

# **The Girls & Boys Brigade**

*(A Company Limited by Guarantee)*

**ABN 40 409 258 077**

Annual Report for the Financial Year Ended

31 December 2019

**THE GIRLS & BOYS BRIGADE**

**ABN 40 409 258 077**

**GENERAL PURPOSE FINANCIAL REPORT  
FOR THE FINANCIAL YEAR ENDED  
31 DECEMBER 2019**

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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 2019. 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. Non-Executive Director 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 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, Inner City Legal Centre Foundation. Director - Light Earth Foundation, Director – KYDS-Ku-Ring-Gai Youth Development Service.

#### **Andrew Vincent Fairfax**

Appointed to the Board in May 2020. Company Director. Director of Vincent Fairfax Family Foundation and Jibb Foundation.

## **THE GIRLS & BOYS BRIGADE DIRECTORS' REPORT (Continued)**

### **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.

	<b>Board Meetings Held</b>	<b>Attended</b>
John Brehmer Fairfax, AO	10	1
Cam Neville Gower Smith	10	9
Graham Douglas Bates	10	8
Ruth Armytage, AM	10	8
John Henry Herron	10	6
Paul Masi	10	8
Fiona Louise Ratcliffe	10	6
Michael James Forsdick	10	8
Antony Paul Strutt	10	9
Kylie Jane Macdonald	10	8

### **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 2019 amounted to \$21,273 (2018: \$277,148 deficit)

In 2019 total aggregate attendances for the Children's Vacation Care, Homework Program, Outdoor Recreation Program, Youth Program and Family Services were 6,360 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**

In March 2020, due to the Coronavirus (Covid-19) outbreak, the priority of the company was to implement all necessary measures and plans to limit the operational risks, ensure liquidity and reduce costs. The company is monitoring the events and will take the necessary measures on an ongoing basis. At the time of approval of these financial statements, the financial consequences of the direct and indirect effects of this outbreak on the current financial year, 2020, cannot yet be estimated. On the other hand, the disclosed figures in the 2019 financial statements have not been affected by the consequences of the pandemic as it is a non-adjustment post balance sheet event.

No other matters or circumstances have 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.

## **THE GIRLS & BOYS BRIGADE DIRECTORS' REPORT (Continued)**

### **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.

### **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



M J Forsdick  
Director

Sydney

Date:

16 June 2020

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

16 June 2020

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 2019, 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 2019, 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 25. In addition, we have audited the Entity's compliance with specific requirements of the *Charitable Fundraising Act 1991* for the year ended 31 December 2019.

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 2019 and of its financial performance for the year ended on that date; and
- (ii) complying with Australian Accounting Standards and Division 60 of the *Australian Charities and Not-for-profits Commission Regulation 2013*;

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 2019; and

c) monies received by the Entity as a result of fundraising appeals conducted during the year ended 31 December 2019, 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 2019, 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.

## *Responsibilities of the Directors for 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 in accordance with Australian Accounting Standards, and for 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 and Compliance with Specific Requirements of the Charitable Fundraising Act 1991*

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.



DELOITTE TOUCHE TOHMATSU



Margaret Dreyer  
Partner  
Chartered Accountants  
Sydney, 16 June 2020

## 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 2019;
- 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 2019;
- 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: 16 June 2020

# THE GIRLS & BOYS BRIGADE

## STATEMENT OF COMPREHENSIVE INCOME FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2019

	Notes	2019 \$	2018 \$
Revenue	2	1,232,253	764,531
Supervision, instructional & recreational activities		(703,386)	(647,978)
Administration		(200,636)	(189,726)
Portfolio Management Fees		(8,295)	(10,027)
5 Year Strategic Plan Consultancy		-	(33,070)
Fundraising expenses		(341,209)	(160,878)
<b>Deficit before income tax expense</b>		<b>(21,273)</b>	<b>(277,148)</b>
Income tax expense	1(c)	-	-
<b>Deficit for the year</b>		<b>(21,273)</b>	<b>(277,148)</b>
<b>Total comprehensive deficit for the year</b>		<b>(21,273)</b>	<b>(277,148)</b>

Notes to the financial statements are included on pages 14 to 25.

