ROSICRUCIAN ORDER, AMORC LODGE FOR AUSTRALIA ASIA AND NEW ZEALAND LIMITED
ABN 95 072 728 968
A COMPANY LIMITED BY GUARANTEE

GENERAL PURPOSE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

ROSICRUCIAN ORDER, AMORC LODGE FOR AUSTRALIA ASIA AND NEW ZEALAND LIMITED
A.B.N. 95 072 728 968
A Company Limited by Guarantee
31 December 2019

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ROSICRUCIAN ORDER, AMORC LODGE FOR AUSTRALIA ASIA AND NEW ZEALAND LIMITED
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DIRECTORS' REPORT

Your directors present this report on the Company for the year ended 31 December 2019.

The names of the directors in office at the date of this report are:

R F Kogel
P Panikian
J Van Dalen
L Crawford-Sandison
R Nicol
M Torkington
M Fisher

The principal activities of the Company during the financial year were to teach, foster and perpetuate traditional principles and laws of the Ancient Rosicrucians.

No significant change in the nature of these activities occurred during the year.

The loss after providing for income tax amounted to $190,818 2018: Loss $194,527.

The Company is prohibited from declaring a dividend and none were declared or paid.

No options to shares in the Company have been granted during the financial year and there were no options outstanding at the end of the financial year.

No director has received or become entitled to receive, during or since the end of the financial year, a benefit because of a contract made by the Company or a related body corporate with the director, a firm of which a director is a member or an entity in which a director has a substantial financial interest. This statement excludes a benefit included in the aggregate amount of emoluments received or due and receivable by directors shown in the Company accounts or the fixed salary of a full time employee of the Company, controlled entity or related body corporate.

After balance date events since the end of the financial year include COVID-19 impact. Whilst there has been disruption, the business continues to operate with resilience. Including remote working and online communications with members and suppliers. The full impact is still being assessed. The Company has a strong balance sheet and cash reserves to support continuation as a going concern.

The Company has not, during or since the financial year, in respect of any person who is or has been an officer or auditor of the Company or of a related body corporate:

- indemnified or made any relevant agreement for indemnifying against a liability, including costs and expenses in successfully defending legal proceedings; or
- paid or agreed to pay a premium in respect of a contract insuring against a liability for the costs or expenses to defend legal proceedings.

The auditor has provided a declaration of independence to the Company and can be found on Page 5.
Attendance of Directors at Directors Meetings of which were held during the financial year:

Name	Meetings attended	Meetings entitled to attend
R F Kogel	1	1
P Panikian	1	1
J Van Dalen	1	1
L Crawford-Sandison	1	1
R Nicol	1	1
M Torkington	1	1
M Fisher	1	1

Particulars of Directors in office at the end of the financial year:

Name	Qualifications, experience and special responsibilities	Interest in contracts
R F Kogel	Member since 1972 Tertiary Qualified	Nil
P Panikian	President Member since 1969 HSC Qualified	Nil
J Van Dalen	Member since 1972 Tertiary Qualified	Nil
L Crawford-Sandison	Member since 2017 Tertiary Qualified	Nil
R Nicol	Member since 2019 Tertiary Qualified	Nil
M Torkington	Member since 2019 Tertiary Qualified	Nil
M Fisher	Member since 2019 Tertiary Qualified	Nil

Signed in accordance with a resolution of the Board of Directors:

Director ....
R F Kogel

Dated 6 July 2020

AUDITOR'S INDEPENDENCE DECLARATION

TO DIRECTORS OF ROSICRUCIAN ORDER, AMORC LODGE FOR AUSTRALIA
ASIA AND NEW ZEALAND LIMITED
A.B.N. 95 072 728 968
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In accordance with the requirements of section 60-40 of the Australian Charities and Not-for-profits Commission Act 2012, as auditor I declare that, to the best of my knowledge and belief, during the year ended 31 December 2019 there have been:

i. no contraventions of the auditor independence requirements as set out in the Australian Charities and Not-for-profits Commission Act 2012 (ACNC Act) in relation to the audit; and

ii. no contraventions of any applicable code of professional conduct in relation to the audit.

