

The Girls & Boys Brigade Foundation

(A Public Ancillary Fund)

ABN 37 142 341 507

Annual Report for the Financial Year Ended
31 December 2019

THE GIRLS & BOYS BRIGADE FOUNDATION
ABN 37 142 341 507

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

CONTENTS

	Page
Trustee Report	2-3
Auditor's Independence Declaration	4
Independent Audit Report	5-7
Declaration by Directors of the Trustee (including the Declaration under the Charitable Fundraising Act)	8
Statement of Comprehensive Income	9
Statement of Financial Position	10
Statement of Changes in Equity	11
Statement of Cash Flows	12
Notes to the Financial Statements	13-19
Supplementary Financial Information	20

THE GIRLS & BOYS BRIGADE FOUNDATION

TRUSTEE REPORT

The Girls & Boys Brigade Foundation Limited (“Trustee”) acts as Trustee of The Girls & Boys Brigade Foundation (“Foundation”) and the Directors of the Trustee hereby submit the annual financial report of the Public Ancillary Fund 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:

PRINCIPAL ACTIVITIES

The Foundation’s principal activities in the course of the financial year were fundraising. The Foundation is registered under the Charitable Fundraising Act 1991. The Foundation provides distributions to support The Girls & Boys Brigade through the investing activities undertaken by the Foundation.

REVIEW OF OPERATIONS

The surplus from ordinary activities after income tax for the year ended 31 December 2019 amounted to \$287,514 (2018: \$35,668 Deficit)

CHANGES IN STATE OF AFFAIRS

During the financial year there was no significant change in the state of affairs of the Foundation 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 Foundation was to implement all necessary measures and plans to limit the operational risks, ensure liquidity and reduce costs. The Foundation 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 have significantly affected, or may significantly affect, the operations of the Foundation, the results of those operations, or the state of affairs of the Foundation in future financial years.

FUTURE DEVELOPMENTS

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

ENVIRONMENTAL REGULATIONS

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

INDEMNIFICATION OF OFFICERS AND AUDITORS

During the financial year the Foundation paid a premium in respect of a contract insuring the Directors and Officers of the Trustee against any liability incurred by such Directors and Officers 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 Foundation has not otherwise, during or since the financial year, indemnified or agreed to indemnify an officer or auditor of the Foundation against a liability incurred as such an officer or auditor.

THE GIRLS & BOYS BRIGADE FOUNDATION
TRUSTEE REPORT

DIRECTORS BENEFITS

Since the end of the previous financial year, no Director of the Trustee has received or become entitled to receive a benefit by reason of any contract made by the Foundation 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 4.

Signed in accordance with a resolution of the Directors of the Trustee

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
The Girls & Boys Brigade Foundation Limited

Sydney

Date: 16 June 2020

The Trustee
The Girls & Boys Brigade Foundation
PO Box 225
Surry Hills
NSW 2010

16 June 2020

Dear Trustee

The Girls & Boys Brigade Foundation

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 trustee of The Girls & Boys Brigade Foundation.

As lead audit partner for the audit of the financial statements of The Girls & Boys Brigade Foundation for the financial year 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 as set out in 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 Trustee of The Girls & Boys Brigade Foundation

Opinion

We have audited the financial report of The Girls & Boys Brigade Foundation (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 8 to 19. In addition, we have audited the entity's compliance with specific requirements of the *Charitable Fundraising Act 1991*.

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 FOUNDATION
TRUSTEE DECLARATION**

The Directors of the Trustee of The Girls & Boys Brigade Foundation declare that, in their opinion:

- (a) there are reasonable grounds to believe that the Foundation will be able to pay its debts as and when they become due and payable; and,
- (b) 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 Foundation.

**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 of the Trustee of The Girls & Boys Brigade Foundation declare that:

- a) the financial statements give a true and fair view of all income and expenditure of The Girls & Boys Brigade Foundation 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 Foundation 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 of the Trustee.