**THE GIRLS & BOYS BRIGADE**  
**STATEMENT OF FINANCIAL POSITION**  
**AS AT 31 DECEMBER 2019**

		<b>2019</b> <b>\$</b>	<b>2018</b> <b>\$</b>
<b>CURRENT ASSETS</b>	<b>Notes</b>		
Cash and cash equivalents	14 (a)	254,606	172,312
Other assets	4	<u>20,955</u>	<u>30,446</u>
<b>TOTAL CURRENT ASSETS</b>		<u>275,561</u>	<u>202,758</u>
<b>NON-CURRENT ASSETS</b>			
Financial assets	3	746,167	773,686
Property, plant and equipment	8	<u>188,247</u>	<u>182,993</u>
<b>TOTAL NON-CURRENT ASSETS</b>		<u>934,414</u>	<u>956,679</u>
<b>TOTAL ASSETS</b>		<u>1,209,975</u>	<u>1,159,437</u>
<b>CURRENT LIABILITIES</b>			
Payables	5	21,708	56,590
Provisions	6	69,580	60,969
Other liabilities	7	161,616	107,182
Lease liabilities	9	<u>9,969</u>	<u>-</u>
<b>TOTAL CURRENT LIABILITIES</b>		<u>262,873</u>	<u>224,741</u>
<b>NON-CURRENT LIABILITIES</b>			
Provisions	6	45,630	35,056
Lease Liabilities	9	<u>23,104</u>	<u>-</u>
<b>TOTAL NON-CURRENT LIABILITIES</b>		<u>68,734</u>	<u>35,056</u>
<b>TOTAL LIABILITIES</b>		<u>331,607</u>	<u>259,797</u>
<b>NET ASSETS</b>		<u>878,368</u>	<u>899,640</u>
<b>RETAINED SURPLUS</b>	10	878,368	899,640
		<u>878,368</u>	<u>899,640</u>

Notes to the financial statements are included on pages 14 to 25.

# THE GIRLS & BOYS BRIGADE

## STATEMENT OF CHANGES IN EQUITY FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2019

	Retained Surplus	Available for Sale Revaluation Reserve	Total
	\$	\$	\$
<b>Balance at 1 January 2018</b>	951,606	225,183	1,176,789
Implementation of AASB9 adjustment	225,183	(225,183)	-
<b>Adjusted balance at 1 January 2018</b>	1,176,789	-	1,176,789
Deficit for the year	(277,148)	-	(277,148)
<b>Total comprehensive deficit for the year</b>	(277,148)	-	(277,148)
<b>Balance at 31 December 2018</b>	899,641	-	899,641
 <b>Balance at 1 January 2019</b>	 899,641	 -	 899,641
Deficit for the year, representing total comprehensive deficit for the year	(21,273)	-	(21,273)
<b>Balance at 31 December 2019</b>	878,368	-	878,368

Notes to the financial statements are included on pages 14 to 25.

**THE GIRLS & BOYS BRIGADE**

**STATEMENT OF CASH FLOWS**

**FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2019**

	Notes	2019 \$	2018 \$
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Receipts from donors/supporters		1,167,465	815,579
Payments to suppliers and employees		(1,230,236)	(1,010,620)
Interest received		<u>849</u>	<u>735</u>
<b>Net cash used in operating activities</b>	14 (b)	<u>(61,922)</u>	<u>(194,306)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Purchases of Shares – Peak Investments		(21,026)	(147,902)
Sale of Shares – Peak Investments		129,352	286,214
Income from investments		40,930	66,936
Purchase of property, plant & equipment		<u>(5,040)</u>	<u>(12,167)</u>
<b>Net cash provided by investing activities</b>		<u>144,216</u>	<u>193,081</u>
<b>Net increase/(decrease) in cash and cash equivalents</b>		82,294	(1,225)
<b>CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE FINANCIAL YEAR</b>		<u>172,312</u>	<u>173,537</u>
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE FINANCIAL YEAR</b>	14 (a)	<u><u>254,606</u></u>	<u><u>172,312</u></u>

Notes to the financial statements are included on pages 14 to 25.

