

Australian Young Christian Workers Movement Inc.

ABN 28 737 645 713

Annual report for the year ended 31 December 2015

Australian Young Christian Workers Movement Inc.

ABN 28 737 645 713

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Australian Young Christian Workers Movement Inc.

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Committee members' report

Your committee members submit herewith the financial report of Australian Young Christian Workers Movement Inc. (the "association") for the financial year ended 31 December 2015.

Committee members

The names of committee members throughout the year and at the date of this report are:

Elizabeth McFarlane (appointed November 2016)	President
Ashley Carvalho	Secretary
Zoe Cresswell (resigned November 2016)	Former President
Patrick DeBrincat (appointed November 2016)	Committee Member
Marilyn Bellett (appointed November 2016)	Committee Member
Sister Judith Foster (appointed November 2016)	Committee Member

Principal activities

The association is a non-profit organisation. It is a full member of the International Young Christian Workers Movement and enjoys the support of the Australian Catholic Bishops Conference. The Australian Young Christian Workers Movement adheres to the Declaration of Principles, the International Statutes and the Internal Regulations of the International Young Christian Workers Movement.

The Australian Young Christian Workers Movement is an organisation for young workers, which is run by young workers. The Australian Young Christian Workers Movement, by action and reflection, attempts to change and improve the lives of its members and society.

The Australian Young Christian Workers Movement works to create a society which actively supports, respects and values the God given dignity of each person. We will consciously uphold basic human rights, especially the right to meaningful and just work. We will educate for global awareness and solidarity. Through taking action and reviewing in our communities, young people will discover the deepest meaning and mission of their lives.

Review of operations

The deficit of the association amounted to \$17,547 (2014: deficit \$86,360).

A review of the operations of the association during the financial year and the results of those operations show that during the year, the association continued to engage in its principal activity, the results of which are disclosed in the attached financial statements.

Changes in the state of affairs

There was no significant change in the state of affairs of the association during the financial year.

Subsequent events

There has not been any matter or circumstance occurring subsequent to the end of the financial year that has significantly affected, or may significantly affect, the operations of the association, the results of those operations, or the state of affairs of the association in future financial years.

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Committee members' report

Future developments

Disclosure of information regarding likely developments in the operations of the association in future financial years and the expected results of those operations is likely to result in unreasonable prejudice to the association. Accordingly, this information has not been disclosed in this report.

Environmental regulations

The association's operations are not regulated by any significant environmental regulations under a law of the Commonwealth or of a state or territory of Australia.

Indemnification and insurance of officers and auditors

There were no indemnities given or insurance premiums paid, during or since the end of the financial year, for any person who is or has been an officer or auditor of Australian Young Christian Workers Movement Inc.

Proceedings on behalf of association

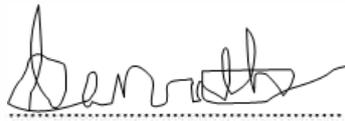
No person has applied for leave of court to bring proceedings on behalf of the association or intervene in any proceedings to which the association is a party for the purpose of taking responsibility on behalf of the association for all or any part of those proceedings.

The association was not a party to any such proceedings during the year.

The Committee's report is signed in accordance with a resolution of the Members of the Committee:



President



Secretary

Dated: 21/11/16

Australian Young Christian Workers Movement Inc.

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Statement of profit or loss and other comprehensive income

For the year ended 31 December 2015

	Note	2015 \$	2014 \$
Revenues	3	207,360	257,576
Employee benefits expenses		(89,024)	(132,114)
Service delivery and event expenses		(70,367)	(85,021)
Grants and contribution expenses		(39,482)	(91,058)
Administration and other expenses		(26,034)	(35,743)
Loss before tax		(17,547)	(86,360)
Income tax expense		-	-
Deficit for the year		(17,547)	(86,360)
Other comprehensive income		-	-
Other comprehensive income for the year		-	-
Total comprehensive loss for the year		(17,547)	(86,360)

The accompanying notes form part of these financial statements.

Australian Young Christian Workers Movement Inc.

