

GIRL GUIDES VICTORIA

ANNUAL REPORT

2019



**Everything She
Wants To Be**

Governance Chair's Report

Firstly I would like to thank Margaret Hansford for her leadership during 2019, and for her three years as the Girl Guides Victoria Governance Chair. I am pleased to report on the 2019 governance activities for Girl Guides Victoria as the new Governance Chair.



In 2019, the Executive Committee placed a focus on volunteering and youth membership, with many strategic discussions on these challenges taking place. These issues were also addressed through the work of the Girls Experience and Adults Experience Sub-committees. The strategic challenge of membership is one that the organisation has grappled with for a number of years, and will continue to do so into 2020.

The Policy and Procedures Sub-committee continued its work in creating and reviewing the policies and procedures for our Guiding community. 2019 saw many, many policies approved by Executive, and put into action by our Managers and Volunteers.

In 2019 we welcomed Kathryn Brown as Treasurer of our organisation. Along with continuing to provide oversight of the organisation's financial reports and annual budget, the Finance, Audit and Risk Sub-committee developed a risk appetite statement. This document outlines the organisation's tolerance for risk in key areas, and supports Executive and the CEO to make financial and strategic decisions.

The Property Sub-committee led the resolution for Girl Guides Victoria to take over the lease of Lonsdale Lodge, a ski lodge at Mt Baw Baw. This exciting development will see Victorian Girl Guides being introduced to the mountain during both the green and white seasons for years to come.

Governance Chair's Report

2019 saw the appointment of Michele Stokes into the Girl Guides Australia Nominee Director role. Michele sits on both the Girl Guides Australia Board and our Executive Committee, and is our link with the governance of our national organisation.

The recruitment and employment of the Chief Executive Officer is one of the most important roles of the Executive Committee. The Executive Committee were pleased to appoint Shannon Cheal in the role of CEO in August. Many thanks to Chief Operations Officer, Lenore Cairney, for holding the position of Acting CEO during the recruitment process.

The other key role of the Executive Committee is to oversee the recruitment of the Girl Guides Victoria State Commissioner. The Executive Committee presented Janelle Howell as the candidate to State Council, who was elected into the role beginning February 2020.

It is rare for Girl Guides Victoria to see a change in all of its leadership positions in a short space of time – Governance Chair, Treasurer, Girl Guides Australia Nominee Director, CEO and State Commissioner. This is an opportunity that won't be squandered as we look to learn from those before us and to lead Girl Guides Victoria enthusiastically into an unknown 2020.

Yours in Guiding,

Holly Bracken
Governance Chair

Executive Committee 2019

Margaret Hansford, Chair

Executive member since: 30 May 2015
Experience: Service provision, policy management, program development

Holly Bracken, Deputy Chair

Executive member since: 28 May 2011
Experience: Education, administration, leadership experience, Guiding experience

Tess Birch

Executive member since: 6 June 2016
Experience: Legal experience, governance, corporate fundraising, Guiding experience

Kathryn Brown

Executive member since: 2 February 2019
Experience: Auditing, banking, fund management

Ann Cook

Executive member since: 30 May 2015
Experience: Administration, Guiding knowledge, personnel management

Lynne Emblin

Executive member since: 1 January 2014
(State Commissioner)
Experience: Unit Leader, Guiding experience at State level, qualified massage therapist and sports trainer

Tina Kuek

Executive member since: 2 February 2019
Experience: Policy, Guiding experience, humanitarianism

Janelle Howell

Executive member since: 30 May 2015
Experience: Risk management, governance, leadership

Elise Melican

Executive member since: 28 May 2011
Experience: Governance, legislative compliance and policy making

Helen Reid

Executive member since: 25 May 2019
Experience: Management, research, Guiding experience

Lynda Sanders

Executive member since: 28 May 2018
Experience: Law, child protection and social work, property

Michele Stokes

Executive member since: 28 May 2018
Experience: Strategy, growth, business development, Guiding experience

Pam Woodhams

Executive member since: 1 March 2011
Experience: Finance and management experience

State Commissioner's Report

Thank you. Grazie. Ευχαριστώ. 谢谢. Cảm ơn bạn.
多謝. شکرا جزيلًا. Teşekkür ederim. धन्यवाद. ਤੁਹਾਡਾ ਧੰਨਵਾਦ.
Ви благодарам. Gracias. ස්තූතියි. Hvala vam.
Vielen Dank. Grazzi. Хвала вам. நன்றி. Salamat.
Спасибо. Dziękuję.