**THE GIRLS & BOYS BRIGADE**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2019**

**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. Historical cost is generally 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 16 Leases**

AASB 16 Leases which replaces AASB 117 Leases and related interpretation was adopted for the period starting 1 January 2019. The new standard no longer requires a distinction between finance and operating leases for lessees but requires lessees to recognize a lease liability for future lease payments and a corresponding right-of-use asset. In the income statement, the expenses comprise a depreciation charge reflecting the consumption of economic benefits and an interest expense reflecting the unwinding of the lease liability which is accounted for as a finance cost. In the cash flow statement, the portion of the lease payments reflecting the repayment of the lease liability is presented within the financing activities whereas the interest portion is presented in the cash flow from operating activities in accordance with the Company's accounting policy.

The Company applied the new standard in accordance with the modified retrospective approach without restatement of the comparative period in accordance with the transitional provisions of AASB 16. Leases that previously were accounted for as operating leases under AASB 117 were recognised at the present value of the remaining lease payments as of 1 January 2019 and discounted with the incremental borrowing rate as of that date. The right-of-use assets were in general measured at the amount of the lease liability, adjusted for any prepayments or accruals as well as provision for onerous contracts relating to the lease recognised in the statement of financial position immediately before the date of initial application. The Company does not capitalize right-of-use asset and record as lease liability the payment for short-term leases, that is, leases with a lease term assessed to be 12 months or less from the commencement date, and for leases of low value assets, that is, assets which fall below the capitalization threshold for property, plant and equipment as the impact is immaterial. These payments are included in operating surplus on a cost incurred basis and reported in the cash flow from operating activities.

**THE GIRLS & BOYS BRIGADE**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2019**

**1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**(b) 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

**(c) Taxation**

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

**(d) 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 2019

### 1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)

#### (e) Financial Liabilities

Trade payables are recognised when the company becomes obliged to make future payments resulting from the purchase of goods and services. Income received in advance is recognised when the full recognition criteria of the monies received from donors have not been met.

#### (f) 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.

#### (g) 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.

#### (h) 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 price, level 1 input in the fair value hierarchy.

**THE GIRLS & BOYS BRIGADE**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2019**

**1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**(i) 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.

On the basis of their assessment of the Company's financial position and of the enquires 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.

**(j) Leases**

The Company assesses at the contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

*The Company as a lessee*

The Company applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Brigade recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

*Right-of-use assets*

The Company recognises right-of-use assets at the commencement date of the lease. Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets.

*Lease liabilities*

At the commencement date of the lease, the Company recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees.

Variable lease payments that do not depend on an index or a rate are recognised as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

**THE GIRLS & BOYS BRIGADE**

**NOTES TO THE FINANCIAL STATEMENTS**

**FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2019**

**1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**(j) Leases (continued)**

*Lease liabilities (continued)*

In calculating the present value of lease payments, the Company uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

*Short-term leases and lease of low-value assets*

The Company applies the short-term lease recognition exemption to its short-term leases. It also applies the lease of low-value assets recognition exemption to leases of assets to be low value. Lease payments on short-term leases and leases of low-value assets are recognised as an expense on a straight-line basis over the lease term.

