

The Girls & Boys Brigade

*(A Company Limited by
Guarantee)*

ABN 40 409 258 077

Annual Report for the
Financial Year Ended

31 December 2017

THE GIRLS & BOYS BRIGADE

ABN 40 409 258 077

**GENERAL PURPOSE FINANCIAL REPORT
FOR THE FINANCIAL YEAR ENDED
31 DECEMBER 2017**

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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 2017. 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 and a Non-Executive Director of Blue Sky Alternatives Access Fund Ltd. 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.

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	9	1
Cam Neville Gower Smith	9	7
Graham Douglas Bates	9	6
Ruth Armytage, AM	9	8
John Henry Herron	9	7
Paul Masi	9	5
Fiona Louise Ratcliffe	9	4
Michael James Forsdick	9	7
Antony Paul Strutt	9	5
Kylie Jane Macdonald	9	9

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 2017 amounted to \$1,022,467 (2016: \$25,762 surplus)

In 2017 total aggregate attendances for the Children's Vacation Care, Homework Program, Outdoor Recreation Program and Youth Program were 6,642 covering 223 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

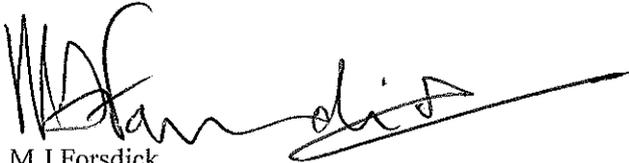
Since the end of the previous financial year, no Director has received or become entitled to receive a benefit by reason of any contract made by the company with any Director or with a firm of which the Director is a member or with an entity in which the Director has a substantial financial interest.

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



M J Forsdick
Director

Sydney

Date: ~~22~~ 22nd May 2018

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

22 May 2018

Dear Board Members

The Girls & 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 & Boys Brigade.

As lead audit partner for the audit of the financial statements of The Girls & Boys Brigade for the financial year ended 31 December 2017, 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 Members of The Girls & Boys Brigade

Opinion

We have audited the accompanying financial report of The Girls & Boys Brigade ("*the Entity*"), which comprises the statement of financial position as at 31 December 2017, the statement of comprehensive income, the statement of cash flows and the statement of changes in equity for the year ended on that date, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration as set out on pages 9 to 27. In addition, we have audited The Girls & Boys Brigade's compliance with specific requirements of the *Charitable Fundraising Act 1991* for the year ended 31 December 2017.

In our opinion, the accompanying financial report presents fairly, in all material respects, the Entity's financial position as at 31 December 2017 and of its financial performance and its cash flows for the year then ended in accordance with Division 60 of the Australian Charities and Not-for-profits Commission Act 2012. The financial report agrees to the underlying financial records of The Girls & Boys Brigade 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 2017. Monies received by The Girls & Boys Brigade as a result of fundraising appeals conducted during the year ended 31 December 2017, have been accounted 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 section of our report. We are independent of the Entity in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 Code of Ethics for Professional Accountants (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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 Girls and Boys Brigade 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 Those Charged with Governance for the Financial Report

Management of the Entity is responsible for the preparation and fair presentation of the financial report and has determined that the basis of preparation and accounting policies described in Note 1 to the financial report is appropriate to meet the requirements of the Australian Charities and Not-for-Profits Commission Act 2012 (Cth) (the ACNC Act), Charitable Fundraising Act 1991 and is appropriate to meet the needs of the Girls and Boys Brigade. Management's responsibility also includes such internal control as management determine is necessary to enable the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error.

In preparing the financial report, management is 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 management either intend to liquidate the Entity or to cease operations, or has no realistic alternative but to do so.

The directors are responsible for overseeing the Entity financial reporting process.

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 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 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 management's 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.

- Perform procedures to obtain audit evidence about the company's compliance with specific requirements of the *Charitable Fundraising Act 1991* and amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of non-compliance with specific requirements of the *Charitable Fundraising Act 1991* and material misstatement of the financial report, whether due to fraud or error.

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 Girls & Boys Brigade'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 compliance with the Charitable Fundraising Act 1991 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 believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.