Thank you to all the Girl Guides across Victoria, the Olaves, Unit Leaders, District Managers, the Joyce Price Centre (JPC) Office Team, Department Managers, Region Managers, Assistant State Commissioners, the Executive Committee, Life Members, Trefoil Guild and the many alumni groups and other volunteers who have continued to provide a range of support to Girl Guides Victoria throughout 2019... and as we say in Girl Guides: BRAVO!

The contribution of the Guiding community within Victoria into the spirit of fun, friendship and adventure, and the commitment to bringing Guiding experiences to as many girls as possible is awe inspiring. It is important to acknowledge two incredible women who have been part of the leadership of Girl Guides Victoria for some time:

- The Honourable Linda Dessau AC, Governor of Victoria and President, Girl Guides Victoria
- Lynne Emblin OAM, Past State Commissioner, Girl Guides Victoria

The Governor continues in the role as the President of Girl Guides Victoria and kindly welcomed award recipients, members of the new State Leadership Team and Past State Commissioner to celebrate the achievements and contributions to the community in February 2020.



The Governor joined Girl Guides Victoria in offering her personal appreciation for the outstanding commitment and enduring impact on Girl Guides by the nineteenth State Commissioner – Lynne Emblin. Lynne and her team brought the Sunflower Challenge to life and took the brightness and spirit of sunflowers across the state. Girl Guides across Victoria thank the Governor and Past State Commissioner.

2019 saw many Unit, Region and State events and activities occur right throughout the year including Snoozerella (overnight sleepover adventure for Girl Guides aged 5 to 10 at the Melbourne Sports and Aquatic Centre), Snoozefest (overnight sleeping under the stars adventure for Girl Guides aged 10 to 17 at Luna Park, Melbourne), State Camps for all ages across three campsites around Victoria, various parades and significant days in the calendar including Australia Day and ANZAC Day. Lead the Way youth residential leadership weekend was launched and Sunflower Sleepovers took place in every Girl Guide Region connecting in with the State Commissioner and Assistant State Commissioners who were on a sleep over in Chiltern. Wow, what a year... but we haven't finished yet! A particular highlight of 2019 was the launch of Science, Technology, Engineering and Mathematics (STEM) camps, which are proving to be extremely popular, as is the Girl Guides Flying High entry into the Birdman Rally as part of the 2019 Moomba Festival.

At the time of writing this report the Victorian community, alongside communities across the country and world, are facing into one of the most significant challenges in our history – a global pandemic. As Girl Guides who have promised to serve our community, and who live by the



Guide Law, including making choices for a better world and living with courage and strength, Girl Guides Victoria have made the unprecedented decision to support Girl Guides and the wider community through the challenges ahead in 2020 and beyond, by making Girl Guides free for a year. This will make it possible for all girls and women who want to be part of Girl Guides in Victoria and become #EverythingSheWantsToBe, the opportunity to do so regardless of individual financial ability to pay a membership fee.

It is through this great act of kindness and commitment that together the Girl Guides community can make a meaningful difference to the lives of thousands of girls, women and their families, in the many communities across Victoria.

Thank you to mentors Abigail (10), Aurora (10), Eleanor (15) and Abigail (15) for your contribution into the decision on membership fees. They would like everyone to remember to please stay safe, stay connected and to get very, very excited about Girl Guides in 2020.

Yours in Guiding,

Janelle Howell
State Commissioner

Chief Executive Officer's Report

It was a pleasure to join the team at Girl Guides Victoria in 2019. The many invitations to visit Unit meetings and other events demonstrated the warm welcome and hospitality on offer when you meet Girl Guides. Spending the day with the Girl Guides from Jambo State Camp was a highlight, as was spending the day with the team at Britannia Park where I camped as a Brownie all those years ago. I chose to renew my Girl Guide Promise in December, surrounded by the Management Team, and it was a very special moment to stand with our 5,000 members and recommit to the Promise and Law.



