Doxa Youth Foundation (A Company limited by guarantee)

ABN 28 005 056 262

Annual report for the year ended 30 June 2018

Doxa Youth Foundation (A Company limited by guarantee)
ABN 28 005 056 262
Annual report - 30 June 2018

Contents

Directors' report

Your directors present their report on Doxa Youth Foundation ("the Company") for the year ended 30 June 2018.

Directors

The following persons were directors of Doxa Youth Foundation during the financial year and up to the date of this report (unless otherwise stated):

Graeme Johnson OAM
Raelene Murphy (resigned 31 May 2018)
Dana Bentley
Fr Joe Giacobbe
Anna Kennedy (resigned 31 May 2018)
Therese Mandler (resigned 31 May 2018)
Richard Smith

Principal activities and strategic objectives

During the year the principal continuing activities of the Company were the conduct and operation of programs to improve the life outcomes of disadvantaged children and young people. These activities comprise the short and long term objectives of the Company. The strategies for achieving these objectives are to continue to generate revenue from the Company's fundraising efforts and anticipated donations. The Company measures its performance by regular analysis of its programs, with the main performance indicator being the ongoing successful operation of the flagship programs, including Doxa Camp Malmsbury, Doxa City Camp, Doxa School Bendigo, and the Future Focus, University Pathways, Education Pathways, Future Insights and Doxa Cadetship programs.

Liability of members of the Company in the event of a winding up

In the event of the Company being wound up while a person is a member or within one year after a person ceases to be a member that person undertakes to contribute to the costs, common charges and expenses of the winding up and for the adjustment of the rights of contributors among themselves, such amount as may be required, not exceeding, $20 (2017: $20) per member.

Review of operations

The net result of the operations of the Company was a surplus of $342,188 (2017: $586,113 net surplus).

Significant changes in the state of affairs

There have been no significant changes in the state of affairs of the Company during the year.

Matters subsequent to the end of the financial year

On 1 August 2018, the Company was informed that its funding for the year ending 30 June 2019 from Doxa Community Club (DCC) will be reduced to $1 million ($3 million for the year ended 30 June 2018). The Board of Directors are confident the Company will continue to operate as a going concern due to the cash and cash equivalents at 30 June 2018 of $2,722,121. In addition management will undertake a review of all programs and expenditure to ensure we can continue to deliver those programs in supporting young people from disadvantaged backgrounds and as a result, some program expenditure may need to be reduced in the 2019 financial year. Management will also continue to pursue alternate funding sources. The Board of Directors and management of the Company do not currently plan to cease any programs, but may need to scale down some programs and expenditure.

In respect of the Company's long term funding, and more specifically for the year ending 30 June 2020, DCC (post the renovations of their venue) has told us that it will be able to make a donation to the Company that is closer to $3 million.

Other than the above matter, the directors are unaware of any matter or circumstance that has significantly affected, or may significantly affect:
(a) the Company's operations in future financial years, or
(b) the results of those operations in future financial years, or
(c) the Company's state of affairs in future financial years.

Environmental regulation

The Company is not subject to significant environmental regulation in respect of its operations.

Information on directors

Director	Experience	Special responsibilities
Graeme Johnson OAM	Lawyer	Non executive Chairman
Raelene Murphy	Accountant	Non executive Director, Deputy Chairperson
Dana Bentley	Accountant	Non executive Director
Fr Joe Giacobbe	Catholic priest	Founder and Non executive Director
Anna Kennedy	Company Secretary	Non executive Director
Therese Mandler	Growth & Capability	Non executive Director
Richard Smith	General Manager	Non executive Director

Meetings of directors

The number of meetings of the Company's Board of Directors and the Audit and Finance Committee held during the year ended 30 June 2018, and the number of meetings attended by each director were:

		Meetings of Directors		Meetings of Audit and Finance Committee	
		Number of meetings attended	**Number held while director in office**	**Number of meetings attended**	**Number held while director in office**
	Graeme Johnson OAM	6	6	6	6
*	Raelene Murphy	6	6	N/A	N/A
	Dana Bentley	6	6	6	6
*	Julie Andrews **	6	6	N/A	N/A
*	Fr Joe Giacobbe	6	6	N/A	N/A
*	Anna Kennedy	6	6	N/A	N/A
*	Therese Mandler	5	6	N/A	N/A
	Richard Smith	5	6	1	1

* Not members of audit and finance committee
** Julie Andrews attended as an observer pending approval of her becoming a director

Note that board meetings are held every 2 months.