S R Coffey

Partner, Watkins Coffey Martin, Chartered Accountants

Dated 6 July 2020

ROSICRUCIAN ORDER, AMORC GRAND LODGE FOR AUSTRALIA, ASIA AND NEW ZEALAND LIMITED
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STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2019

	2019 $	2018 $
Gross profit from book sales	32,072	4,340
Dues received	267,397	273,190
Donations	28,348	30,525
Registration fees	3,980	4,080
Sundry income	41,320	58,270
Interest received	18,784	22,847
Convention Income	3,546	8,278
Exchange rate gain/(loss)	4,877	35,626
Bequests	20,035	49,757
Egypt Trip	21,722	(39,426)
Total Revenue	442,081	447,487
Other Expenses		
Auditors remuneration	5,764	5,851
Depreciation and amortisation	128,459	120,430
Other expenses from ordinary activities	498,676	515,733
Total Operating Expenses	632,899	642,014
Profit (loss) before income tax	(190,818)	(194,527)
Income tax expense	-	-
Total Comprehensive Income (Loss) for Year	(190,818)	(194,527)

The accompanying notes form part of these financial statements.

ROSICRUCIAN ORDER, AMORC GRAND LODGE FOR AUSTRALIA, ASIA AND NEW ZEALAND LIMITED
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STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2019

	Note	2019 $	2018 $
Current Assets			
Cash and Cash Equivalents	2	1,396,013	1,530,914
Trade and Other Receivables	3	11,498	13,003
Inventories	4	142,291	134,768
Total Current Assets		1,549,802	1,678,685
Non-Current Assets			
Property, Plant and Equipment	5	7,347,019	7,408,600
Right of Use Assets	8	89,977	-
Total Non-Current Assets		7,436,996	7,408,600
Total Assets		8,986,798	9,087,285
Current Liabilities			
Trade and Other Payables	6	31,020	31,004
Other	7	82,622	82,640
Lease Liabilities	8	32,949	-
Total Current Liabilities		146,591	113,644
Non-Current Liabilities			
Lease Liabilities	8	64,344	-
Total Non-Current Liabilities		64,344	-
Total Liabilities		210,935	113,644
Net Assets (Liabilities)		8,775,863	8,973,641
Equity			
Reserves	10	5,937,802	5,937,802
Retained Earnings	11	2,838,061	3,035,839
Total Equity		8,775,863	8,973,641

The accompanying notes form part of these financial statements.

ROSICRUCIAN ORDER, AMORC GRAND LODGE FOR AUSTRALIA, ASIA AND NEW ZEALAND LIMITED
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STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2019

	2019 $	2018 $
Retained Earnings		
Balance at 1 January	3,035,839	3,230,366
AASB 116 Lease Adjustment	(6,960)	-
Profit/(loss) Attributable to Members	(190,818)	(194,527)
Balance at 31 December	2,838,061	3,035,839
General reserve		
Balance at 1 January	230,500	230,500
Balance at 31 December	230,500	230,500
Asset Revaluation Reserve		
Balance at 1 January	5,707,302	3,336,102
Revaluation	-	2,371,200
Balance at 31 December	5,707,302	5,707,302
Total Equity		
Balance at 31 December	8,775,863	8,973,641

The accompanying notes form part of these financial statements.

**ROSICRUCIAN ORDER, AMORC GRAND LODGE FOR AUSTRALIA,
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STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2019

	Note	2019 $	2018 $
Cash Flows from Operating Activities:			
Dues received		442,081	502,428
Interest received		18,784	22,847
Payment to suppliers and employees		(524,611)	(596,198)
Net Cash Provided by (Used in) Operating Activities	12	(63,746)	(70,923)
Cash Flows from Investing Activities:			
Payment for property, plant & equipment		(38,206)	(73,846)
Net Cash Provided by (Used in) Investing Activities		(38,206)	(73,846)
Cash Flows from Financing Activities:			
Lease payments made		(32,949)	-
Net Cash Provided by (Used in) Financing Activities		(32,949)	-
Net Increase (Decrease) in Cash Held		(134,901)	(144,769)
Cash at beginning of financial year		1,530,914	1,675,683
CASH AT END OF FINANCIAL YEAR	2	1,396,013	1,530,914

The accompanying notes form part of these financial statements.