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Statement of financial position as at 31 December 2015

	Note	2015 \$	2014 \$
Assets			
Current assets			
Cash and cash equivalents	4	84,069	95,859
Trade and other receivables	5	1,349	12,485
Current assets		<u>85,418</u>	<u>108,344</u>
Non-current assets			
Property, plant and equipment	6	111,443	112,403
Total non-current assets		<u>111,443</u>	<u>112,403</u>
Total assets		<u>196,861</u>	<u>220,747</u>
Liabilities			
Current liabilities			
Trade and other payables	7	11,399	17,738
Provisions	8	4,330	4,330
Total current liabilities		<u>15,729</u>	<u>22,068</u>
Total liabilities		<u>15,729</u>	<u>22,068</u>
Net assets		<u>181,132</u>	<u>198,679</u>
Members' funds			
Asset realisation reserve		28,049	28,049
Accumulated surplus		153,083	170,630
Total members' equity		<u>181,132</u>	<u>198,679</u>

The accompanying notes form part of these financial statements.

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Statement of changes in equity for the year ended 31 December 2015

	Accumulated surplus	Asset revaluation reserve	Total
	\$	\$	\$
2015			
Balance at 1 January 2015	170,630	28,049	198,679
Deficit for the year	(17,547)	-	(17,547)
Balance at 31 December 2015	153,683	28,049	181,132
2014			
Balance at 1 January 2014	256,990	28,049	285,039
Deficit for the year	(86,360)	-	(86,360)
Balance at 31 December 2014	170,630	28,049	198,679

The accompanying notes form part of these financial statements.

Australian Young Christian Workers Movement Inc.

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Notes to the financial statements for the year ended 31 December 2015

1. General information

Australian Young Christian Workers Movement Inc. is ("the association") is a not-for-profit entity domiciled and operating in Australia.

The association's registered office and principal place of business are as follows:

25 Union Street
Granville NSW 2142

2. Significant accounting policies

Financial reporting framework

The association is not a reporting entity because in the opinion of the committee members there are unlikely to exist users of the financial report who are unable to command the preparation of reports tailored so as to satisfy specifically all of their information needs. Accordingly, these special purpose financial statements have been prepared to satisfy the committee members' reporting requirements under the *Australian Charities and Not-for-profit Commission Act 2012* and the *Associations Incorporation Act 2009 of New South Wales*.

For the purposes of preparing the financial statements, the association is a not-for-profit entity.

Statement of compliance

The financial statements have been prepared in accordance with the *Australian Charities and Not-for-profit Commission Act 2012*, *Associations Incorporation Act 2009 of New South Wales* and accounting policies listed below.

Basis of preparation

The financial statements have been prepared on the basis of historical cost, except for certain non-current assets and financial instruments that are measured at revalued amounts or fair values at the end of each reporting period, as explained in the accounting policies below. Historical cost is generally based on the fair values of the consideration given in exchange for goods and services. All amounts are presented in Australian dollars, unless otherwise noted.

The principal accounting policies are set out below.

(a) Taxation

The association is exempted from income tax under Division 50 of the Income Tax Assessment Act 1997.

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Notes to the financial statements for the year ended 31 December 2015

2. Significant accounting policies (cont'd)

(b) Revenue recognition

Contributions – Government grants / donations

A contribution occurs when the association receives an asset, including the right to receive cash or other forms of asset without directly giving approximately equal value to the other party to the transfer; that is, when there is a non-reciprocal transfer. Contributions would include donations and government grants. Contributions that are income exclude contributions by owners.

Income from contributions is recognised when all the following conditions are satisfied:

- the association obtains control of the contribution or right to receive the contribution;
- it is probable the economic benefits comprising the contribution will flow to the association; and
- the amount of contribution can be measured reliably.

Income arising from contributions is measured at the fair value of the contributions received or receivable.

Interest income

Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the organisation and the amount of revenue can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

Other revenue is recognised when the right to receive the revenue has been established.

All revenue is stated net of the amount of goods and services tax (GST).

(c) Employee benefits

A liability is recognised for benefits accruing to employees in respect of wages and salaries, annual leave, long service leave, and sick leave when it is probable that settlement will be required and they are capable of being measured reliably.

Liabilities recognised in respect of short-term employee benefits, are measured at their nominal values using the remuneration rate expected to apply at the time of settlement.