Richard Smith resigned from the Audit and Finance Committee before the October 2017 meeting.

At the end of the 31 May 2018 board meeting resignations were received from Raelene Murphy, Anna Kennedy and Therese Mandler as directors of the Board of Directors. Julie Andrews also stepped down from the Board of Directors as an observer.

Insurance of officers

During the financial year, Doxa Youth Foundation paid a premium of $3,885 (2017: $3,885) to insure the directors and officers of the Company.

The liabilities insured are legal costs that may be incurred in defending civil or criminal proceedings that may be brought against the officers in their capacity as officers of entities in the Company, and any other payments arising from liabilities incurred by the officers in connection with such proceedings. This does not include such liabilities that arise from conduct involving a wilful breach of duty by the officers or the improper use by the officers of their position or of information to gain advantage for themselves or someone else or to cause detriment to the Company. It is not possible to apportion the premium between amounts relating to the insurance against legal costs and those relating to other liabilities.

Indemnification

The Company has not insured or indemnified the auditors.

Proceedings on behalf of the Company

No person has applied to the Court under section 237 of the *Corporations Act 2001* for leave to bring proceedings on behalf of the Company, or to intervene in any proceedings to which the Company is a party, for the purpose of taking responsibility on behalf of the Company for all or part of those proceedings.

No proceedings have been brought or intervened in on behalf of the Company with leave of the Court under section 237 of the *Corporations Act 2001.*

Auditor's independence declaration

A copy of the auditor's independence declaration as required under section 60-40 of the *Australian Charities and Not-for-profits Commission Act 2012* is set out on page 5.

This report is made in accordance with a resolution of directors.

Graeme Johnson OAM
Chairman

Melbourne
2 October 2018

pwc

Auditor's Independence Declaration

As lead auditor for the audit of Doxa Youth Foundation for the year ended 30 June 2018, I declare that, to the best of my knowledge and belief, there have been no contraventions of any applicable code of professional conduct in relation to the audit.

This declaration is in respect of Doxa Youth Foundation.

Sanjiv Jeraj
Partner
PricewaterhouseCoopers

Melbourne
2 October 2018

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Doxa Youth Foundation (A Company limited by guarantee)
ABN 28 005 056 262
Annual report - 30 June 2018

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These financial statements cover Doxa Youth Foundation (A Company limited by guarantee) as an individual entity. The financial statements are presented in the Australian currency.

Doxa Youth Foundation is a company limited by guarantee, incorporated and domiciled in Australia. Its registered office and principal place of business is:

Doxa Youth Foundation
Suite 2, Ground Floor
355 Spencer Street
West Melbourne VIC 3003

A description of the nature of the entity's operations and its principal activities is included in the directors' report on page 1, which is not part of these financial statements.

The financial statements were authorised for issue by the directors on 2 October 2018.

Doxa Youth Foundation (A Company limited by guarantee)
Statement of profit or loss and other comprehensive income
For the year ended 30 June 2018

	Notes	**2018 $**	2017 $
Revenue from continuing operations	4	**5,016,979**	5,202,461
Employee benefits expense - programs		**(1,643,399)**	(1,525,568)
Employee benefits expense - administration and marketing		**(698,364)**	(778,508)
Depreciation and amortisation expense	5	**(130,450)**	(97,726)
Rental expense		**(52,576)**	(47,057)
Administration expenses		**(317,807)**	(283,703)
Program expenses		**(1,748,080)**	(1,756,474)
Other expenses		**(84,115)**	(127,312)
Surplus before income tax		**342,188**	586,113
Income tax credit		**-**	-
Surplus for the year		**342,188**	586,113
Other comprehensive surplus			
Item that may be reclassified to profit or loss			
Changes in the fair value of available-for-sale financial assets	13(a)	**39,358**	60,198
Other comprehensive surplus for the year		**39,358**	60,198
Total comprehensive surplus for the year		**381,546**	646,311
Surplus is attributable to:			
Members of Doxa Youth Foundation		**342,188**	586,113
Total comprehensive surplus for the year is attributable to:			
Members of Doxa Youth Foundation		**381,546**	646,311

The above statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes.