DELOITTE TOUCHE TOHMATSU



Margaret Dreyer
Partner
Chartered Accountants
Sydney, 22 May 2018

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 2017;
- 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 2017;
- 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: 22nd May 2018

THE GIRLS & BOYS BRIGADE

**STATEMENT OF COMPREHENSIVE INCOME
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017**

	Notes	2017 \$	2016 \$
Revenue	2	2,379,739	2,576,520
Administration		(160,629)	(142,510)
Building Maintenance		(132,959)	-
Donation to The Girls & Boys Brigade Foundation		(2,370,000)	(1,780,000)
Supervision, instructional & recreational activities		(586,160)	(472,287)
Fundraising expenses		(152,458)	(155,961)
(Deficit)/Surplus before income tax expense		(1,022,467)	25,762
Income tax expense	1(d)	-	-
(Deficit)/Surplus for the year		(1,022,467)	25,762
Other comprehensive income			
Increase/(Decrease) on available-for-sale revaluation reserve		2,382	(9,013)
Total comprehensive (Deficit)/Surplus for the year		(1,020,085)	16,749

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

THE GIRLS & BOYS BRIGADE

**STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2017**

		2017	2016
		\$	\$
CURRENT ASSETS	Notes		
Cash and cash equivalents	13(a)	173,537	282,318
Other	4	<u>64,592</u>	<u>44,860</u>
TOTAL CURRENT ASSETS		<u>238,129</u>	<u>327,178</u>
NON-CURRENT ASSETS			
Financial assets	3	967,051	1,849,875
Property, plant and equipment	8	<u>209,673</u>	<u>230,860</u>
TOTAL NON-CURRENT ASSETS		<u>1,176,724</u>	<u>2,080,735</u>
TOTAL ASSETS		<u>1,414,853</u>	<u>2,407,913</u>
CURRENT LIABILITIES			
Payables	5	12,358	17,560
Provisions	6	79,972	65,012
Other	7	<u>79,194</u>	<u>65,817</u>
TOTAL CURRENT LIABILITIES		<u>171,524</u>	<u>148,389</u>
NON-CURRENT LIABILITIES			
Provisions	6	<u>66,540</u>	<u>62,651</u>
TOTAL NON-CURRENT LIABILITIES		<u>66,540</u>	<u>62,651</u>
TOTAL LIABILITIES		<u>238,064</u>	<u>211,040</u>
NET ASSETS		<u>1,176,788</u>	<u>2,196,873</u>
RETAINED SURPLUS	9	951,605	1,974,072
AVAILABLE-FOR-SALE REVALUATION RESERVE	10	225,183	222,801
		<u>1,176,788</u>	<u>2,196,873</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 2017**

	Retained Surplus	Available for Sale Revaluation Reserve	Total
	\$	\$	\$
Balance at 1 January 2016	1,948,310	231,814	2,180,124
Surplus for the year	25,762	-	25,762
Movement in the fair value of investments through other comprehensive income	-	(9,013)	(9,013)
Total Comprehensive Surplus for the year	<u>25,762</u>	<u>(9,013)</u>	<u>16,749</u>
Balance at 31 December 2016	<u>1,974,072</u>	<u>222,801</u>	<u>2,196,873</u>
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	<u>(1,022,467)</u>	<u>2,382</u>	<u>(1,020,085)</u>
Balance at 31 December 2017	<u>951,605</u>	<u>225,183</u>	<u>1,176,788</u>

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 2017**

	Notes	2017 \$	2016 \$
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from donors/supporters		2,080,578	2,533,428
Payments to suppliers and employees		(982,990)	(708,461)
Donations to The Girls & Boys Brigade Foundation		(2,370,000)	(1,780,000)
Interest received		<u>7,686</u>	<u>26,928</u>
Net cash used in operating activities	13 (b)	<u>(1,264,727)</u>	<u>71,895</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchases of Shares – Peak Investments		(558,644)	(394,175)
Sale of Shares – Peak Investments		1,666,051	536,212
Income from investments/managed funds		64,510	44,172
Purchase of property, plant & equipment		<u>(15,970)</u>	<u>(87,311)</u>
Net cash provided by investing activities		<u>1,155,947</u>	<u>98,898</u>
Net (decrease)/increase in cash held		(108,781)	170,793
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE FINANCIAL YEAR			
		<u>282,318</u>	<u>111,525</u>
CASH AND CASH EQUIVALENTS AT THE END OF THE FINANCIAL YEAR			
	13(a)	<u>173,537</u>	<u>282,318</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 2017

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) Financial Assets

Financial Assets valued through other comprehensive income

The Brigade has designated Investments in Managed Funds (as they are not held for trading) at fair value through other comprehensive income (FVTOCI) on initial application of AASB 9. The investments are initially measured at fair value net of transaction costs.