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Preparation

(a) Statement of compliance

The financial statements are Tier 2 general purpose financial statements which have been prepared in accordance with Australian Accounting Standards – Reduced Disclosure Requirements (AASBs) adopted by the Australian Accounting Standards Board (AASB), and the Australian Charities and Not-for-profits Commission Act 2012.

(b) Historic cost convention

The financial report has been prepared on an accruals basis and is based on historical costs and does not take into account changing money values or, except where stated, current valuations of non-current assets. Cost where stated is based on the fair values of the consideration given in exchange for assets and liabilities.

(c) Income Tax

The Company is exempt from the payment of income tax pursuant to Section 50-5 of the Income Tax Assessment Act, 1997.

(d) Inventories

Inventories are measured at the lower of cost and net realisable value.

(e) Property, Plant and Equipment

Each class of property, plant and equipment is carried at cost or fair value less, where applicable, any accumulated depreciation

Property

Freehold land and buildings are measured on the fair value basis, being the amount for which an asset could be exchanged between knowledgeable willing parties in an arm's length transaction. It is the policy of the Company for an appraisal to be made by the directors every three years.

Plant and equipment

Plant and equipment is measured on the cost basis.

The carrying amount of plant and equipment is reviewed annually by directors to ensure it is not in excess of the recoverable amount from those assets. The recoverable amount is assessed on the basis of the expected net cash flows which will be received from the assets employment and subsequent disposal. The expected net cash flows have not been discounted to present values in determining recoverable amounts.

Depreciation

The depreciable amount of all fixed assets including buildings and capitalised leased assets, but excluding leasehold land, is depreciated on both the straight line and diminishing value method over their useful lives commencing from the time the asset is held ready for use. Leasehold improvements are depreciated over the shorter of either the unexpired period of the lease or estimated useful lives of the improvements.

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)

The depreciation rates used for each class of assets are;

Class of asset	Depreciation rate
Buildings	2.5% SLM
Plant and equipment	10-40% DVM
Right of Use Assets (Leases)	20% SLM

(f) Foreign Currency Transactions and Balances

Foreign currently transactions during the year are converted to Australian currency at the rates of exchange applicable at the dates of the transactions. Amounts receivable and payable in foreign currencies at balance date are converted to the rates of exchange ruling at that date. The gains and losses from conversion of short term assets and liabilities, whether realised or unrealised, are included in operating profit before income tax as they arise.

(g) Cash

For the purpose of the statement of cash flows, cash includes cash on hand and in at call deposits with banks or financial institutions, investment in money market instruments maturing within less than two months, net of bank overdrafts.

(h) Goods and Services Tax (GST)

Specified revenues, expenses and assets are recognised net of the amount of GST. Certain other amounts qualify as GST-Free. Receivables and payables in the statement of financial position are shown inclusive of GST. Income and expenditure items in the statement of cash flows, are shown exclusive of GST.

(i) Inventories

Inventories comprises monographs, stationery and books for both sale or distribution part of activities in the ordinary course of business. Inventories of goods for resale are valued at the lower of cost and net realisable value.

(j) Deferred Income

The liability for deferred income is the unutilised amounts of member subscriptions received. The services are usually provided or the conditions usually fulfilled within 12 months of receipt of the member subscriptions.

(k) Reserves

Equity includes a general and asset revaluation reserve comprising gains and losses from revaluation of land.

(l) Significant accounting judgements, estimates and assumptions

The preparation of financial information requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements. Actual results may differ from these estimates. Specific accounting judgements and estimates are discussed in the relevant note.

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(m) Changes in Accounting Policies
New Standards adopted as at 1 January 2019

AASB15 - Revenue from contracts with customers
AASB 1058 Income of Not-for-Profit Entities
AASB 16 Leases
AASB 2016-8 Australian Implementation Guidance for Not-for-Profit Entities

AASB15 - Revenue from contracts with customers

The Company has adopted AASB 15 Revenue from Contracts with Customers from 1 January 2019, which replaces AASB 118 Revenue. It establishes the principles that an entity should apply to report to users of financial statements about the nature, amount, timing and uncertainty of revenue and cash flows arising from a contract with a customer.