	Notes	**2018 $**	2017 $
ASSETS			
Current assets			
Cash and cash equivalents	6	**2,722,121**	2,863,475
Trade and other receivables	7	**336,573**	271,952
Total current assets		**3,058,694**	3,135,427
Non-current assets			
Available-for-sale financial assets	8	**2,640,158**	2,407,409
Property, plant and equipment	9	**748,725**	670,266
Total non-current assets		**3,388,883**	3,077,675
Total assets		**6,447,577**	6,213,102
LIABILITIES			
Current liabilities			
Trade and other payables	10	**1,072,856**	1,228,708
Provisions	11	**92,153**	88,708
Total current liabilities		**1,165,009**	1,317,416
Non-current liabilities			
Provisions	12	**21,143**	15,807
Total non-current liabilities		**21,143**	15,807
Total liabilities		**1,186,152**	1,333,223
Net assets		**5,261,425**	4,879,879
EQUITY			
Reserves	13(a)	**2,193,529**	2,154,171
Retained surplus	13(b)	**3,067,896**	2,725,708
Total equity		**5,261,425**	4,879,879

The above statement of financial position should be read in conjunction with the accompanying notes.

	Reserves $	Retained surplus $	Total equity $
Balance at 1 July 2016	2,093,973	2,139,595	4,233,568
Surplus for the year	-	586,113	586,113
Other comprehensive surplus	60,198	-	60,198
Total comprehensive surplus for the year	**60,198**	**586,113**	**646,311**
Balance at 30 June 2017	**2,154,171**	**2,725,708**	**4,879,879**
Balance at 1 July 2017	2,154,171	2,725,708	4,879,879
Surplus for the year	-	342,188	342,188
Other comprehensive surplus	39,358	-	39,358
Total comprehensive surplus for the year	**39,358**	**342,188**	**381,546**
Balance at 30 June 2018	**2,193,529**	**3,067,896**	**5,261,425**

The above statement of changes in equity should be read in conjunction with the accompanying notes.

	Notes	**2018** **$**	2017 $
Cash flows from operating activities			
Receipts from customers (inclusive of goods and services tax)		**610,818**	703,511
Payments to suppliers and employees (inclusive of goods and services tax)		**(4,494,041)**	(4,462,590)
		(3,883,223)	(3,759,079)
Dividends received		**81,650**	90,685
Donations, grants, sponsorships and fundraising revenue received		**4,143,484**	4,642,805
Interest received		**86,169**	73,607
Net cash inflow from operating activities	16	**428,080**	1,048,018
Cash flows from investing activities			
Payments for property, plant and equipment		**(373,066)**	(355,919)
Payments for available-for-sale financial assets		**(200,158)**	(778,094)
Proceeds from sale of available-for-sale financial assets		**3,790**	323,377
Net cash (outflow) from investing activities		**(569,434)**	(810,636)
Cash flows from financing activities			
Net cash inflow from financing activities		**-**	-
Net (decrease) increase in cash and cash equivalents		**(141,354)**	237,382
Cash and cash equivalents at the beginning of the financial year		**2,863,475**	2,626,093
Cash and cash equivalents at the end of the financial year	6	**2,722,121**	2,863,475

The above statement of cash flows should be read in conjunction with the accompanying notes.

Contents of the notes to the financial statements

1 Summary of significant accounting policies

The principal accounting policies adopted in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated. The financial statements are for Doxa Youth Foundation (A Company limited by guarantee).

(a) Basis of preparation

These general purpose financial statements have been prepared in accordance with Australian Accounting Standards - Reduced Disclosure Requirements and interpretations issued by the Australian Accounting Standards Board, and the *Australian Charities and Not-for-profits Commission Act 2012*. Doxa Youth Foundation is a not-for-profit entity for the purpose of preparing the financial statements.

(i) Compliance with Australian Accounting Standards - Reduced Disclosure Requirements

The financial statements of Doxa Youth Foundation comply with Australian Accounting Standards - Reduced Disclosure Requirements as issued by the Australian Accounting Standards Board (AASB).

(ii) New and amended standards adopted by the Company

The Company has not elected to apply any new standards or amendments to standards that are not yet mandatory to the annual reporting period beginning 1 July 2017.

(iii) Historical cost convention

These financial statements have been prepared under the historical cost convention, unless otherwise stated. Comparative information has been reclassified where appropriate to enhance the comparability of the information. Reclassification has not resulted in any adjustment to net assets or surplus.