Liabilities recognised in respect of long term employee benefits are measured as the present value of the estimated future cash outflows to be made by the association in respect of services provided by employees up to reporting date.

(d) Cash and cash equivalents

Cash and cash equivalents include cash on hand, deposits held at call with banks, other short-term highly liquid investments.

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Notes to the financial statements for the year ended 31 December 2015

2. Significant accounting policies (cont'd)

(e) Property, plant and equipment

Land and buildings held for use in the supply of goods or services, or for administrative purposes, are stated in the statement of financial position at their revalued amounts, being the fair value at the date of revaluation, less any subsequent accumulated depreciation and subsequent accumulated impairment losses. Revaluations are performed with sufficient regularity such that the carrying amounts do not differ materially from those that would be determined using fair values at the end of each reporting period.

Any revaluation increase arising on the revaluation of such land and buildings is recognised in other comprehensive income and accumulated within equity, except to the extent that it reverses a revaluation decrease for the same asset previously recognised in profit or loss, in which case the increase is credited to profit or loss to the extent of the decrease previously expensed. A decrease in the carrying amount arising on the revaluation of such land and buildings is recognised in profit or loss to the extent that it exceeds the balance, if any, held in the properties revaluation reserve relating to a previous revaluation of that asset.

Depreciation on revalued buildings is recognised in profit or loss. On the subsequent sale or retirement of a revalued property, the attributable revaluation surplus remaining in the properties revaluation reserve is transferred directly to retained earnings. No transfer is made from the revaluation reserve to retained earnings except when an asset is derecognised.

Freehold land is not depreciated.

Plant and equipment is stated at cost less accumulated depreciation and accumulated impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets (other than freehold land and properties under construction) less their residual values over their useful lives, using the straight-line method. The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

Depreciation rates and methods shall be reviewed at least annually and, where changed, shall be accounted for as a change in accounting estimate. Where depreciation rates or methods are changed, the net written down value of the asset is depreciated from the date of the change in accordance with the new depreciation rate or method. Depreciation recognised in prior financial years shall not be changed, that is, the change in depreciation rate or method shall be accounted for on a 'prospective' basis.

The assets' residual value and useful lives are reviewed, and adjusted if appropriate, at each balance sheet date.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss.

(f) Impairment of tangible assets

At the end of each reporting period, the association reviews the carrying amounts of its tangible 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). When it is not possible to estimate the recoverable amount of an individual asset, the association estimates the recoverable amount of the cash-generating unit to which the asset belongs. When a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest association of cash-generating units for which a reasonable and consistent allocation basis can be identified.

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Notes to the financial statements for the year ended 31 December 2015

2. Significant accounting policies (cont'd)

(f) Impairment of tangible assets (cont'd)

Recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

(g) Comparative amounts

When required by Accounting Standards, comparative figures have been adjusted to conform to changes in presentation for the current financial year.

(h) Critical accounting judgments and key sources of estimation uncertainty

In the application of the association's accounting policies, the committee members are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

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

Key sources of estimation uncertainty

The key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting period, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below or elsewhere in the financial statements:

Useful lives of property, plant and equipment

The association reviews the estimated useful lives of property, plant and equipment at the end of each reporting period.

Fair value measurements and valuation processes

The association values the land and building based on the fair market value.

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Notes to the financial statements for the year ended 31 December 2015

2. Significant accounting policies (cont'd)

(k) Application of new and revised Accounting Standards

In the current year, the association has adopted all of the new and revised Standards and interpretations issued by the Australian Accounting Standards Board (the AASB) that are relevant to its operations and effective for the current annual reporting period. There has been no material impact of these changes on the association's accounting policies.

Standards and Interpretations in issue not yet adopted

At the date of authorisation of the financial report, the members anticipate that the standards issued but not yet effective will have no material impact on the financial statements of the association. These standards and interpretation that were issued but not yet effective are listed below.