AASB 1058 Income of Not-for-Profit Entities

The Company has adopted AASB 1058 Income of Not-for-Profit Entities from 1 January 2019.
This clarifies and simplifies the income recognition requirements that apply to not-for-profit (NFP) entities, in conjunction with AASB 15 Revenue from Contracts with Customers. The timing of income recognition depends on whether such a transaction gives rise to a liability or other performance obligation or a contribution by owners related to an asset received by the entity. The Company has applied AASB 15 and AASB 1058 using the modified retrospective (cumulative catch-up) method which means the comparative information has not been restated. The adoption of AASB 1058 and AASB 15 has not impacted the timing of revenue recognition.

AASB 16 Leases

The Company has adopted a simplified transition approach to AASB 16 Leases from 1 January 2019. It has not restated comparatives for the 2018 reporting period. Instead, the cumulative effect of applying the standard is recognised as an adjustment to the opening balance of retained earnings (or another component of equity, as appropriate) at the date of initial application.

On adoption of AASB 16, the Company recognised right of use assets and lease liabilities in relation to leases which had previously been classified as 'operating leases' under the principles of AASB 117 Leases. These liabilities were measured at the present value of the remaining lease payments, discounted using the lessee's interest rate implicit in the lease as of 1 January 2019.

AASB 2016-8 Australian Implementation Guidance for Not-for-Profit Entities

This standard was adopted from 1 January 2019 and inserts Australian requirements and authoritative implementation guidance for not-for profit entities into AASB 9 and AASB 15. The amendments to AASB 9 address the initial measurement and recognition of non-contractual receivables arising from statutory requirements (including taxes, and rates). The amendments to AASB 15 relates to various aspects of accounting for contracts with customers.

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NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019

		2019 $	2018 $
2	**Cash & Cash Equivalents**		
	Cash drawer	4,703	318
	Cash at bank - Order	935,431	1,054,307
	Cash at bank -Group	455,879	476,289
		1,396,013	1,530,914
3	**Trade & Other Receivables**		
	Current		
	Trade Debtors	738	742
	Other Debtors - Recoverable Fees	2,724	2,724
	GST Paid - Net	8,036	9,537
		11,498	13,003
4	**Inventories**		
	Current		
	Books, at cost	66,387	57,866
	Monograms and stationery, at cost	46,234	47,605
	Group Inventory and supplies, at cost	29,670	29,297
		142,291	134,768

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019

		2019 $	2018 $
5	**Property, Plant & Equipment**		
	Land and buildings, at Directors' valuation	8,354,787	8,320,243
	Less: accumulated depreciation	1,099,781	1,010,911
		7,255,006	7,309,332
	Plant & equipment NSW	193,946	193,946
	Less: accumulated depreciation	191,308	190,523
		2,638	3,423
	Plant & equipment New Zealand	1,935	1,935
	Less: accumulated depreciation	1,935	1,935
		-	-
	Plant & equipment South Australia	1,095	1,095
	Less: accumulated depreciation	1,095	1,095
		-	-
	Equipment and regalia - Group	203,736	199,716
	Less: accumulated depreciation	135,059	129,722
		68,677	69,994
	Library - Group	74,089	74,447
	Less: accumulated depreciation	64,223	61,010
		9,866	13,437
	Furniture and fittings - Group	64,409	64,409
	Less: accumulated depreciation	53,577	51,995
		10,832	12,414
	Total property, plant & equipment	7,347,019	7,408,600

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019**

		2019 $	2018 $
6	**Trade & Other Payables**		
	Current		
	Other Creditors		
	Trade Creditors	3,064	3,048
	Inactive group funds	27,956	27,956
		31,020	31,004
7	**Other Liabilities**		
	Current		
	Dues in advance	82,622	82,640

8 **Leases**

Leases over significant office equipment such as such as printers and franking machine have a lease term of between 3 and 5 years and the lease payments have a fixed component and a variable component based on the number of copies and frankings made during the year.