M J Forsdick
Director
The Girls & Boys Brigade Foundation Limited

Sydney

Date: 16 June 2020

THE GIRLS & BOYS BRIGADE FOUNDATION

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

	Notes	2019 \$	2018 \$
Revenue	2	609,124	22,154
Administration		(4,113)	(5,562)
Insurance		(3,575)	(3,505)
Fundraising expenses		(681)	(8,685)
Distributions to The Girls & Boys Brigade		(270,738)	-
Portfolio Management fees		(42,503)	(40,070)
Surplus/(Deficit) before income tax expense		287,514	(35,668)
Income tax expense	1(a)	-	-
Surplus/(Deficit) for the year		287,514	(35,668)
Total comprehensive Surplus/(Deficit) for the year		287,514	(35,668)

Notes to the financial statements are included on pages 13 to 19

THE GIRLS & BOYS BRIGADE FOUNDATION

**STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2019**

		2019	2018
		\$	\$
CURRENT ASSETS	Notes		
Cash and cash equivalents	9 (a)	289,241	861,479
Other	4	<u>14,417</u>	<u>25,190</u>
TOTAL CURRENT ASSETS		<u>303,658</u>	<u>886,669</u>
 NON-CURRENT ASSETS			
Financial assets	3	<u>4,502,314</u>	<u>3,631,789</u>
TOTAL NON-CURRENT ASSETS		<u>4,502,314</u>	<u>3,631,789</u>
 TOTAL ASSETS		<u>4,805,972</u>	<u>4,518,458</u>
 RETAINED SURPLUS	5	4,805,872	4,518,358
Founders Endowment		100	100
 AVAILABLE-FOR-SALE REVALUATION RESERVE	6	-	-
		<u>4,805,972</u>	<u>4,518,458</u>

Notes to the financial statements are included on pages 13 to 19

THE GIRLS & BOYS BRIGADE FOUNDATION

STATEMENT OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2019

	Retained Surplus	Available for Sale Revaluation Reserve	Total
	\$	\$	\$
Balance at 1 January 2018	4,489,774	64,252	4,554,026
Implementation of AASB 9 adjustment	64,252	(64,252)	-
Adjusted Balance as 1 January 2018	4,554,026	-	4,554,026
Deficit for the year, representing total Comprehensive deficit for the year	(35,668)	-	(35,668)
Total Comprehensive Deficit for the year	(35,668)	-	(35,668)
Balance at 31 December 2018	4,518,358	-	4,518,358
 Balance at 1 January 2019	 4,518,358	 -	 4,418,358
Surplus for the year, representing total Comprehensive surplus for the year	287,514	-	287,514
Balance at 31 December 2019	4,805,872	-	4,805,872

Notes to the financial statements are included on pages 13 to 19

THE GIRLS & BOYS BRIGADE FOUNDATION

**STATEMENT OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2019**

	Notes	2019 \$	2018 \$
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from donors/supporters		8,000	7,000
Payments to suppliers and employees		(8,368)	(57,822)
Distributions to The Girls & Boys Brigade		(270,738)	-
Interest received		88	166
GST paid to be refunded		<u>(1,188)</u>	<u>(990)</u>
Net cash used in operating activities	9 (b)	<u>(272,206)</u>	<u>(51,646)</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchases – Providence Portfolio		(2,108,272)	(1,925,950)
Sales – Providence Portfolio		1,650,422	369,116
Income from investments/managed funds		<u>157,818</u>	<u>175,025</u>
Net cash used in investing activities		<u>(300,032)</u>	<u>(1,381,809)</u>
Net decrease in cash and cash equivalents		(572,238)	(1,433,455)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE FINANCIAL YEAR		<u>861,479</u>	<u>2,294,934</u>
CASH AND CASH EQUIVALENTS AT THE END OF THE FINANCIAL YEAR	9(a)	<u><u>289,241</u></u>	<u><u>861,479</u></u>

Notes to the financial statements are included on pages 13 to 19

THE GIRLS & BOYS BRIGADE FOUNDATION

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. Cost is based on the fair values of the consideration given in exchange for assets.