(iv) Going concern

On 1 August 2018, the Company was informed that its funding for the year ending 30 June 2019 from Doxa Community Club (DCC) will be reduced to $1 million ($3 million for the year ended 30 June 2018). The Board of Directors are confident the Company will continue to operate as a going concern due to the cash and cash equivalents at 30 June 2018 of $2,722,121. In addition management will undertake a review of all programs and expenditure to ensure we can continue to deliver those programs in supporting young people from disadvantaged backgrounds and as a result, some program expenditure may need to be reduced in the 2019 financial year. Management will also continue to pursue alternate funding sources. The Board of Directors and management of the Company do not currently plan to cease any programs, but may need to scale down some programs and expenditure.

Based on the information above, the directors have concluded that no material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. Accordingly, the directors have prepared the financial report on a going concern basis and have concluded the Company can realise its assets and settle its liabilities and commitments as and when they fall due.

(b) Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable. Amounts disclosed as revenue are net of returns, trade allowances, and duties and taxes paid. Revenue is recognised for the major business activities as follows:

(i) Sale of goods

Revenue from the sale of goods is recognised upon delivery of goods to customers.

(ii) Donations

Donation revenue is recognised on a cash basis.

(iii) Interest revenue

Interest revenue is recognised on a proportional basis taking into account the interest rates applicable to the financial assets.

1 Summary of significant accounting policies (continued)

(b) Revenue recognition (continued)

(iv) Services

Revenue from the rendering of a service is recognised upon delivery of the service to the customer, and services not performed at year end are treated as unearned revenue.

(c) Income tax

Doxa Youth Foundation is a charitable organisation and is exempt from income tax.

(d) Leases

Leases of property, plant and equipment where the Company has substantially all the risks and rewards of ownership are classified as finance leases. Finance leases are capitalised at the lease's inception at the fair value of the leased property or, if lower, the present value of the minimum lease payments. The corresponding rental obligations, net of finance charges, are included in other short-term and long-term payables. Each lease payment is allocated between the liability and finance cost. The finance cost is charged to statement of profit or loss and other comprehensive income over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period. The property, plant and equipment acquired under finance leases is depreciated over the shorter of the asset's useful life and the lease term.

Leases in which a significant portion of the risks and rewards of ownership are not transferred to the Company as lessee are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to statement of profit or loss and other comprehensive income on a straight-line basis over the period of the lease.

(e) Impairment of assets

Assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value-in-use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or groups of assets (cash-generating units). Non-financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at the end of each reporting period.

(f) Cash and cash equivalents

For the purpose of presentation in the statement of cash flows, cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities in the statement of financial position.

(g) Trade receivables

Trade receivables are recognised initially at fair value. Trade receivables are generally due for settlement no more than 30 days from the date of recognition. They are presented as current assets unless collection is not expected for more than 12 months after the end of the reporting period.

Collectability of trade receivables is reviewed on an ongoing basis. Debts which are known to be uncollectible are written off. An allowance for doubtful receivables is established when there is objective evidence that the Company will not be able to collect all amounts due according to the original terms of the receivables.

Other receivables are carried at their principal amounts. Interest is credited as income as it accrues.

1 Summary of significant accounting policies (continued)

(h) Functional and presentation currency

These financial statements are presented in Australian dollars, which is Doxa Youth Foundation's functional and presentation currency.

(i) Investments

Interests in listed and unlisted securities are brought to account at current market value with valuation movements recognised in the statement of profit or loss and other comprehensive income.

(j) Property, plant and equipment

All property, plant and equipment is stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the statement of profit or loss and other comprehensive income during the reporting period in which they are incurred.

Depreciation on assets is calculated using the straight-line method to allocate their cost or revalued amounts, net of their residual values, over their estimated useful lives as follows:

- Plant and equipment	3 - 7 years
- Leasehold improvements	5 - 15 years

Where items of plant and equipment have separately identifiable components which are subject to regular replacement, those components are assigned useful lives distinct from the item of plant and equipment to which they relate.

The cost of improvements to or on leasehold properties is amortised over the unexpired period of the lease or the estimated useful life of the improvement to the Company, whichever is the shorter.

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of the reporting period.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount. Land and buildings are not depreciated. The directors assess the carrying value of land and buildings regularly based upon market value.

Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in statement of profit or loss and other comprehensive income.