Right of use assets

	Office Equipment 1 $	Office Equipment 2 $	Total $
Balance at 1 January 2019	29,590	89,059	118,649
Depreciation Charge	(6,051)	(22,621)	28,672
Balance at 31 December 2019	23,539	66,438	89,977

Lease Liabilities

The maturity analysis of lease liabilities based on discounted and undiscounted cash flows is shown in the table below:

	Current <1 Year $	**Non-Current 1 – 5 Years** $	**Lease Liabilities in Statement of Financial Position** $	**Total Undiscounted Lease Liabilities** $
2019				
Office Equipment 1	6,933	17,936	24,869	26,639
Office Equipment 2	26,016	46,408	72,424	75,880
Total	32,949	64,344	97,293	102,519

Lease impact in the statement of profit and loss and other comprehensive income

The amounts recognised in the statement of profit and loss and other comprehensive income relating to leases where the company is a lessee are shown below

	2019 $	2018 $
Interest on lease liabilities	4,633	-

	2019	2018
	$	$

8 **Leases (Continued)**

Leases accounting policies

At inception of a contract, the company assesses whether a lease exists – i.e. does the contract convey the right to control the use of an identified asset for a period of time in exchange for consideration. This involves an assessment of whether the contract involves the use of an identified asset – this may be explicitly or implicitly identified within the agreement. If the supplier has a substantive substitution right, then there is no identified asset.

The Company has the right to obtain substantially all of the economic benefits from the use of the asset throughout the period of use. The Company has the right to direct the use of the asset i.e. decision-making rights in relation to changing how and for what purpose the asset is used.

The company has elected not to separate non-lease components from lease components have accounted for all leases as a single component.

At the lease commencement, the company recognises a right-of-use asset and associated lease liability for the lease term. The lease term includes extension periods where the company believes it is reasonably certain that the option will be exercised.

The right-of-use asset is measured using the cost model where cost on initial recognition comprises of the lease liability, initial direct costs, prepaid lease payments, estimated cost of removal and restoration less any lease incentives. The right-of-use asset is depreciated over the lease term on a straight-line basis and assessed for impairment in accordance with the impairment of assets accounting policy. The right-of-use asset is assessed for impairment indicators at each reporting date.

The lease liability is initially measured at the present value of the remaining lease payments at the commencement of the lease. The discount rate is the rate implicit in the lease, however where this cannot be readily determined then the company's incremental borrowing rate is used.

Subsequent to initial recognition, the lease liability is measured at amortised cost using the effective interest rate method. The lease liability is remeasured whether there is a lease modification, change in estimate of the lease term or index upon which the lease payments are based (e.g. CPI) or a change in the company's assessment of lease term.

Where the lease liability is remeasured, the right-of-use asset is adjusted to reflect the remeasurement or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

The company has elected to apply the exceptions to lease accounting for any leases of low-value assets. For these leases, the company recognises the payments associated with these leases as an expense on a straight-line basis over the lease term.

		2019 $	2018 $

9 **Contribution Equity**

The Company is limited by guarantee and has no share capital and in accordance with clause 3 of the Memorandum of association every member undertakes to contribute to the assets of the Company in the event of a shortfall on winding up to the extent of twenty five dollars ($25) each.

		2019 $	2018 $
10	**Reserves**		
	General Reserve	230,500	230,500
	Revaluation reserve	5,707,302	82,640
		5,937,802	5,937,802
11	**Retained Earnings**		
	Balance at 1 January	3,035,839	3,230,366
	AASB 116 Lease adjustment	(6,960)	-
	Profit/(loss) for the year	(190,818)	(194,527)
	Balance at 31 December	2,838,061	3,035,839