The community programs again brought Guiding to more girls from diverse cultural and socio-economic backgrounds. We now have four new Guides in Schools programs, four programs for culturally and linguistically diverse girls, and have delivered over 30 outdoor and camping experiences to contribute to further developing skills in these areas for Girl Guides volunteers.

We continued to make improvements to our online system, refining and upgrading the online forms available to make administration easier. We also dedicated time to the national eGuiding project to develop the online training modules. Although there are more to come, having our Child Safe training and Guiding Orientation modules online together has already helped streamline induction for new volunteers.

In October we had the opportunity to thank the Lonsdale Ski Club for their generous gift of the Lonsdale Ski Lodge on Mt Baw Baw. It was an afternoon full of sharing the rich history of the Club and their delight at passing the building on to an organisation that shares their understanding of the enormous benefits of being outdoors for the development and wellbeing of young people.



I would like to acknowledge and thank the dedicated work of the staff team who strive to serve the members and volunteers of Girl Guides Victoria. We are an organisation that experiences a great deal of change, and the staff team show resilience and commitment to the values of Guiding as we seek to enhance the operational support available to members and volunteers.

I would also like to thank the members of the Executive who have demonstrated commitment and skill in carrying out their leadership role. It is a privilege to work with a leadership group who are forward thinking and bold in their decision making, while always giving careful consideration to their responsibilities to the organisation.

While 2020 has brought unique challenges, Girl Guides across Victoria have continued to connect with each other, serve their communities, get outside and have fun! I hope to see many of you again soon, out and about in the community, in your Guide Halls or in the Joyce Price Centre.

Yours in Guiding

Shannon Cheal
Chief Executive Officer

Treasurer's Report

The Financial Statements for the year ended 31 December 2019 show a total comprehensive profit of \$1,213,947. This includes an unrealised gain from non-operating activities of \$663,778 which relates to the investment portfolio.



Total revenue and income from ordinary activities was \$3,507,743 compared with \$2,183,618 for the prior year. This represents an increase in total revenue of 67%. This is mainly due to an increase in donation and grant revenue and the unrealised gain on the investment portfolio. Donations and grants represent 25% of total revenue and have increased by 26% from last year. The unrealised gain on the investment portfolio represents 19% of total revenue and membership, programs and events income represent 29% of total revenue. However, membership income has reduced by 4.9% and shop and biscuit sales income have also reduced by almost 17% compared to the prior year.

Total expenses have remained constant across 2019 and 2018 at \$2,293,796 and \$2,253,166 respectively.

Total current assets are \$8,772,923 up by 14% from the prior year. Financial assets represent 90% of this balance. Total non-current assets are \$9,906,215 and property, plant, equipment and intangible assets represent 100% of this balance. There is \$356,350 in total liabilities. Overall the net asset position of \$18,308,481 remains strong and is an increase of \$1,210,339 compared to 2018.



Subsequent to year end, in late March 2020, the Commonwealth and Victorian governments commenced implementing social isolation measures aimed at preventing the spread of COVID-19.

In order to observe social isolation measures, Girl Guides Victoria has implemented a number of measures and initiatives to ensure the welfare of its members. As a result, this will have a significant impact on revenue in 2020 and 2021.

Management will continue to seek to minimise the impact of the measures by investigating eligibility for government stimulus packages and identifying potential cost savings.

Additionally, the current volatility of domestic and foreign share markets may also likely have an unfavourable impact on the fair value of the investment portfolio.

I would like to thank the members of the Finance Committee for their continued commitment and support during the year. Also, I would like to thank all Girl Guides Victoria staff lead by Shannon Cheal for their support. We will be continuing to assess and implement the decisions necessary to keep Girl Guides Victoria in a strong financial position.

