the Directors. No directors had financial dealings with the Company or received remuneration from the Company.

17. FINANCIAL INSTRUMENTS

(a) Significant Accounting Policies

Details of the significant accounting policies and methods adopted, including the criteria for recognition, the basis of measurement and the basis on which revenues and expenses are recognised, in respect of each class of financial asset, financial liability and equity instrument are disclosed in note 1 to the financial statements.

(b) Interest Rate Risk

Interest rate risk represents the amount that would be recognised if interest rates changed in respect of the company's interest bearing assets and/or liabilities. The change in interest rates could have either a positive or negative impact on the company. The Girls and Boys Brigade seeks to manage its cash position to meet its day-to-day operating needs and maximise net interest income.

THE GIRLS & BOYS BRIGADE

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2018

The following table details the company's exposure to interest rate risk as at the 31 December 2018 and 31 December 2017:

	Note	Weighted Average Interest Rate %	Amount of Asset Held or Liability Incurred at Floating Interest Rate \$	Fixed Interest Maturing in 1 year or Less \$	Non Interest Bearing \$	Total \$
31 December 2018						
Financial Assets						
Cash at bank	13	0.42	172,312	-	-	172,312
Investments (current)	3	-	-	-	-	-
Other	4	-	-	-	30,446	30,446
Investments (non current)	3	-	-	-	773,686	773,686
Financial Liabilities						
Current	5	-	-	-	56,590	56,590
31 December 2017						
Financial Assets						
Cash at bank	13	1.28	173,537	-	-	173,537
Investments (current)	3	-	-	-	-	-
Other	4	-	-	-	64,592	64,592
Investments (non current)	3	-	-	-	967,051	967,051
Financial Liabilities						
Current	5	-	-	-	12,358	12,358

(c) Fair Value of Financial Instruments

The fair value of financial assets and financial liabilities are determined as follows:

- the fair value of financial assets and financial liabilities with standard terms and conditions and traded on active liquid markets are determined with reference to quoted market prices; and
- the fair value of other financial assets and financial liabilities (excluding derivative instruments) are determined in accordance with generally accepted pricing models based on discounted cash flow analysis.

(d) Other Price Risk

The Girls and Boys Brigade is exposed to market risks arising from investments. Investments are held for long term gain rather than trading purposes.

THE GIRLS & BOYS BRIGADE

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2018

18. ADDITIONAL INFORMATION TO BE FURNISHED UNDER THE CHARITABLE FUNDRAISING ACT 1991

(a) Details of aggregate gross income and direct expenses of Fundraising Strategies

2018	Gross Proceeds	Cost	Net surplus
	\$	\$	\$
Direct mail donor appeals	219,018	-	219,018
Donations for Operational Expenditure	309,468	-	309,468
Donation in kind	4,175	-	4,175
Bequests	15,000	-	15,000
Charity Event – Haydn Ensemble	65,475	13,090	52,385
Charity Event – Golf Day	137,982	53,296	84,686
Other Charity events	26,810	1,849	24,961
General Fundraising Expenses	-	92,643	(92,643)
	<u>777,928</u>	<u>160,878</u>	<u>617,050</u>

2017	Gross Proceeds	Cost	Net surplus
	\$	\$	\$
Direct mail donor appeals	236,708	-	236,708
Donations for Operational Expenditure	253,071	-	253,071
Donation in kind	11,750	-	11,750
Bequests	26,400	-	26,400
Charity Event – Haydn Ensemble	48,360	11,541	36,819
Charity Event – Golf Day	108,157	48,190	59,967
Other Charity events	18,257	1,995	16,262
General Fundraising Expenses	-	90,732	(90,732)
	<u>702,703</u>	<u>152,458</u>	<u>550,245</u>

Note: The Bequest Capital from Eric Dare of \$1.37m in 2017 has not been included in these calculations, as the funds were donated to The Girls & Boys Brigade Foundation and not used for Charitable Purposes by The Girls & Boys Brigade.