Standard/Interpretation	Effective for annual periods beginning on or after	Expected to be initially applied in the financial year ending
AASB 16 'Leases'	1 January 2019	30 June 2020
AASB 2014-3 'Amendments to Australian Accounting Standards – Clarification of Acceptable Methods of Depreciation and Amortisation'	1 January 2016	30 June 2017
AASB 2016-2 'Amendments to Australian Accounting Standards –Disclosure Initiative: Amendments to AASB 107'	1 January 2017	30 June 2018

3. Revenues

	2015	2014
	\$	\$
Grants	191,494	236,406
Other income	15,866	21,170
	<u>207,360</u>	<u>257,576</u>

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Notes to the financial statements for the year ended 31 December 2015

4. Cash and cash equivalents

	2015	2014
	\$	\$
Cash at bank and on hand	21,789	45,793
Short-term bank deposits	62,280	50,066
	<u>84,069</u>	<u>95,859</u>

5. Trade and other receivables

Current

Other receivables	<u>1,349</u>	<u>12,485</u>
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6. Property, plant and equipment

Land and buildings		
At independent valuation	<u>110,000</u>	<u>110,000</u>
Total land and buildings	<u>110,000</u>	<u>110,000</u>

Plant and equipment		
At cost	53,639	53,639
Accumulated depreciation	<u>(53,639)</u>	<u>(53,639)</u>
Total plant and equipment	<u>-</u>	<u>-</u>

Computer equipment		
At cost	5,735	5,735
Accumulated depreciation	<u>(4,292)</u>	<u>(3,332)</u>
Total computer equipment	<u>1,443</u>	<u>2,403</u>
Total property, plant and equipment	<u>111,443</u>	<u>112,403</u>

7. Trade and other payables

Current

Trade payables and other payables	4,604	10,713
Credit card liability	<u>6,795</u>	<u>7,025</u>
	<u>11,399</u>	<u>17,738</u>

8. Provisions

Current

Employee entitlements	<u>4,330</u>	<u>4,330</u>
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Notes to the financial statements for the year ended 31 December 2015

9. Contingent asset

Granville property

At balance date there is conflicting information regarding the Association's ownership entitlement with respect to a property in Granville. As a result this asset has been excluded from the Association's Statement of Financial Position.

The Committee are of the belief that the Association is entitled to a 50% share in the property and the recognition of the asset value of \$200,000 is contingent on the resolution of this matter. Management are currently seeking legal advice.

10. Economic dependency

Australian Young Christian Workers Movement Inc. is a not-for-profit entity. It is dependent on the on-going financial support from donors to continue its operations. Should this support no longer be made available the association would not be able to maintain its current level of operations.

Australian Young Christian Workers Movement Inc. receives the majority of its grant revenue from Young Christian Workers (Holdings) Melbourne. At the date of this report the members of the committee have no reason to believe that Young Christian Workers (Holdings) Melbourne will not continue to support Australian Young Christian Workers Movement Inc.

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Statement by Members of the Committee

As detailed in note 2 to the financial statements, the organisation is not a reporting entity because in the opinion of the Committee there are unlikely to exist users of the financial report who are unable to command the preparation of reports tailored so as to satisfy specifically all of their information needs. Accordingly, this 'special purpose financial report' has been prepared to satisfy the Committee's reporting requirements under the *Associations Incorporation Act 2009* and *Australian Charities and Not-for-profits Commission Act 2012*.

In the Committee's opinion:

- (a) there are reasonable grounds to believe that the association will be able to pay its debts as and when they become due and payable; and
- (b) the attached financial statements and notes thereto give a true and fair view of the financial position and performance of the association.

Signed in accordance with a resolution of the Committee

On behalf of the Committee



President



Secretary

Dated: 21/11/16

Independent Auditor's Report to the Members of Australian Young Christian Workers Movement Inc.

We have audited the accompanying financial report, being a special purpose financial report, of Australian Young Christian Workers Movement Inc., which comprises the statement of financial position as at 31 December 2015, the statement of profit or loss and other comprehensive income and the statement of changes in equity for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information, and the Statement by Members of the Committee as set out on pages 3 to 13.

Committee's Responsibility for the Financial Report

The committee of the entity is responsible for the preparation and fair presentation of the financial report and have determined that the basis of preparation described in Note 1, is appropriate to meet the financial reporting requirements of the *Associations Incorporation Act 2009 of New South Wales*, the *Australian Charities and Not-for-profits Commission Act 2012 (Cth)* (the ACNC Act) and is appropriate to meet the needs of the members. Committee's responsibility also includes such internal control as the committee 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.