Yours in Guiding,

Kathryn Brown
Treasurer

2019



State Personnel 2019

Department Managers

International

Sylvia Tyers

Learning and Development

Margaret Brooks

Olave

Lillian Fry-McBean

Outdoors

Tara Anders & Kate Ferguson

Program

Stacey Bunn & Sarah Charles

Britannia Park Steward

Barb Groves

Life Members

Elizabeth Adnams, OAM

Betty De Marchi

Jill Johnstone, OAM

The Hon Kay Patterson, AO

Region Managers

Barwon South Western

Linda Kors

Central Highlands

Louisa Watts

Eastern

Jillian Malin

Gippsland

Christine Oliver

Hume

Jan Vonarx

Mallee

Narelle Tomlinson

North West

Bridget Allison

River

Yvonne Stewart

Southern

Jan Withers

Wimmera

Marianne Gilbert & Marion Smith

State Personnel 2019

Staff Team

Chief Executive Officer

Amanda Kelly / Shannon Cheal

Chief Operations Officer

Lenore Cairney

Camping and Adventure Officer

Cat Anderson

Volunteer Development Officer

Karen Chatto

Finance Officer

Fairoz Hossain

Communications Officer

Michelle Kanvesky

Business Support Officer

Clare McDade

Database and Membership Officer

Kerrie Morton

Volunteer Support Officer

Indira Narain / Tiffany Ho

Project Officer

Kate Pike

Events Coordinator

Katie Possingham

Community Development Officer

Mel Reoch

Community Leadership Officers

Evelyn Sheeran & Leigh Younger

Customer Support Officer

Paula Williams

Girl Guides Association of Victoria

ABN: 59 533 729 847

Financial Statements

For the Year Ended 31 December 2019

Girl Guides Association of Victoria

ABN: 59 533 729 847

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For the Year Ended 31 December 2019

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AUDITOR'S INDEPENDENCE DECLARATION

We declare that, to the best of our knowledge and belief, there have been no contraventions of any applicable code of professional conduct in relation to the audit of the financial report of the Girl Guides Association of Victoria for the year ended 31 December 2019.



HLB Mann Judd
Chartered Accountants

Melbourne
11 May 2020



Nick Walker
Partner

hlb.com.au

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Statement of Profit or Loss and Other Comprehensive Income

For the Year Ended 31 December 2019

	Note	2019 \$	2018 \$
Revenue and income from ordinary activities			
Revenue from contracts with customers:			
Sales of goods			
Shop sales		182,651	204,974
Biscuit sales		71,595	92,873
		<u>254,246</u>	<u>297,847</u>
Cost of sales		(169,280)	(195,605)
Gross profit		<u>84,966</u>	<u>102,242</u>
Rendering of services			
Membership subscriptions		805,010	846,179
Program, event, activity and training fee		195,730	213,726
		<u>1,000,740</u>	<u>1,059,905</u>
Total revenue from rendering of services		<u>1,000,740</u>	<u>1,059,905</u>
Total revenue from contracts with customers		<u>1,085,706</u>	<u>1,162,147</u>
Other operating income:			
Property income		87,715	89,300
Dividends and interest		413,479	327,776
Donations and grants		883,569	699,067
Other contributions		57,941	-
Profit on sale of property		226,120	-
Fair value adjustment to investment portfolio		663,778	(376,562)
Other		89,435	281,890
		<u>2,422,037</u>	<u>1,021,471</u>
Total other operating income		<u>2,422,037</u>	<u>1,021,471</u>
Total revenue and income from ordinary activities		<u>3,507,743</u>	<u>2,183,618</u>
Expenses from ordinary activities			
Administration expenses		(1,139,370)	(1,207,334)
Property expenses		(110,962)	(84,954)
Employment expenses		(947,610)	(862,772)
Depreciation and amortisation	5	(95,854)	(98,050)
Loss on sale of asset		-	(56)
		<u>(2,293,796)</u>	<u>(2,253,166)</u>
Total expenses from ordinary activities		<u>(2,293,796)</u>	<u>(2,253,166)</u>
Net surplus for the year		<u>1,213,947</u>	<u>(69,548)</u>
Other comprehensive income			
Items that will not be reclassified subsequently to profit or loss		-	-
Items that will be reclassified to profit or loss when specific conditions are met		-	-
		<u>-</u>	<u>-</u>
Total comprehensive income for the year		<u>1,213,947</u>	<u>(69,548)</u>

The accompanying notes form part of these financial statements.