Subsequent to initial recognition the investments are measured at fair value with any change recorded through the equity instrument reserve. Distributions from Managed Funds are recognised quarterly and half-yearly and are recognised in profit or loss in accordance with AASB 118 Revenue. All other gains and losses are recognised in other comprehensive income and are not subsequently reclassified to profit or loss.

The Term Deposit is at cost. Interest is taken to income as accrued.

Effective interest method

The effective interest method is a method of calculating the amortised cost of a financial asset and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset, or, where appropriate, a shorter period.

Income is recognised on an effective interest rate basis for debt instruments other than those financial assets 'at fair value through profit or loss'.

THE GIRLS & BOYS BRIGADE

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Impairment of Financial Assets

Financial assets, other than those at fair value through profit or loss, are assessed for indicators of impairment at each balance sheet date. Financial assets are impaired where there is objective evidence that as a result of one or more events that occurred after the initial recognition of the financial asset the estimated future cash flows of the investment have been impacted. For financial assets carried at amortised cost, the amount of the impairment is the difference between the asset's carrying amount and the present value of the estimated future cash flows, discounted at the original effective interest rate.

The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets with the exception of trade receivables where the carrying amount is reduced through the use of an allowance account. When a trade receivable is uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against the allowance account. Changes in the carrying amount of the allowance account are recognised in profit or loss.

With the exception of available-for-sale equity instruments, if, in a subsequent period, the amount if the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed through profit or loss to the extent the carrying amount of the investment at the date the impairment is reversed does not exceed what the amortised cost would have been had the impairment not been recognised.

In respect of available-for-sale equity instruments, any subsequent increase in fair value after an impairment loss is recognised directly in equity.

(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

THE GIRLS & BOYS BRIGADE

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(c) Impairment of Assets

At each reporting date, the company reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where the asset does not generate cash flows that are independent from other assets, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised in profit or loss immediately, unless the relevant asset is carried at fair value, in which case the impairment loss is treated as a revaluation decrease.

When an impairment loss subsequently reverses, the carrying amount of the asset (cash-generating unit) is increased to the revised estimate of its recoverable amount, but only to the extent that the increased carrying amount does not exceed the carrying amount for the asset (cash-generating unit) in prior years. A reversal of an impairment loss is recognised in profit or loss immediately, unless the relevant asset is carried at fair value, in which case the reversal of the impairment loss is treated as a revaluation increase.

(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 2017

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) Standards and Interpretations affecting amounts reported in the current period

AASB 2014-1 'Amendments to Australian Accounting Standards' – (Part A- Annual Improvements 2010–2012 and 2011–2013 Cycles)

The Annual Improvements 2010-2012 has made number of amendments to various AASBs which included amendments to AASB 124 clarify that a management entity providing key management personnel services to a reporting entity is a related party of the reporting entity. The application of these amendments does not have any material impact on the disclosures or on the amounts recognised in the financial statements.

AASB1031 'Materiality', AASB 2013-9 'Amendments to Australian Accounting Standards' – Conceptual Framework, Materiality and Financial Instruments' (Part B: Materiality), AASB 2014- 1 'Amendments to Australian Accounting Standards' (Part C: Materiality)

The revised AASB 1031 is an interim standard that cross-references to other standards and the 'Framework for the Preparation and Presentation of Financial Statements' (issued December 2013) that contain guidance on materiality. The AASB is progressively removing references to AASB 1031 in all Standards and Interpretations. The adoption of AASB 1031, AASB 2013-9 (Part B) and AASB 2014-1 (Part C) does not have any material impact on the disclosures or the amounts recognised in the financial statements.

THE GIRLS & BOYS BRIGADE

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)

AASB 15 'Revenue from Contracts with Customers', and the relevant amending standards. Expected to be adopted by the Company in the year ending 31 December 2018

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 Company has conducted a review of its revenue contracts and does not expect that this revenue recognition standard will have a material effect on the financial statements.

AASB 116 'Property, Plant and Equipment'

The amendment explains that a depreciation method applied to property, plant and equipment that is based on revenue that is generated by an activity that includes the use of the asset is not appropriate.