In the current year, the Trustee has applied a number of amendments to AFRS Standards and Interpretations issued by the AASB that are effective for an annual period that begins on or after 1 January 2019. Their adoption has not had any material impact on the disclosures or on the amounts reported in these financial statements.

(a) Taxation

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

(b) Financial Assets

Financial assets at FVTPL are stated at fair value, with any gains or losses arising on remeasurement recognised in profit or loss. The net gain or loss recognised in profit or loss incorporates any dividend or interest earned on the financial assets and is included in the 'net realised/unrealised gains and losses' line item.

(c) 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.

(d) 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.

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

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(e) 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 flow.

(f) 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
<i>AASB 101 and AASB 108 – Definition of material</i>	1 January 2020	1 January 2020

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

2. SURPLUS FROM ORDINARY ACTIVITIES

The operating surplus includes the following items of revenue:

	2019 \$	2018 \$
Operating Revenue		
Donations	8,000	7,000
Interest – Other Persons	88	166
Income from Investments/Managed Funds	188,360	187,443
Net unrealised gain (loss) on Investments/Managed Funds	269,824	(164,799)
Net realised gain (loss) on Investments/Managed Funds	<u>142,852</u>	<u>(7,656)</u>
Total Operating Revenue	<u><u>609,124</u></u>	<u><u>22,154</u></u>

THE GIRLS & BOYS BRIGADE FOUNDATION

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

	2019	2018
	\$	\$
3. FINANCIAL ASSETS		
Opening Investment Portfolio balance	3,631,789	2,247,410
Purchases at cost	2,108,272	1,925,950
Sales at cost	(1,650,422)	(369,116)
Net realised gain/loss	142,852	(7,656)
Net unrealised gain/loss	269,823	(164,799)
Market Value of Investment Portfolio	<u>4,502,314</u>	<u>3,631,789</u>

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	1,188	2,820
Accrued Income	<u>13,229</u>	<u>22,370</u>
	<u>14,417</u>	<u>25,190</u>

5. RETAINED SURPLUS

Balance at beginning of financial year	4,518,358	4,489,774
Implementation of AASB 9 adjustment	-	64,252
Net surplus (deficit)	<u>287,514</u>	<u>(35,668)</u>
Balance at end of financial year	<u>4,805,872</u>	<u>4,518,358</u>

6. AVAILABLE-FOR-SALE REVALUATION RESERVE

Balance at beginning of financial year	-	64,252
Implementation of AASB 9 adjustment	<u>-</u>	<u>(64,252)</u>
	<u>-</u>	<u>-</u>

7. AUDITORS' REMUNERATION

The auditors of the Foundation for the year ended 31 December 2019 is Deloitte Touche Tohmatsu. The auditors did not receive fees for their service nor any other benefits.

8. SEGMENTAL INFORMATION

The Foundation operates wholly within Australia with the aim to raise funds from the public to secure the funding of the programs operated by, and the work of, The Girls & Boys Brigade in supporting children and youth in need by the provision of recreation, education and activities which build life skills as a foundation for a brighter future.

THE GIRLS & BOYS BRIGADE FOUNDATION

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

9. 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	14,066	8,088
Westpac – Cash Reserve Account	15,901	30,827
Providence Wealth Cash & Equivalents	259,274	822,564
	<u>289,241</u>	<u>861,479</u>

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

	2019	2018
	\$	\$
Operating surplus/(deficit)	287,514	(35,668)
Adjustments for:		
GST paid to be refunded	(1,188)	(990)
Net unrealised (gain)/loss on investments/managed funds	(269,823)	164,799
Net realised (gain)/loss on investments/managed funds	(142,852)	7,656
Income from investments/managed funds	(145,857)	(187,443)
Net cash used in operating activities	<u>(272,206)</u>	<u>(51,646)</u>

10. ADDITIONAL FOUNDATION INFORMATION

The Girls & Boys Brigade Foundation Limited is a public company limited by guarantee, incorporated and operating in Australia and acts as Trustee for The Girls & Boys Brigade Foundation.