Girl Guides Association of Victoria

ABN: 59 533 729 847

Statement of Financial Position As At 31 December 2019

	Note	2019 \$	2018 \$
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	6	528,247	882,589
Trade and other receivables	7	66,290	144,110
Inventories	8	134,884	137,711
Other financial assets	9	7,945,264	6,433,622
Other assets	10	98,238	114,364
TOTAL CURRENT ASSETS		8,772,923	7,712,396
NON-CURRENT ASSETS			
Property, plant and equipment	11	9,900,066	9,984,089
Intangible assets	12	6,149	-
TOTAL NON-CURRENT ASSETS		9,906,215	9,984,089
TOTAL ASSETS		18,679,138	17,696,485
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	13	55,501	89,567
Employee benefits	14	73,327	65,086
Other liabilities	15	227,522	438,294
TOTAL CURRENT LIABILITIES		356,350	592,947
NON-CURRENT LIABILITIES			
Employee benefits	14	14,307	5,396
TOTAL NON-CURRENT LIABILITIES		14,307	5,396
TOTAL LIABILITIES		370,657	598,343
NET ASSETS		18,308,481	17,098,142
MEMBERS' FUNDS			
Reserves	16	4,973,117	4,766,094
Accumulated surplus	17	13,335,364	12,332,048
TOTAL MEMBERS' FUNDS		18,308,481	17,098,142

The accompanying notes form part of these financial statements.

Statement of Changes in Members' Funds

For the Year Ended 31 December 2019

2019

	Note	Accumulated Surplus \$	Asset Revaluation Surplus \$	General Reserves \$	Total \$
Balance at 1 January 2019	17, 16	12,332,048	1,575,988	3,190,106	17,098,142
Net surplus for the year	17	1,213,947	-	-	1,213,947
Movements to/(from) equity:					
Utilisation of funds for donations/disbursements	17, 16	(223,752)	-	220,144	(3,608)
Net transfers (to)/from retained earnings	17, 16	13,121	-	(13,121)	-
Balance at 31 December 2019		13,335,364	1,575,988	3,397,129	18,308,481

2018

	Note	Accumulated Surplus \$	Asset Revaluation Surplus \$	General Reserves \$	Total \$
Balance at 1 January 2018	17, 16	12,374,583	1,575,988	3,219,818	17,170,389
Net surplus for the year	17	(69,548)	-	-	(69,548)
Movements to/(from) equity:					
Utilisation of funds for donations/disbursements	16	-	-	(2,699)	(2,699)
Net transfers (to)/from retained earnings	17, 16	27,013	-	(27,013)	-
Balance at 31 December 2018		12,332,048	1,575,988	3,190,106	17,098,142

Girl Guides Association of Victoria

ABN: 59 533 729 847

Statement of Cash Flows

For the Year Ended 31 December 2019

	2019	2018
Note	\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES:		
Receipts from members and fundraising activities	2,574,467	2,625,091
Payments to suppliers, employees and fund raising activities	(2,369,183)	(2,390,559)
Dividends and interest received	309,826	269,019
Net cash provided by/(used in) operating activities	18 515,110	503,551
CASH FLOWS FROM INVESTING ACTIVITIES:		
Net proceeds/(payments) from investment portfolio	(847,864)	(672,782)
Purchase of property, plant and equipment	(17,981)	(24,721)
Net proceeds from/(payments into) reserves - donations and disbursements	(3,607)	(2,699)
Net cash from/(used in) investing activities	(869,452)	(700,202)
Net increase/(decrease) in cash and cash equivalents held	(354,342)	(196,651)
Cash and cash equivalents at beginning of year	882,589	1,079,240
Cash and cash equivalents at end of financial year	6(a) 528,247	882,589

The accompanying notes form part of these financial statements.

Notes to the Financial Statements

For the Year Ended 31 December 2019

The financial statements cover Girl Guides Association of Victoria as an individual entity. Girl Guides Association of Victoria is a not-for-profit Association incorporated in Victoria under the *Girl Guides Association Act, 1952* and the *Australian Charities and Not-for-profits Commission Act 2012* ("ACNC Act").

The functional and presentation currency of Girl Guides Association of Victoria is Australian dollars.

The financial report was authorised for issue by the Executive Committee on 11 May 2020.