12 RECONCILIATION OF NET CASH PROVIDED BY OPERATING ACTIVITIES TO OPERATING PROFIT AFTER INCOME TAX

	2019 $	2018 $
Operating Profit after Income Tax	(190,818)	(194,527)
Non Cash Flows in Operating Profit:		
Depreciation	128,459	120,430
Lease interest financing	4,633	-
Changes in Assets & Liabilities:		
Right of use Contract Asset (Increase)	(89,977)	-
Lease Liability Contract Increase	97,293	-
Decrease (increase) in current inventories	(7,523)	3,302
Decrease (increase) in current receivables	1,505	7,215
Increase (decrease) in trade creditors	16	1,322
Increase (decrease) in accrued liabilities	(7,334)	(8,665)
Net Cash provided by Operating Activities	(63,746)	(70,923)

		2019	2018
		$	$
12	**RELATED PARTY TRANSACTIONS**		
	Directors:		
	The names of directors who have held office during the financial year are:		
	R F Kogel		
	P Panikian		
	J Van Dalen		
	L Crawford - Sandison		
	R Nicol		
	M Torkington		
	M Fisher		
	Directors' Remuneration:		
	Income paid or payable to all directors of the Company by the Company and any related parties	88,400	88,400
	Number of directors whose income from the Company or any related parties was within the following bands:		
		No.	No.
	0-$9999	5	2
	$20,000 - $89,999	2	2
	Retirement and Superannuation Payments:		
	Prescribed benefit given during year by the Company or a related party to a director or prescribed superannuation fund in connection with the retirement from a prescribed office.	-	-

13. FINANCIAL INSTRUMENTS

Recognition, initial measurement and derecognition

Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the financial instrument, and are measured initially at fair value adjusted by transactions costs, except for those carried at fair value through profit or loss, which are measured initially at fair value.

Financial assets are derecognised when the contractual rights to the cash flows from the financial asset expire, or when the financial asset and all substantial risks and rewards are transferred. A financial liability is derecognised when it is extinguished, discharged, cancelled or expires.

Classification and subsequent measurement of financial assets

Except for those trade receivables that do not contain a significant financing component and are measured at the transaction price, all financial assets are initially measured at fair value adjusted for transaction costs (where applicable).

For the purpose of subsequent measurement, financial assets other than those designated and effective as hedging instruments are classified into the following categories upon initial recognition:

- amortised cost
- fair value through profit or loss (FVPL)
- equity instruments at fair value through other comprehensive income (FVOCI)

All income and expenses relating to financial assets that are recognised in profit or loss are presented within finance costs, finance income or other financial items, except for impairment of trade receivables which is presented within other expenses.

Classifications are determined by both:

- The entities business model for managing the financial asset
- The contractual cash flow characteristics of the financial assets

All income and expenses relating to financial assets that are recognised in profit or loss are presented within finance costs, finance income or other financial items, except for impairment of trade receivables, which is presented within other expenses.

13. FINANCIAL INSTRUMENTS (continued)

Subsequent measurement financial assets

Financial assets at amortised cost

Financial assets are measured at amortised cost if the assets meet the following conditions (and are not designated as FVPL):

- they are held within a business model whose objective is to hold the financial assets and collect its contractual cash flows.
- the contractual terms of the financial assets give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding.

After initial recognition, these are measured at amortised cost using the effective interest method. Discounting is omitted where the effect of discounting is immaterial. The Company's cash and cash equivalents, trade and most other receivables fall into this category of financial instruments as well as long-term deposit that were previously classified as held-to-maturity under AASB 139.

Financial assets at fair value through profit or loss (FVPL)

Financial assets that are held within a different business model other than 'hold to collect' or 'hold to collect and sell' are categorised at fair value through profit and loss. Further, irrespective of business model financial assets whose contractual cash flows are not solely payments of principal and interest are accounted for at FVPL. All derivative financial instruments fall into this category, except for those designated and effective as hedging instruments, for which the hedge accounting requirements apply.

Impairment of Financial assets

AASB 9's impairment requirements use more forward looking information to recognize expected credit losses - the 'expected credit losses (ECL) model'. Instruments within the scope of the new requirements included loans and other debt-type financial assets measured at amortised cost and FVOCI, trade receivables and loan commitments and some financial guarantee contracts (for the issuer) that are not measured at fair value through profit or loss.