**(k) Critical accounting judgement and key sources of estimation uncertainty**

In the application of the Company's accounting policies, which are described in note 1, the directors are required to make judgments, estimates and assumptions about carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

**(l) 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:

<b>(i) Standard/Interpretation</b>	<b>(ii) Effective for annual reporting periods beginning on or after</b>	<b>(iii) Expected to be initially applied in the financial year ending</b>
<i>AASB 2018-7 – Definition of Material (AASB 101 and AASB 108)</i>	1 January 2020	1 January 2020

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 2019

### 2. DEFICIT FROM ORDINARY ACTIVITIES

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

	2019 \$	2018 \$
<b>OPERATING REVENUE</b>		
Donations	662,692	532,661
Bequests	-	5,000
Bequest – GE Foster	-	10,000
Income from Investments	37,086	31,258
Net unrealised gain/(loss) on Investments	59,499	(25,697)
Net realised gain/(loss) on Investments	21,308	(29,356)
GBB Foundation Distribution	270,738	-
Interest – Other Persons	829	735
Parents' Contributions	5,113	9,663
Rent Received	600	-
Charity Event – Haydn Ensemble	47,730	65,475
Charity Event – Golf Day	126,658	137,982
Charity event – WA Trek	-	26,810
<b>TOTAL OPERATING REVENUE</b>	<b>1,232,253</b>	<b>764,531</b>
<b>EXPENSES</b>		
Employee Benefit Expenses	869,834	638,633

### 3. FINANCIAL ASSETS

Opening Investment Portfolio at cost	773,686	967,051
Purchases at cost	21,026	147,902
Sales at cost	(129,352)	(286,214)
Net unrealised gain/(loss) on Investments	59,499	(25,697)
Net realised gain/(loss) on Investments	21,308	(29,356)
<b>Market Value of Investment Portfolio</b>	<b>746,167</b>	<b>773,686</b>

The fair values of financial assets are based on valuation provided by professional fund managers. The funds are in diversified portfolios of various asset classes managed by professional fund managers recommended by the Board.

### 4. OTHER CURRENT ASSETS

Debtors	360	4,764
Accrued Income	7,919	11,768
Prepayments	12,676	13,914
	<b>20,955</b>	<b>30,446</b>

### 5. CURRENT PAYABLES

Trade Payables	21,703	56,590
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# THE GIRLS & BOYS BRIGADE

## NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2019

### 6. PROVISIONS

	2019 \$	2018 \$
<b>Employee Benefits</b>		
<b>Current Provision</b>		
Annual Leave	63,577	56,097
Long Service Leave	6,003	4,872
	<u>69,580</u>	<u>60,969</u>
<b>Non-Current Provision</b>		
Long Service Leave	45,630	35,056
	<u>45,630</u>	<u>35,056</u>

### 7. OTHER CURRENT LIABILITIES

Income Received in Advance	<u>161,616</u>	<u>107,182</u>
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### 8. PROPERTY, PLANT & EQUIPMENT

Cost	Land and Buildings \$	Computers \$	Camping & Recreation Equipment \$	Equipment \$	Right- of-use asset \$	Total \$
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	<u>448,469</u>	<u>87,003</u>	<u>11,590</u>	<u>16,998</u>	<u>-</u>	<u>564,060</u>
Balances as at 1st January 2019	448,469	87,003	11,590	16,998	-	564,060
Additions	-	5,040	-	-	33,073	38,113
Balances as at 31st December 2019	<u>448,469</u>	<u>92,043</u>	<u>11,590</u>	<u>16,998</u>	<u>33,073</u>	<u>602,173</u>
<b>Accumulated Depreciation</b>						
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	<u>(297,740)</u>	<u>(62,949)</u>	<u>(9,207)</u>	<u>(11,171)</u>	<u>-</u>	<u>(381,067)</u>
Balance as at 1st January 2019	(297,740)	(62,949)	(9,207)	(11,171)	-	(381,067)
Depreciation Expense	(18,271)	(10,583)	(1,318)	(2,692)	-	(32,864)
Balances as at 31st December 2019	<u>(316,011)</u>	<u>(73,532)</u>	<u>(10,525)</u>	<u>(13,863)</u>	<u>-</u>	<u>(413,931)</u>
<b>Net Book Value</b>						
As at 31st December 2018	<u>150,729</u>	<u>24,054</u>	<u>2,383</u>	<u>5,827</u>	<u>-</u>	<u>182,993</u>
As at 31st December 2019	<u>132,458</u>	<u>18,511</u>	<u>1,065</u>	<u>3,135</u>	<u>33,073</u>	<u>188,242</u>

