

The Girls & Boys Brigade Foundation

(A Public Ancillary Fund)

ABN 37 142 341 507

Annual Report for the Financial Year Ended
31 December 2018

THE GIRLS & BOYS BRIGADE FOUNDATION
ABN 37 142 341 507

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

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	13-20
Supplementary Financial Information	21

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 2018, 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.

REVIEW OF OPERATIONS

The deficit from ordinary activities after income tax for the year ended 31 December 2018 amounted to \$35,668 (2017: \$2,486,459 surplus)

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

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 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

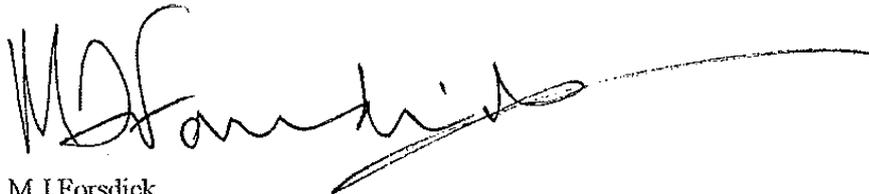
DIRECTORS BENEFITS

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: 11 June 2019

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

11 June 2019

Dear Board Members

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 directors 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 2018, 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 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 2018, the statement of comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information, and the directors' declaration as set out on pages 8 to 21. 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 2018 and of its financial performance for the year ended on that date; and
 - (ii) complying with Australian Accounting Standards to the extent described in Note 1, and Division 60 of the ACNC Act;
- b) the financial report agrees to the underlying financial records of the Entity, that have been maintained, in all material respects, in accordance with the *Charitable Fundraising Act 1991* and its regulations for the year ended 31 December 2018; and
- c) monies received by the Entity as a result of fundraising appeals conducted during the year ended 31 December 2018, have been utilised for, and applied, in all material respects, in accordance with the *Charitable Fundraising Act 1991* and its regulations.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report and Compliance with Specific Requirements of the Charitable Fundraising Act 1991* section of our report. We are independent of the Entity in accordance with the auditor independence requirements of the ACNC Act and the ethical requirements of the Accounting Professional and Ethical Standards Board's *APES 110 Code of Ethics for Professional Accountants* (the "Code") that are relevant to our audit of the financial report and compliance with specific requirements of the *Charitable Fundraising*

Act 1991 in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

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

Other Information

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

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

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

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

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

Responsibilities of Management and the Directors of the Financial Report

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

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

Auditor's Responsibilities for the Audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether: the financial report as a whole is free from material misstatement, whether due to fraud or error; and the Entity complied, in all material respects, with specific requirements of the *Charitable Fundraising Act 1991*, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

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

- Identify and assess the risks of non-compliance with the specific requirements of the *Charitable Fundraising Act 1991* and the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Entity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Entity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

Inherent Limitations

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

We communicate with management regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.



DELOITTE TOUCHE TOHMATSU

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

Margaret Dreyer
Partner
Chartered Accountants
Sydney, 11 June 2019

THE GIRLS & BOYS BRIGADE 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**

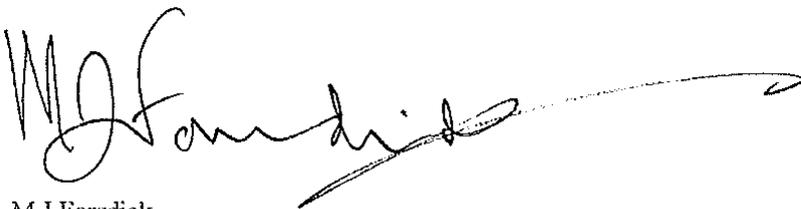
Declaration

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 2018;
- b) the statement of financial position gives a true and fair view of the state of affairs with respect to fundraising appeals as at 31 December 2018;
- c) the provisions of the Act, the regulations under the Act and the conditions attached to the Authority have been complied with; and
- d) the internal controls exercised by The Girls & Boys Brigade 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: 11 June 2019

THE GIRLS & BOYS BRIGADE FOUNDATION

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

	Notes	2018 \$	2017 \$
Revenue	2	22,154	2,506,108
Administration		(5,562)	(7,018)
Insurance		(3,505)	(3,505)
Fundraising expenses		(8,685)	(9,126)
Portfolio management fees		(40,070)	-
(Deficit)/Surplus before income tax expense		(35,668)	2,486,459
Income tax expense	1(c)	-	-
(Deficit)/Surplus for the year		(35,668)	2,486,459
Other comprehensive income			
Increase in available-for-sale revaluation reserve		-	64,252
Total comprehensive (Deficit)/Surplus for the year		(35,668)	2,550,711