(j) 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:

- | | | |
|---|--|------------------|
| • AASB 9 'Financial Instruments', and the relevant amending standards | Applies on a modified retrospective basis to annual periods beginning on or after 1 January 2018 | 31 December 2018 |
|---|--|------------------|

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

THE GIRLS & BOYS BRIGADE

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017

2. SURPLUS/(DEFICIT) FROM ORDINARY ACTIVITIES

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

	2017	2016
	\$	\$
OPERATING REVENUE		
Donations	501,529	437,278
Donation in kind - Microsoft	-	78,770
Bequests	-	5,000
Bequest – GE Foster	-	1,780,000
Bequest – Eric Dare Foundation	1,396,400	38,000
Income from Investments	287,302	44,172
Interest – Other Persons	7,686	26,928
Workers Compensation Claims	-	845
Parents’ Contributions	11,783	10,132
Rent Received	265	1,712
Charity Event – Haydn Ensemble	48,360	49,665
Charity Event – Golf Day	108,157	104,018
Other Fundraising Activities	18,257	-
	<hr/>	<hr/>
TOTAL OPERATING REVENUE	2,379,739	2,576,520
	<hr/> <hr/>	<hr/> <hr/>
EXPENSES		
Employee Benefit Expenses	577,771	508,139
	<hr/> <hr/>	<hr/> <hr/>
3. FINANCIAL ASSETS		
Non-Current		
Available-for-sale Investments Carried at Fair Value:		
Peak Investments Portfolio	967,051	1,849,875
	<hr/>	<hr/>

THE GIRLS & BOYS BRIGADE

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017

	2017	2016
	\$	\$
4. OTHER CURRENT ASSETS		
Debtors	25,630	4,235
Accrued Income	26,580	27,841
Prepayments	12,382	12,784
	<u>64,592</u>	<u>44,860</u>
5. CURRENT PAYABLES		
Trade Payables	<u>12,358</u>	<u>17,560</u>
6. PROVISIONS		
Employee Benefits:		
Current Provision		
Annual Leave	66,514	51,667
Long Service Leave	13,458	13,345
	<u>79,972</u>	<u>65,012</u>
Non-Current Provision		
Long Service Leave	<u>66,540</u>	<u>62,651</u>
7. OTHER CURRENT LIABILITIES		
Income Received in Advance	<u>79,194</u>	<u>65,817</u>

THE GIRLS & BOYS BRIGADE

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017

8. PROPERTY, PLANT & EQUIPMENT

Cost	Land and Buildings	Computers	Camping & Recreation Equipment	Equipment	Total
	\$	\$	\$	\$	\$
Balances as at 1st January 2016	388,886	15,859	10,071	59,739	474,555
Additions	-	80,562	4,399	2,350	87,311
Disposals	-	(5,906)	-	(608)	(6,514)
Balances as at 31st December 2016	388,886	90,515	14,470	61,481	555,351
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
Accumulated Depreciation					
Balance as at 1st January 2016	(209,314)	(13,782)	(9,098)	(37,330)	(269,524)
Disposal of Assets	-	5,906	-	608	6,514
Depreciation Expense	(19,462)	(37,349)	(854)	(3,817)	(61,482)
Balances as at 31st December 2016	(228,776)	(45,225)	(9,952)	(40,539)	(324,492)
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)
Net Book Value					
As at 31st December 2016	160,109	45,290	4,518	20,942	230,859
As at 31st December 2017	166,154	34,718	3,838	4,963	209,673

	2017	2016
	\$	\$
9. RETAINED SURPLUS		
Balance at beginning of financial year	1,974,072	1,948,310
Net (deficit)/surplus	(1,022,467)	25,762
Balance at end of financial year	<u>951,605</u>	<u>1,974,072</u>

THE GIRLS & BOYS BRIGADE

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017

10. AVAILABLE-FOR-SALE REVALUATION RESERVE

	2017	2016
	\$	\$
Balance at beginning of Financial Year	222,801	231,814
Movement in fair value from revaluation of Peak Investments Portfolio	2,382	(9,013)
Balance at end of Financial Year	225,183	222,801

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:

	2017	2016
	\$	\$
Westpac – Cash at bank	112,571	119,534
Westpac – Maxi-I Direct Account	54,778	47,543
Macquarie Bank - Cash Management Account	6,188	115,242
	173,537	282,318