(b) Statement Showing How Funds Were Applied for Charitable Purposes:

	2018	2017
	\$	\$
Net surplus from fundraising	617,050	550,245

This was applied to charitable purposes as funds were incorporated into operational income to meet operational expenditure.

THE GIRLS & BOYS BRIGADE

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2018

18. ADDITIONAL INFORMATION TO BE FURNISHED UNDER THE CHARITABLE FUNDRAISING ACT 1991 (continued)

(c) Comparisons of certain monetary figures and percentages

The total cost of fundraising expressed as a percentage of gross proceeds:

	2018	2017
Total Cost	160,878	152,458
Gross Proceeds	777,928	702,703
Percentage	20.68%	21.70%

The net surplus from fundraising appeals expressed as a percentage of gross proceeds from fundraising is:

	2018	2017
Net surplus from fundraising	617,050	550,245
Gross Proceeds	777,928	702,703
Percentage	79.32%	78.30%

The total cost of services provided by the holder of the authority to the total expenditure excluding fundraising expenses:

	2018	2017
Total Cost of Service	647,978	586,160
Net Expenditure	880,801	879,748
Percentage	73.57%	66.63%

The total cost of services provided by the holder of the authority to the net fundraising surplus:

	2018	2017
Total Cost of Service	647,978	586,160
Net surplus from fundraising	617,050	550,245
Percentage	105.01%	106.53%

19. SUBSEQUENT EVENTS

There has not been any matter or circumstance that has arisen since the end of the financial year that has significantly affected, or may significantly affect, the operations of the company, the results of those operations, or the state of affairs of the company in future financial years.

THE GIRLS & BOYS BRIGADE

SUPPLEMENTARY FINANCIAL INFORMATION FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2018 DETAILED INCOME STATEMENT

	2018 \$	2017 \$
Income		
Fundraising Income		
Donations	219,018	236,708
Funding from Charitable Trusts & Foundations, Corporations & Community	309,468	253,071
Donations in kind	4,175	11,750
Bequest - Eric Dare	-	1,396,400
Bequest – G E Foster	10,000	-
Bequests – other	5,000	-
Charity Event – Haydn Ensemble	65,475	48,360
Charity Event – Golf day	137,982	108,157
Other Fundraising Income	26,810	18,257
Total Income from Fundraising	<u>777,928</u>	<u>2,072,703</u>
Other Income		
Rent	-	265
Interest Received	735	7,686
Parents Contributions	9,663	11,783
Total Other Income	<u>10,398</u>	<u>19,734</u>
Investment Income		
Net Income from Investments	21,232	266,345
Imputation Credits	10,026	20,957
Net unrealised loss on Investments	(25,697)	-
Net realised loss on Investments	(29,356)	-
Total Investment Income	<u>(23,795)</u>	<u>287,302</u>
Total Income	<u>764,531</u>	<u>2,379,739</u>
Expenses		
Administration	189,726	160,629
Donation to The Girls & Boys Brigade Foundation	-	2,370,000
Portfolio Management Fees	10,027	-
Building Outside Maintenance Works	-	132,959
5 Year Strategic Planning Consultancy	33,070	-
Program & Service Expenses:		
Children's Program	378,774	332,568
Youth Program	193,751	187,760
Family Support	75,453	65,832
Total Program & Service Expenses	<u>647,978</u>	<u>586,160</u>
Fundraising Expenses:		
Charity Event – Haydn Ensemble	13,090	11,541
Charity Event – Golf Day	53,296	48,190
General Fundraising Expenses including wages	94,492	92,727
Total Fundraising Expenses	<u>160,878</u>	<u>152,458</u>
Total Expenses	<u>1,041,679</u>	<u>3,402,206</u>
Net operating (deficit)	<u>(277,148)</u>	<u>(1,022,467)</u>