(k) Trade and other payables

These amounts represent liabilities for goods and services provided to the Company prior to the end of financial year which are unpaid. The amounts are unsecured and are usually paid within 30 days of recognition. Trade and other payables are presented as current liabilities unless payment is not due within 12 months from the reporting date. They are recognised initially at their fair value and subsequently measured at amortised cost using the effective interest method.

1 Summary of significant accounting policies (continued)

(l) Employee benefits

(i) Short-term obligations

Liabilities for wages and salaries, including non-monetary benefits, annual leave and accumulating sick leave expected to be settled within 12 months after the end of the period in which the employees render the related service are recognised in respect of employee's services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liability for annual leave and accumulating sick leave is recognised in the provision for employee benefits. All other short-term employee benefit obligations are presented as payables.

(ii) Other long-term employee benefit obligations

The liability for long service leave and annual leave which is not expected to be settled within 12 months after the end of the period in which the employees render the related service is recognised in the provision for employee benefits and measured as the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period using the projected unit credit method. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using market yields at the end of the reporting period on corporate bonds with terms to maturity and currency that match, as closely as possible, the estimated future cash outflows.

(iii) Superannuation

The amount charged to the statement of profit or loss and other comprehensive income in respect of superannuation represents contributions made by the Company to employee superannuation funds. Statutory contributions to superannuation funds are recognised as an expense as they become payable. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in the future payments is available.

(m) Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of associated GST, unless the GST incurred is not recoverable from the taxation authority. In this case it is recognised as part of the cost of acquisition of the asset or as part of the expense.

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the taxation authority is included with other receivables or payables in the statement of financial position.

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to the taxation authority, are presented as operating cash flows.

2 Financial risk management

(a) Credit risk

Credit risk arises from cash and cash equivalents and financial institutions, as well as credit exposure to customers (mostly schools), including outstanding receivables.

(i) Risk management

Credit risk is managed on a case by case basis by the Company. The Company assesses the credit quality of the customer, taking into account its financial positions, past experience and other factors.

2 Financial risk management (continued)

(a) Credit risk (continued)

(ii) Impaired trade receivables

Individual receivables which are known to be uncollectible are written off by reducing the carrying amount directly. The other receivables are assessed collectively to determine whether there is objective evidence that an impairment has been incurred but not yet been identified. For these receivables the estimated impairment losses are recognised in a separate provision for impairment. The Company considers that there is evidence of impairment if any of the following indicators are present:

- significant financial difficulties of the debtor
- probability that the debtor will enter bankruptcy or financial reorganisation, and
- default or delinquency in payments (more than 30 days overdue).

Receivables for which an impairment provision was recognised are written off against the provision when there is no expectation of recovering additional cash.

Impairment losses are recognised in profit or loss within other expenses. Subsequent recoveries of amounts previously written off are credited against other expenses.

Movements in the provision for impairment of trade receivables that are assessed for impairment collectively are as follows:

	2018 $	2017 $
At 1 July	**16,500**	-
Provision for impairment recognised during the year	**-**	16,500
Subsequent recovery of amount previously impaired	**(8,000)**	-
At 30 June	**8,500**	16,500

(b) Liquidity risk

Prudent liquidity risk management for the Company implies maintaining sufficient cash to meet obligations when due.

The Company does not have any ongoing financing arrangements with external parties.

3 Critical accounting estimates and judgements

The preparation of financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Company's accounting policies. There are no areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements.

4 Revenue

	2018	2017
	$	$
From continuing operations		
Revenue from charitable activities		
Fees and other trading revenue	**591,518**	682,054
Cadet and educational sponsorships	**471,512**	322,598
Donations and fundraising revenue - Doxa Community Club	**3,000,000**	3,500,000
Donations and fundraising revenue - Grants from trusts and foundations	**692,062**	377,700
Donations and fundraising revenue - Other	**81,364**	85,402
	4,836,456	4,967,754
Other revenue		
Interest	**83,949**	79,376
Dividends	**85,297**	95,827
Other	**11,277**	59,504
	180,523	234,707
	5,016,979	5,202,461

5 Expenses

	2018	2017
	$	$
Surplus before income tax includes the following specific expenses:		
Depreciation		
Plant and equipment	**61,125**	69,035
Leasehold improvements	**69,325**	28,691
Total depreciation	**130,450**	97,726
Employee benefits expenses		
Defined contribution plan expense	**194,022**	191,034
Rental expense relating to operating leases		
Minimum lease payments	**52,576**	47,057
Auditor's remuneration - PwC Australia	**20,000**	19,500