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

THE GIRLS & BOYS BRIGADE FOUNDATION

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

11. RELATED PARTY DISCLOSURES

The Directors of The Girls & Boys Brigade Foundation Limited, which acts as Trustee of The Girls & Boys Brigade Foundation, during the whole financial year were:

P Masi
M J Forsdick
J H Herron
A P Strutt
P J Burfurd
J O'Rourke (Appointed Feb 2020)

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

12. 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 Foundation. The Girls & Boys Brigade Foundation seeks to manage its cash position to meet its day-to-day operating needs and maximise net interest income.

The following table details the Foundation'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 Incurred at Floating Interest Rate \$	Non Interest Bearing \$	Total \$
31 December 2019					
Financial Assets					
Cash at bank	9(a)	0.26	29,967	-	29,967
Portfolio Bank Accounts	9(a)	1.29	259,274	-	259,274
Other	4	-	-	14,417	14,417
Investments (non current)	3	-	-	4,502,314	4,502,314
31 December 2018					
Financial Assets					
Cash at bank	9(a)	0.39	38,915	-	38,915
Portfolio Bank Accounts	9(a)	0.95	463,999	-	463,999
Portfolio Term Deposits	9(a)	1.25	358,565	-	358,565
Other	4	-	-	25,190	25,190
Investments (non current)	3	-	-	3,631,789	3,631,789

THE GIRLS & BOYS BRIGADE FOUNDATION

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

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

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

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

	Gross Proceeds	Cost	Net surplus
2019	\$	\$	\$
Direct mail donor appeals	8,000	-	8,000
General Fundraising Expenses	-	(681)	(681)
	<u>8,000</u>	<u>(681)</u>	<u>7,319</u>
2018	Gross Proceeds	Cost	Net surplus
	\$	\$	\$
Direct mail donor appeals	7,000	-	7,000
General Fundraising Expenses	-	(8,685)	(8,685)
	<u>7,000</u>	<u>(8,685)</u>	<u>(1,685)</u>

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

	2019	2018
	\$	\$
Net surplus/(deficit) from fundraising	7,319	(1,685)
	<u>7,319</u>	<u>(1,685)</u>

During the year \$270,738 was applied for charitable purposes by way of distributions to The Girls & Boys Brigade.

THE GIRLS & BOYS BRIGADE FOUNDATION

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

13. 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
Total Cost	681	8,685
Gross Proceeds	8,000	7,000
Percentage	8.5%	124.07%

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

	2019	2018
Net Surplus	7,319	(1,685)
Gross Proceeds	8,000	7,000
Percentage	91.48%	(24.07)%

14. SUBSEQUENT EVENTS

In March 2020, due to the Coronavirus (Covid-19) outbreak, the priority of the Foundation was to implement all necessary measures and plans to limit the operational risks, ensure liquidity and reduce costs. The Foundation 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 have significantly affected, or may significantly affect, the operations of the Foundation, the results of those operations, or the state of affairs of the Foundation in future financial years.

THE GIRLS & BOYS BRIGADE FOUNDATION

SUPPLEMENTARY FINANCIAL INFORMATION FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2019

	2019 \$	2018 \$
DETAILED INCOME STATEMENT		
Income		
Donations	8,000	7,000
Donation from The Girls & Boys Brigade	-	-
Interest Received	88	166
Income from Investments/Managed Funds	188,360	187,443
Net Unrealised Gain/Loss on Investments/Managed Funds	269,824	(164,799)
Net Realised Gain/Loss on Investments/Managed Funds	142,852	(7,656)
Total Income	<u>609,124</u>	<u>22,154</u>
Expenses		
Administration	4,113	5,562
Distributions to The Girls & Boys Brigade	270,738	-
Portfolio Management Fees	42,503	40,070
Insurance	3,575	3,505
Fundraising Expenses	681	8,685
Total Expenses	<u>321,610</u>	<u>57,822</u>
Net operating (deficit)/surplus	<u>287,514</u>	<u>(35,668)</u>