Notes to the financial statements are included on pages 13 to 21

THE GIRLS & BOYS BRIGADE FOUNDATION

**STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2018**

		2018	2017
		\$	\$
CURRENT ASSETS	Notes		
Cash and cash equivalents	9 (a)	861,479	2,294,934
Other	4	<u>25,190</u>	<u>11,782</u>
TOTAL CURRENT ASSETS		<u>886,669</u>	<u>2,306,716</u>
NON-CURRENT ASSETS			
Financial assets	3	<u>3,631,789</u>	<u>2,247,410</u>
TOTAL NON-CURRENT ASSETS		<u>3,631,789</u>	<u>2,247,410</u>
TOTAL ASSETS		<u>4,518,458</u>	<u>4,554,126</u>
RETAINED SURPLUS	5	4,518,358	4,489,774
Founders Endowment		100	100
AVAILABLE-FOR-SALE REVALUATION RESERVE	6	-	64,252
		<u>4,518,458</u>	<u>4,554,126</u>

Notes to the financial statements are included on pages 13 to 21

THE GIRLS & BOYS BRIGADE FOUNDATION

STATEMENT OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2018

	Retained Surplus	Available for Sale Revaluation Reserve	Total
	\$	\$	\$
Balance at 1 January 2017	2,003,315	-	2,003,315
Surplus for the year	2,486,459	-	2,486,459
Movement in the fair value of investments through other comprehensive income	-	64,252	64,252
Total Comprehensive Surplus for the year	2,486,459	64,252	2,550,711
Balance at 31 December 2017	4,489,774	64,252	4,554,026
Balance at 1 January 2018	4,489,774	64,252	4,554,026
Implementation of AASB 9 adjustment	64,252	(64,252)	-
Adjusted Balance at 1 January 2018	4,554,026	-	4,554,026
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

Notes to the financial statements are included on pages 13 to 21

THE GIRLS & BOYS BRIGADE FOUNDATION

**STATEMENT OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2018**

	Notes	2018 \$	2017 \$
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from donors/supporters		7,000	2,459,000
Payments to suppliers and employees		(57,822)	(19,649)
Interest received		166	2,333
GST paid to be refunded		(990)	(1,469)
		<u> </u>	<u> </u>
Net cash used in operating activities	9 (b)	<u>(51,646)</u>	<u>2,440,215</u>
 CASH FLOWS FROM INVESTING ACTIVITIES			
Purchases – Providence Portfolio		(1,925,950)	(2,181,691)
Sales – Providence Portfolio		369,116	-
Income from investments/managed funds		175,025	33,356
		<u> </u>	<u> </u>
Net cash (used) by investing activities		<u>(1,381,809)</u>	<u>(2,148,335)</u>
 Net (decrease)/increase in cash held		 (1,433,455)	 291,880
 CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE FINANCIAL YEAR		 <u>2,294,934</u>	 <u>2,003,054</u>
 CASH AND CASH EQUIVALENTS AT THE END OF THE FINANCIAL YEAR	9(a)	 <u>861,479</u>	 <u>2,294,934</u>

Notes to the financial statements are included on pages 13 to 21

THE GIRLS & BOYS BRIGADE FOUNDATION

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

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

Statement of Compliance

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

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

Basis of Preparation

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

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

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

The Foundation has adopted AASB 9 Financial Instruments from 1 January 2018 which resulted in the movements in fair value of certain equity investments previously designated as 'available-for-sale' being accounted for as fair value through profit or loss. The cumulative movements in fair value taken to equity up to 31 December 2017 for these investments have been transferred from other reserves to retained earnings, resulting in an increase in retained earnings of \$64,242 and a corresponding decrease in other reserves.

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

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

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

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

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

THE GIRLS & BOYS BRIGADE FOUNDATION

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

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(c) Taxation

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

(d) 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 asset and is included in the 'net realised/unrealised gains and losses' line item. For listed equities fair value is determined at year end based on quoted market prices, level 1 input in the fair value hierarchy.

(e) 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.

(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.

THE GIRLS & BOYS BRIGADE FOUNDATION

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

(h) Standards and Interpretations in issue not yet adopted

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

(i) Standard/Interpretation	(ii) Effective for annual reporting periods beginning on or after	(iii) Expected to be initially applied in the financial year ending
AASB 2016-8 – <i>Amendments to Australian Accounting Standards - Australian Implementation Guidance for Non-For-Profit Entities</i>	1 January 2019	1 January 2019
AASB 1058 – <i>Income of Notfor-Profit Entities</i>	1 January 2019	1 January 2019
AASB 16 - <i>Leases</i>	1 January 2019	1 January 2019

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.