6 Current assets - Cash and cash equivalents

	2018	2017
	$	$
Cash at bank and in hand	**1,733,681**	1,062,118
Term deposits	**900,000**	1,600,000
Deposit at JBWere/JM Equities	**88,440**	201,357
	2,722,121	2,863,475

7 Current assets - Trade and other receivables

	2018	2017
	$	$
Other receivables	**297,017**	160,814
Provision for impairment of receivables	**(8,500)**	(16,500)
	288,517	144,314
Goods and services tax (GST)	**47,838**	86,202
Prepayments	**218**	41,436
	336,573	271,952

8 Non-current assets - Available-for-sale financial assets

	2018	2017
	$	$
Listed securities		
Equity securities	**1,417,478**	1,177,786
Fixed income securities	**1,222,680**	1,229,623
	2,640,158	2,407,409

9 Non-current assets - Property, plant and equipment

	Work in progress $	Plant and equipment $	Leasehold improvements $	Total $
At 1 July 2016				
Cost	12,150	256,285	2,398,415	2,666,850
Accumulated depreciation	-	(78,196)	(2,328,589)	(2,406,785)
Net book amount	12,150	178,089	69,826	260,065
Year ended 30 June 2017				
Opening net book amount	12,150	178,089	69,826	260,065
Additions	477,987	29,940	-	507,927
Depreciation charge	-	(69,035)	(28,691)	(97,726)
Closing net book amount	490,137	138,994	41,135	670,266
At 30 June 2017				
Cost	490,137	286,225	2,398,415	3,174,777
Accumulated depreciation	-	(147,231)	(2,357,280)	(2,504,511)
Net book amount	490,137	138,994	41,135	670,266
Year ended 30 June 2018				
Opening net book amount	490,137	138,994	41,135	670,266
Additions	-	28,529	180,380	208,909
Transfers	(490,137)	-	490,137	-
Depreciation charge	-	(61,125)	(69,325)	(130,450)
Closing net book amount	-	106,398	642,327	748,725
At 30 June 2018				
Cost	-	314,753	3,068,932	3,383,685
Accumulated depreciation	-	(208,355)	(2,426,605)	(2,634,960)
Net book amount	-	106,398	642,327	748,725

10 Current liabilities - Trade and other payables

	2018 **$**	2017 $
Trade payables and accruals	**215,567**	416,643
Unearned income	**857,289**	812,065
	1,072,856	1,228,708

11 Current liabilities - Provisions

	2018 **$**	2017 $
Employee benefits - annual leave	**88,100**	88,708
Employee benefits - long service leave	**4,053**	-
	92,153	88,708

12 Non-current liabilities - Provisions

	2018 **$**	2017 $
Employee benefits - long service leave	**21,143**	15,807

13 Reserves and retained surplus

(a) Reserves

	2018 **$**	2017 $
Available-for-sale reserve	**193,529**	154,171
Special capital works reserve	**1,300,000**	1,300,000
Special program reserve	**700,000**	700,000
	2,193,529	2,154,171

Special capital works reserve

This reserve represents funds set aside for future capital expenditure requirements, including asset upgrades, refits and refurbishments, and is monitored in line with anticipated requirements.

Special program reserve

This reserve includes funds held aside for future program/project development and delivery.

The board of Doxa Youth Foundation has discretion to alter the nature and purpose of reserves with reference to the entity's operating requirements.

	2018 **$**	2017 $
Movements:		
Available-for-sale reserve		
Opening balance	**154,171**	93,973
Revaluation	**39,358**	60,198
Closing balance	**193,529**	154,171
Special capital works reserve		
Opening balance	**1,300,000**	1,300,000
Closing balance	**1,300,000**	1,300,000
Special program reserve		
Opening balance	**700,000**	700,000
Closing balance	**700,000**	700,000

13 Reserves and retained surplus (continued)

(b) Retained surplus

Movements in retained surplus were as follows:

	2018 **$**	2017 $
Balance 1 July	**2,725,708**	2,139,595
Net surplus for the year	**342,188**	586,113
Balance 30 June	**3,067,896**	2,725,708

14 Commitments

Lease commitments

Operating leases - as lessee

	2018 **$**	2017 $
Commitments for minimum lease payments in relation to non-cancellable operating leases are payable as follows:		
Within one year	**120,960**	103,240
Later than one year but not later than five years	**321,295**	395,183
Later than five years	**13,500**	15,000
	455,755	513,423

15 Related party transactions

(a) Directors

The names of persons who were directors of the Company at any time during the financial year are as follows:

Graeme Johnson OAM
Raelene Murphy (resigned 31 May 2018)
Dana Bentley
Fr Joe Giacobbe
Anna Kennedy (resigned 31 May 2018)
Therese Mandler (resigned 31 May 2018)
Richard Smith

Each of these persons were also directors during the year ended 30 June 2017 unless otherwise stated.