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

	2017	2016
	\$	\$
Operating (deficit)/surplus	(1,022,467)	25,762
Add non cash items:		
Depreciation	35,144	61,483
Changes in net assets and liabilities:		
Increase/(Decrease) in employee entitlements	18,849	(2,693)
(Increase) /Decrease in other current assets	(19,732)	3,756
(Decrease)/Increase in trade and other payables	(5,202)	4,274
Increase in income received in advance	13,377	23,485
Income from Investments	(287,302)	(44,172)
Net cash used in operating activities	(1,267,333)	71,895

THE GIRLS & BOYS BRIGADE

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017

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 2017

The following table details the company's exposure to interest rate risk as at the 31 December 2017 and 31 December 2016:

	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 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
31 December 2016						
Financial Assets						
Cash at bank	13	1.30	282,318	-	-	282,318
Investments (current)	3	-	-	-	-	-
Other	4	-	-	-	44,860	44,860
Investments (non current)	3	-	-	-	1,849,875	1,849,875
Financial Liabilities						
Current	5	-	-	-	17,560	17,560

(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 2017**

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

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

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>
2016	Gross Proceeds \$	Cost \$	Net surplus \$
Direct mail donor appeals	184,650	-	184,650
Donations for Operational Expenditure	252,628	-	252,628
In Kind Donation – Computers	78,770	-	78,770
Bequests	43,000	-	43,000
Charity Event – Haydn Ensemble	49,665	10,974	38,691
Charity Event – Golf Day	104,018	42,568	61,450
General Fundraising Expenses	-	102,419	(102,419)
	<u>712,731</u>	<u>155,961</u>	<u>556,770</u>

Note: The Bequest Capital from Eric Dare of \$1.37m in 2017 and GE Foster of \$1.78m in 2016 has not been included in these calculation, 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:

	2017 \$	2016 \$
Net surplus from fundraising	550,245	556,770
Less In Kind Donation – Computers	-	(78,770)
	<u>550,245</u>	<u>478,000</u>

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 2017

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:

	2017	2016
Total Cost	152,458	155,961
Gross Proceeds	702,703	712,731
Percentage	21.70%	21.88%

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

	2017	2016
Net surplus from fundraising	550,245	478,000
Gross Proceeds	702,703	712,731
Percentage	78.30%	67.06%

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

	2017	2016
Total Cost of Service	586,160	472,287
Net Expenditure	879,748	614,797
Percentage	66.63%	76.82%

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

	2017	2016
Total Cost of Service	586,160	472,287
Net surplus from fundraising	550,245	478,000
Percentage	106.53%	98.80%

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 2017 DETAILED INCOME STATEMENT

	2017	2016
	\$	\$
Income		
Fundraising Income		
Donations	236,708	184,650
Funding from Charitable Trusts & Foundations, Corporations & Community	253,071	252,628
Donations in kind	11,750	78,770
Bequest - Eric Dare	1,396,400	43,000
Bequest – G E Foster	-	1,780,000
Charity Event – Haydn Ensemble	48,360	49,665
Charity Event – Golf day	108,157	104,018
Other Fundraising Income	18,257	-
Total Income from Fundraising	<u>2,072,703</u>	<u>2,492,731</u>
Other Income		
Rent	265	1,712
Interest Received	7,686	26,928
Workers Compensation Claim	-	845
Parents Contributions	11,783	10,132
Total Other Income	<u>19,734</u>	<u>39,617</u>
Investment Income		
Net Income from Investments	266,345	23,493
Imputation Credits	20,957	20,679
Total Investment Income	<u>287,302</u>	<u>44,172</u>
Total Income	<u>2,379,739</u>	<u>2,576,520</u>
Expenses		
Administration	160,629	142,510
Donation to The Girls & Boys Brigade Foundation	2,370,000	1,780,000
Building Outside Maintenance Works	132,959	
Program & Service Expenses:		
Children’s Program	332,568	279,169
Youth Program	187,760	135,594
Family Support	65,832	57,524
Total Program & Service Expenses	<u>586,160</u>	<u>472,287</u>
Fundraising Expenses:		
Charity Event – Haydn Ensemble	11,541	10,974
Charity Event – Golf Day	48,190	42,568
General Fundraising Expenses including wages	92,727	102,419
Total Fundraising Expenses	<u>152,458</u>	<u>155,961</u>
Total Expenses	<u>3,402,206</u>	<u>2,550,758</u>
Net operating (deficit)/surplus	<u>(1,022,467)</u>	<u>25,762</u>