# THE GIRLS & BOYS BRIGADE

## NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2019

### 9. LEASE LIABILITIES

	2019 \$	2018 \$
Current	9,969	-
Non-current	23,104	-
	<u>33,073</u>	<u>-</u>

### 10. RETAINED SURPLUS

Balance at beginning of financial year	899,641	951,606
Net deficit	(21,273)	(277,148)
Transfer of available for sale reserve	-	225,183
Balance at end of financial year	<u>878,368</u>	<u>899,641</u>

### 11. AVAILABLE-FOR-SALE REVALUATION RESERVE

Balance at beginning of Financial Year	-	225,183
Movement of fair value of investments	-	-
Implementation of AASB 9 adjustment	-	(225,183)
Balance at end of Financial Year	<u>-</u>	<u>-</u>

### 12. AUDITORS' REMUNERATION

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

### 13. 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.

### 14. 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:

	2019 \$	2018 \$
Westpac – Cash at bank	168,810	113,261
Westpac – Maxi-I Direct Account	21,483	21,426
Macquarie Bank - Cash Management Account	64,313	37,625
	<u>254,606</u>	<u>172,312</u>

# THE GIRLS & BOYS BRIGADE

## NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2019

### 14. NOTES TO CASH FLOW STATEMENT (CONTINUED)

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

	2019 \$	2018 \$
Operating deficit	(21,273)	(277,148)
Adjustment for:		
Depreciation	32,864	38,847
Income from Investments	(37,086)	(31,258)
Net unrealised (gain)/loss on investments	(59,499)	25,697
Net realised (gain)/loss on investments	(21,308)	29,356
Changes in net assets and liabilities:		
Increase /(Decrease) in employee entitlements	19,186	(50,487)
Decrease /(Increase) in prepayments and debtors	5,642	(1,532)
(Decrease)/Increase in trade and other payables	(34,882)	44,231
Increase in income received in advance	54,434	27,988
Net cash used in operating activities	(61,922)	(194,306)

### 15. 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.

### 16. 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

### 17. 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  
A V Fairfax (Appointed May 2020)

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.

# THE GIRLS & BOYS BRIGADE

## NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2019

### 18. 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 following table details the company's exposure to interest rate risk as at the 31 December 2019 and 31 December 2018:

	Note	Weighted Average Interest Rate %	Amount of Asset Held or Liability Incurred at Floating Interest Rate \$	Non Interest Bearing \$	Total \$
<b>31 December 2019</b>					
<b>Financial Assets</b>					
Cash at bank	14	0.39	254,606	-	254,606
Investments (current)	3	-	-	-	-
Other	4	-	-	20,955	20,955
Investments (non current)	3	-	-	746,167	746,167
<b>Financial Liabilities</b>					
Current	5	-	-	21,708	21,708
<b>31 December 2018</b>					
<b>Financial Assets</b>					
Cash at bank	14	0.42	172,312	-	172,312
Investments (current)	3	-	-	-	-
Other	4	-	-	30,446	30,446
Investments (non current)	3	-	-	773,686	773,686
<b>Financial Liabilities</b>					
Current	5	-	-	56,590	56,590

#### (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 & 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 2019

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

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

<b>2019</b>	<b>Gross Proceeds \$</b>	<b>Cost \$</b>	<b>Net surplus (deficit) \$</b>
Direct mail donor appeals	257,516	-	257,516
Donations for Operational Expenditure	405,176	-	405,176
Donations from The Girls & Boys Brigade Foundation	270,738	-	270,738
Charity Event – Haydn Ensemble	47,730	12,285	35,445
Charity Event – Golf Day	126,658	47,232	79,426
General Fundraising Expenses	-	281,692	(281,692)
	<u>1,107,818</u>	<u>341,209</u>	<u>766,609</u>
<b>2018</b>	<b>Gross Proceeds \$</b>	<b>Cost \$</b>	<b>Net surplus (deficit) \$</b>
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>