THE GIRLS & BOYS BRIGADE FOUNDATION

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

2. SURPLUS FROM ORDINARY ACTIVITIES

The operating surplus includes the following items of revenue:

	2018	2017
	\$	\$
Operating Revenue		
Donations	7,000	2,459,000
Interest and other income	166	2,333
Income from Investments/Managed Funds	187,443	44,775
Net unrealised loss on Investments/Managed Funds	(164,799)	-
Net realised loss on Investments/Managed Funds	(7,656)	-
	<u>22,154</u>	<u>2,506,108</u>
Total Revenue	<u>22,154</u>	<u>2,506,108</u>

3. FINANCIAL ASSETS

Opening Investment Portfolio balance	2,247,410	
Purchases at cost	1,925,950	
Sales at cost	(369,116)	
Net realised loss	(7,656)	
Net unrealised loss	(164,799)	
Market Value of Investment Portfolio	<u><u>3,631,789</u></u>	<u><u>2,247,410</u></u>

4. OTHER CURRENT ASSETS

Debtors	2,820	1,830
Accrued Income	22,370	9,952
	<u>25,190</u>	<u>11,782</u>

5. RETAINED SURPLUS

Balance at beginning of financial year	4,489,774	2,003,315
Implementation of AASB 9 adjustment	64,252	-
Net deficit/surplus	(35,668)	2,486,459
Balance at end of financial year	<u><u>4,518,358</u></u>	<u><u>4,489,774</u></u>

6. AVAILABLE-FOR-SALE REVALUATION RESERVE

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

THE GIRLS & BOYS BRIGADE FOUNDATION

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

7. AUDITORS' REMUNERATION

The auditors of the Foundation for the year ended 31 December 2018 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.

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:

	2018	2017
	\$	\$
Westpac – Cash at bank	8,088	15,808
Westpac – Cash Reserve Account	30,827	30,677
Providence Wealth Cash & Equivalents	822,564	2,248,449
	<u>861,479</u>	<u>2,294,934</u>

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

	2018	2017
	\$	\$
Operating (deficit)/surplus	(35,668)	2,486,459
Adjustments for:		
GST Paid to be refunded	(990)	(1,469)
Net unrealised loss on investments/managed funds	164,799	-
Net realised loss on investments/managed funds	7,656	-
Income from Investments/Managed Funds	(187,443)	(44,775)
Net cash used in operating activities	<u>(51,646)</u>	<u>2,440,215</u>

THE GIRLS & BOYS BRIGADE FOUNDATION

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

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

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

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

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

	Note	Weighted Average Interest Rate %	Amount of Asset Held or Liability Incurred at Floating Interest Rate \$	Fixed Interest Maturing in 1 year or Less \$	Non Interest Bearing \$	Total \$
31 December 2018						
Financial Assets						
Cash at bank	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
31 December 2017						
Financial Assets						
Cash at bank	9(a)	0.23	46,485	-	-	46,485
Portfolio Bank Accounts	9(a)	1.54	1,443,932	-	-	1,443,932
Portfolio Term Deposits	9(a)	1.45	804,516	-	-	804,516
Other	4	-	-	-	11,782	11,782
Investments (non current)	3	-	-	-	2,247,410	2,247,410

(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.

THE GIRLS & BOYS BRIGADE FOUNDATION

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

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
	\$	\$	\$
2018			
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>
2017			
	\$	\$	\$
Direct mail donor appeals	89,000	-	89,000
Donations from The Girls & Boys Brigade	2,370,000	-	2,370,000
General Fundraising Expenses	-	(9,126)	(9,126)
	<u>2,459,000</u>	<u>(9,126)</u>	<u>2,449,874</u>

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

	2018	2017
	\$	\$
Net (deficit)/surplus from fundraising	<u>(1,685)</u>	<u>2,449,874</u>
	<u>(1,685)</u>	<u>2,449,874</u>

No direct expenditure for charitable purposes was incurred during the year.

(c) Comparisons of certain monetary figures and percentages

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

	2018	2017
Total Cost	8,685	9,126
Gross Proceeds	7,000	2,459,000
Percentage	124.07%	0.37%

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

	2018	2017
Net Surplus	(1,685)	2,449,874
Gross Proceeds	7,000	2,459,000
Percentage	(24.07)%	99.63%

14. 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 Foundation, the results of those operations, or the state of affairs of the Foundation in future financial year.

THE GIRLS & BOYS BRIGADE FOUNDATION

SUPPLEMENTARY FINANCIAL INFORMATION
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2018

	2018	2017
	\$	\$
DETAILED INCOME STATEMENT		
Income		
Donations	7,000	89,000
Donation from The Girls & Boys Brigade	-	2,370,000
Interest Received	166	2,333
Income from Investments./Managed Funds	187,443	44,775
Net Unrealised Loss on Investments/Managed Funds	(164,799)	-
Net Realised Loss on Investments/Managed Funds	(7,656)	-
Total Income	22,154	2,506,108
Expenses		
Administration	5,562	7,018
Portfolio Management Fees	40,070	-
Insurance	3,505	3,505
Fundraising Expenses	8,685	9,126
Total Expenses	57,822	19,649
Net operating (deficit)/surplus	(35,668)	2,486,459