The Company considers a broader range of information when assessing credit risk and measuring expected credit losses, including past events, current conditions, reasonable and supportable forecasts that affect the expected collectability of the future cash flows of the instrument.

In applying this forward-looking approach, a distinction is made between:

- financial instruments that have not deteriorated significantly in credit quality since initial recognition or that have low credit risk ('Stage 1') and
- financial instruments that have deteriorated significantly in credit quality since initial recognition and whose credit risk is not low ('Stage 2').

13. FINANCIAL INSTRUMENTS (continued)

'Stage 3' would cover financial assets that have objective evidence of impairment at the reporting date.

'12-month expected credit losses' are recognised for the first category while 'lifetime expected credit losses' are recognised for the second category.

Measurement of the expected credit losses is determined by a probability-weighted estimate of credit losses over the expected life of the financial instrument.

Trade and other receivables

The Company makes use of a simplified approach in accounting for trade and other receivables and records the loss allowance at the amount equal to the expected lifetime credit losses. In using this practical expedient, the Company uses its historical experience, external indicators and forward-looking information to calculate the expected credit losses using a provision matrix.

The Company assess impairment of trade receivables on a collective basis as they possess credit risk characteristics based on the days past due.

Classification and measurement of financial liabilities

As the accounting for financial liabilities remains largely unchanged from AASB 139, the Company's financial liabilities were not impacted by the adoption of AASB 9. However, for completeness, the accounting policy is disclosed below.

The Company's financial liabilities include borrowings and trade and other payables.

Financial liabilities are initially measured at fair value, and, where applicable, adjusted for transaction costs unless the Company designated a financial liability at fair value through profit or loss.

Subsequently, financial liabilities are measured at amortised cost using the effective interest method except for derivatives and financial liabilities designated at FVPL, which are carried subsequently at fair value with gains or losses
recognised in profit or loss (other than derivative financial instruments that are designated and effective as hedging instruments).

All interest-related charges and, if applicable, changes in an instrument's fair value that are reported in profit or loss are included within finance costs or finance income.

ROSICRUCIAN ORDER, AMORC GRAND LODGE FOR AUSTRALIA, ASIA AND NEW ZEALAND LIMITED
A.B.N. 95 072 728 968
A Company Limited by Guarantee

DIRECTORS' DECLARATION

The directors of the Company declare that:

1. The financial statements and notes, are in accordance with the Australian Charities and Not-for-profits Commission Act 2012:

   (a) comply with Accounting Standards; and
   (b) give a true and fair view of the financial position as at 31 December 2019 and of the performance for the year ended on that date of the Company.

2. 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.

This declaration is made in accordance with a resolution of the Board of Directors.

Director ....
R F Kogel

Dated 6 July 2020

**ROSICRUCIAN ORDER, AMORC GRAND LODGE FOR AUSTRALIA,
ASIA AND NEW ZEALAND LIMITED
A Company Limited by Guarantee
A.B.N. 95 072 728 968**

**INDEPENDENT AUDITOR'S REVIEW REPORT
TO THE MEMBERS OF ROSICRUCIAN ORDER, AMORC GRAND LODGE FOR AUSTRALIA,
ASIA AND NEW ZEALAND LIMITED**

Report on the financial report

We have reviewed the accompanying financial report of Rosicrucian Order, Amorc Grand Lodge for Australia, Asia and New Zealand Limited, which comprises the statement of financial position as at 31 December 2019, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year ended on that date, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration.

Directors' Responsibility for the Financial Report

The directors of the Company are responsible for the preparation of a financial report which gives a true and fair view in accordance with Australian Accounting Standards and the Australian Charities and Not-for-Profits Commission Act 2012 (ACNC Act) and for such internal control as the directors determine is necessary to enable the preparation of a financial report that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express a conclusion on the financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2415: Review of a Financial Report — Company Limited by Guarantee, in order to state whether, on the basis of the procedures described, we have become aware of any matter that might lead us to believe that the financial report is not in accordance with Division 60 of the Australian Charities and Not-for-Profits Commission Act 2012 (ACNC Act) including:

(i) giving a true and fair view of the Company's financial position as at 31 December 2019 and its performance for the year ended on that date; and

(ii) complying with Australian Accounting Standards and Australian Charities and Not-for-Profits Commission Regulation 2013(ACNC)

ASRE 2415 requires that we comply with the ethical requirements relevant to the review of the financial report. A review of a financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Independence

In conducting our review, we have complied with the independence requirements of the Australian Charities and Not-for-Profits Commission Act 2012 (ACNC Act). We confirm that the independence declaration required by the Australian Charities and Not-for-Profits Commission Act 2012 (ACNC Act) has been provided to the directors of Rosicrucian Order, Amorc Grand Lodge for Australia, Asia and New Zealand Limited and can be found at Note 19 to this report.

Conclusion

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the financial report of Rosicrucian Order, Amorc Grand Lodge for Australia, Asia and New Zealand Limited is not in accordance with the Australian Charities and Not-for-Profits Commission Act 2012 (ACNC Act) including:

(i) giving a true and fair view of the Company's financial position as at 31 December 2019 and of its performance for the year ended on that date; and

(ii) complying with Australian Accounting Standards (including Australian Accounting Interpretations) and the Australian Charities and Not-for-Profits Commission Act 2012 (ACNC Act).

Watkins Coffey Martin
Chartered Accountants

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Partner: S R Coffey

Dated 6 July 2020

ROSICRUCIAN ORDER, AMORC GRAND LODGE FOR AUSTRALIA, ASIA AND NEW ZEALAND LIMITED
A Company Limited by Guarantee
A.B.N. 95 072 728 968

TRADING, PROFIT AND LOSS STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2019

	2019 $	2018 $
Income		
Sales	79,393	48,368
LESS: COST OF GOODS SOLD		
Opening Stock	57,866	63,271
Purchases	38,680	13,438
	96,546	76,709
Closing Stock	66,387	57,866
	30,159	18,843
Direct Costs		
Freight Paid	84	1,774
Books Admin	17,078	23,405
	17,162	25,179
Gross Profit From Trading	32,072	4,340

This trading profit and loss statement has been prepared to provide additional financial information. It does not form part of the reviewed financial report.

ROSICRUCIAN ORDER, AMORC GRAND LODGE FOR AUSTRALIA, ASIA AND NEW ZEALAND LIMITED
A Company Limited by Guarantee
A.B.N. 95 072 728 968

DETAILED PROFIT AND LOSS STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2019

	2019 $	2018 $
Income		
Dues received	267,397	273,190
Donations	28,348	30,525
Registration fees	3,980	4,080
Sundry income	41,320	58,270
Exchange Gain/(loss)	4,877	35,626
Convention income	3,546	8,278
Interest received	18.784	22,847
Bequests	20.035	49,757
Gross Profit/(loss) from Trading	32.070	4,340
Egypt Trip	21.722	(39,426)
	442.081	447,487
Expenditure		
Advertising and promotion	31.237	47,440
Auditor's remuneration	5.764	5,851
Bank charges	9.631	4,726
Consultancy fees	161.377	165,293
Computer supplies	9.821	8,269
Convention expenses	2.155	3,319
Depreciation	99.787	120,430
Equipment lease	-	29,520
Interest Expense	4,633	-
Light & Power	11,906	10,978
Library & Archives	49	169
Insurance	31,128	17,307
Legal costs	434	442
Monograms, digests & forums	22,217	21,941
New Zealand expenditure	7,287	4,011
Postage	53,833	42,645
Printing & stationery	38,528	51,929
Rates & Taxes	31,403	28,797
Rent and occupation costs	7,953	7,250
Repairs & maintenance	20,521	45,260
SGL Royal Support	22,443	-
Special Projects	4,030	3,902
Staff Amenities	2,402	3,766
Subscriptions	1,128	-
Telephone	4,083	5,082
Travelling expenses	20,477	13,687
	632,899	642,014
Operating Profit (Loss) before Income Tax	(190,818)	(194,527)

This detailed profit and loss statement has been prepared to provide additional financial information. It does not form part of the reviewed financial report.