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

	<b>2019 \$</b>	<b>2018 \$</b>
<b>Net surplus from fundraising</b>	766,609	617,050

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

# THE GIRLS & BOYS BRIGADE

## NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2019

### 19. 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:

	2019	2018
<b>Total Cost</b>	341,209	160,878
<b>Gross Proceeds</b>	1,107,818	777,928
<b>Percentage</b>	30.80%	20.68%

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

	2019	2018
<b>Net surplus from fundraising</b>	766,609	617,050
<b>Gross Proceeds</b>	1,107,818	777,928
<b>Percentage</b>	69.20%	79.32%

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

	2019	2018
<b>Total Cost of Service</b>	703,386	647,978
<b>Net Expenditure</b>	904,021	880,801
<b>Percentage</b>	77.81%	73.57%

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

	2019	2018
<b>Total Cost of Service</b>	703,386	647,978
<b>Net surplus from fundraising</b>	766,609	617,050
<b>Percentage</b>	91.75%	105.01%

### 20. SUBSEQUENT EVENTS

In March 2020, due to the Coronavirus (Covid-19) outbreak, the priority of the company was to implement all necessary measures and plans to limit the operational risks, ensure liquidity and reduce costs. The company is monitoring the events and will take the necessary measures on an ongoing basis. At the time of approval of these financial statements, the financial consequences of the direct and indirect effects of this outbreak on the current financial year, 2020, cannot yet be estimated. On the other hand, the disclosed figures in the 2019 financial statements have not been affected by the consequences of the pandemic.

No other matters or circumstances have 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 2019 DETAILED INCOME STATEMENT

	2019 \$	2018 \$
<b>Income</b>		
Fundraising Income		
Donations	257,516	219,018
Funding from Charitable Trusts & Foundations, Corporations & Community	405,176	309,468
GBB Foundation Donations	270,738	-
Donations in kind	-	4,175
Bequest – G E Foster	-	10,000
Bequests – other	-	5,000
Charity Event – Haydn Ensemble	47,730	65,475
Charity Event – Golf day	126,658	137,982
Other Fundraising Income	-	26,810
Total Income from Fundraising	<u>1,107,818</u>	<u>777,928</u>
Other Income		
Rent	600	-
Interest Received	829	735
Parents Contributions	5,113	9,663
Total Other Income	<u>6,542</u>	<u>10,398</u>
Investment Income		
Net Income from Investments	27,905	21,232
Imputation Credits	9,181	10,026
Net unrealised gain/(loss) on Investments	59,499	(25,697)
Net realised gain/(loss) on Investments	21,308	(29,356)
Total Investment Income	<u>117,893</u>	<u>(23,795)</u>
Total Income	<u>1,232,253</u>	<u>764,531</u>
<b>Expenses</b>		
Administration	200,636	189,726
Portfolio Management Fees	8,295	10,027
5 Year Strategic Planning Consultancy	-	33,070
Program & Service Expenses:		
Children's Program	406,760	378,774
Youth Program	209,571	193,751
Family Support	87,055	75,453
Total Program & Service Expenses	<u>703,386</u>	<u>647,978</u>
Fundraising Expenses:		
Charity Event – Haydn Ensemble	12,285	13,090
Charity Event – Golf Day	47,232	53,296
General Fundraising Expenses including wages	281,692	94,492
Total Fundraising Expenses	<u>341,209</u>	<u>160,878</u>
Total Expenses	<u>1,253,526</u>	<u>1,041,679</u>
Net operating (deficit)	<u>(21,273)</u>	<u>(277,148)</u>