(b) Key management personnel compensation

	2018 **$**	2017 $
Key management compensation	**389,395**	452,702

16 Cash flow information

Reconciliation of surplus after income tax to net cash inflow from operating activities

	2018 **$**	2017 $
Surplus for the year	**342,188**	586,113
Depreciation and amortisation	**130,450**	97,726
Net loss (gain) on sale of available for sale assets	**2,979**	(28,971)
Change in operating assets and liabilities:		
(Increase) in trade and other receivables	**(64,622)**	(141,183)
Increase in trade and other payables	**8,304**	503,050
Increase in other payables and provisions	**8,781**	31,283
Net cash inflow from operating activities	**428,080**	1,048,018

17 Events occurring after the reporting period

On 1 August 2018, the Company was informed that its funding for the year ending 30 June 2019 from Doxa Community Club (DCC) will be reduced to $1 million ($3 million for the year ended 30 June 2018). The Board of Directors are confident the Company will continue to operate as a going concern due to the cash and cash equivalents at 30 June 2018 of $2,722,121. In addition management will undertake a review of all programs and expenditure to ensure we can continue to deliver those programs in supporting young people from disadvantaged backgrounds and as a result, some program expenditure may need to be reduced in the 2019 financial year. Management will also continue to pursue alternate funding sources. The Board of Directors and management of the Company do not currently plan to cease any programs, but may need to scale down some programs and expenditure.

No other matter or circumstance has occurred subsequent to year end that has significantly affected, or may significantly affect, the operations of the Company, the results of those operations or the state of affairs of the Company or economic entity in subsequent financial years.

In the directors' opinion:

(a) the financial statements and notes set out on pages 6 to 22 are in accordance with the *Australian Charities and Not-for-profits Commission Act 2012*, including:
    (i) complying with Accounting Standards - Reduced Disclosure Requirements, the Australian Charities and Not-for-profits Commission Regulations 2013 and other mandatory professional reporting requirements, and
    (ii) giving a true and fair view of the Company's financial position as at 30 June 2018 and of its performance for the year ended on that date, and

(b) 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 directors.

Graeme Johnson OAM
Chairman

Melbourne
2 October 2018

Independent auditor's report

To the members of Doxa Youth Foundation

Our opinion

In our opinion:

The accompanying financial report of Doxa Youth Foundation (the Company) is in accordance with Division 60 of the *Australian Charities and Not-for-profits Commission (ACNC) Act 2012*, including:

(a) giving a true and fair view of the Company's financial position as at 30 June 2018 and of its financial performance for the year then ended

(b) complying with Australian Accounting Standards - Reduced Disclosure Requirements and Division 60 of the *Australian Charities and Not-for-profits Commission Regulation 2013*.

What we have audited

The financial report comprises:

- the statement of financial position as at 30 June 2018
- the statement of changes in equity for the year then ended
- the statement of cash flows for the year then ended
- the statement of profit or loss and other comprehensive income for the year then ended
- the notes to the financial statements, which include a summary of significant accounting policies
- the directors' declaration.

Basis for opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial report* section of our report.

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

Independence

We are independent of the Company in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

Other information

The directors are responsible for the other information. The other information comprises the information included in the annual report for the year ended 30 June 2018, including the directors' report, 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 accordingly 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 identified above 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 on the other information obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the directors for the financial report

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

In preparing the financial report, the directors are responsible for assessing the ability of the Company 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 Company or to cease operations, or have no realistic alternative but to do so.

pwc

Auditor's responsibilities for the audit of the financial report

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

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website at: http://www.auasb.gov.au/auditors_responsibilities/ar4.pdf. This description forms part of our auditor's report.

PricewaterhouseCoopers

Sanjiv Jeraj
Partner

Melbourne
2 October 2018