Auditor's Responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. Those standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial report 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. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the executive committee, as well as evaluating the overall presentation of the financial report.

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

Opinion

In our opinion, the financial report of Australian Young Christian Workers Movement Inc is in accordance with Division 60 of the ACNC Act, including:

- (a) giving a true and fair view of the association's financial position as at 31 December 2015 and of its performance for the year ended on that date; and
- (b) complying with Australian Accounting Standards to the extent described in Note 2 and Division 60 of the *Australian Charities and Not-for-profits Commission Regulation 2013*.

Basis of Accounting and Restriction on Distribution and Use

Without modifying our opinion, we draw attention to Note 1 to the financial report, which describes the basis of accounting. The financial report has been prepared to assist Australian Young Christian Workers Movement Inc. to meet the financial reporting requirements of the *Associations Incorporation Act 2009 of New South Wales* and the ACNC Act. As a result, the financial report may not be suitable for another purpose. Our report is intended solely for the members of Australian Young Christian Workers Movement Inc. and should not be distributed to or used by parties other than the members of Australian Young Christian Workers Movement Inc.

Deloitte Touche Tohmatsu

DELOITTE TOUCHE TOHMATSU

Delaney

X Delaney
Partner
Chartered Accountants
Parramatta

Dated: 1 December 2016

Australian Young Christian Workers Movement Inc.

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Unaudited profit and loss statement for the year ended 31 December 2015

	2015	2014
	\$	\$
Income		
Grants		
YCW Holdings	165,809	202,000
ACBC Grant	23,000	23,000
Other Grants	2,685	11,406
Subscriptions, donations and contributions		
IYCW May Day donations	-	5,700
General fundraising and donations	(749)	756
Adelaide subscription	250	329
Melbourne subscription	1,096	1,285
Perth subscription	-	175
Parramatta subscription	-	48
Extension Diocese subscription	-	-
National executive contribution	710	770
National gathering contribution	595	1,750
Other income		
Interest income	2,242	4,808
Sundry income	11,722	5,549
Total income	207,360	257,576
Less: expenses		
Service		
IYCW contribution	(30)	23,589
Chaplain expenses	2,660	-
Bank charges	154	144
International meeting	974	5,090
Holding meetings	396	637
Holdings MYCW office expenses	23	-
Brisbane property	2,089	2,215
Other expenses	(1,660)	1,538
National		
Wages and salaries	51,010	82,799
Superannuation	4,391	7,322
Annual leave expense	-	(1,216)
Workers compensation	2,576	3,047
NPA and NC expenses	-	123
National extension	10,536	13,556
National visitation	3,111	4,008
Audit fees	5,000	5,000
Postage and shipping	44	409
Internet	315	486
Website maintenance	50	415
Telephone	1,805	2,050

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Unaudited profit and loss statement for the year ended 31 December 2015

	2015	2014
	\$	\$
Stationery	1,838	1,445
Photocopying	-	116
Publicity	432	2,292
Electricity	1,372	1,780
Gas	1,768	625
Staff amenities	13	200
National office bearers expense	493	-
Depreciation	960	477
Adelaide		
Wages and salaries	12,252	11,141
Superannuation	1,164	965
Office expenses	-	63
Melbourne		
Wages and salaries	1,779	22,600
Superannuation	169	2,081
NPA & NC expenses	71	1,367
Office expenses	220	883
Perth		
Wages and salaries	16,754	6,421
Superannuation	1,506	-
NPA and NC expenses	143	55
Office expenses	1,499	1,231
Parramatta		
Wages and salaries - grant	39,512	67,468
NPA and NC expenses	10	153
Office expenses	95	-
Event		
National executive meeting	13,255	9,937
Workers school	840	-
Handover meeting	-	1,581
National gathering	12,961	12,580
National Action Party 2015	26,031	12,131
National Council	-	26,139
Insurance		
Public liability	2,644	2,888
Volunteer insurance	555	555
Building and contents	3,127	5,550
Total expenses	<u>224,907</u>	<u>343,936</u>
Deficit before income tax	<u>(17,547)</u>	<u>(86,360)</u>