Comparatives are consistent with prior years, unless otherwise stated.

1 Basis of Preparation

In the opinion of the Executive Committee, the Association is not a reporting entity since there are unlikely to exist users of the financial report who are not able to command the preparation of reports tailored so as to satisfy specifically all of their information needs. This special purpose financial report has been prepared to meet the reporting requirements of the *Girl Guides Association Act, 1952* and the ACNC Act.

The financial statements have been prepared in accordance with the recognition and measurement requirements of the Australian Accounting Standards and Accounting Interpretations, and the disclosure requirements of AASB 101 *Presentation of Financial Statements*, AASB 107 *Statement of Cash Flows*, AASB 108 *Accounting Policies, Changes in Accounting Estimates and Errors* and AASB 1054 *Australian Additional Disclosures*.

The financial statements, except for the cash flow information, have been prepared on an accruals basis and are based on historical costs modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and financial liabilities.

Significant accounting policies adopted in the preparation of these financial statements are presented below and are consistent with prior reporting periods unless otherwise stated.

2 Change in Accounting Policy

Revenue from Contracts with Customers - Adoption of AASB 15

The Association has adopted AASB 15 *Revenue from Contracts with Customers* for the first time in the current year with a date of initial application of 1 January 2019.

The Association performed an impact assessment regarding the application of AASB 15. The assessment identified that the application of this standard had no material impact on the Association.

The key changes to the Association's accounting policies and the impact on these financial statements from applying AASB 15 are described below.

AASB 15 supersedes AASB 111 *Construction Contracts*, AASB 118 *Revenue* and related Interpretations and it applies to all revenue arising from contracts with customers, unless those contracts are in the scope of other standards.

The standard requires entities to exercise judgement, taking into consideration all of the relevant facts and circumstances when applying each step of the model to contracts with customers. The standard also specifies the accounting for the incremental costs of obtaining a contract and the costs directly related to fulfilling a contract.

The Association has applied AASB 15 using the cumulative effect method which means the comparative information has not been restated and continues to be reported under AASB 111, AASB 118 and related interpretations. Any adjustments on adoption of AASB 15 have been taken to retained earnings at 1 January 2019.

Notes to the Financial Statements

For the Year Ended 31 December 2019

2 Change in Accounting Policy (continued)

Revenue from Contracts with Customers - Adoption of AASB 15 (continued)

The Association recognises contract liabilities for consideration received in respect of unsatisfied performance obligations and reports these amounts as other liabilities in the statement of financial position. Similarly, if the Association satisfies a performance obligation before it receives the consideration, it recognises either a contract asset or receivable in its statement of financial position, depending on whether something other than the passage of time is required before the consideration is due.

Income of Not-for-Profit Entities - Adoption of AASB 1058

The Association has adopted AASB 1058 *Income of Not for Profit Entities* for the first time in the current year with an initial application date of 1 January 2019.

The Association performed an impact assessment regarding application of AASB 1058. The assessment identified that the application of this standard had no material impact on the Association.

Leases - Adoption of AASB 16

The Association has adopted AASB 16 *Leases* using the modified retrospective (cumulative catch-up) method from 1 January 2019 and therefore the comparative information for the year ended 31 December 2018 has not been restated and has been prepared in accordance with AASB 117 *Leases* and associated Accounting Interpretations.

Impact of adoption of AASB 16

There was no material impact on the financial statements on the adoption of AASB 16.

3 Summary of Significant Accounting Policies

(a) Revenue and other income

For the comparative year

Revenue is recognised when the amount of the revenue can be measured reliably, it is probable that economic benefits associated with the transaction will flow to the Association and specific criteria relating to the type of revenue as noted below, has been satisfied.

Revenue is measured at the fair value of the consideration received or receivable and is presented net of returns, discounts and rebates.

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

Sale of goods

Revenue is recognised on transfer of goods to the customer as this is deemed to be the point in time when risks and rewards are transferred and there is no longer any ownership or effective control over the goods.

Membership subscriptions

Income is recognised upon receipt of funds from members.

Notes to the Financial Statements

For the Year Ended 31 December 2019

3 Summary of Significant Accounting Policies (continued)

(a) Revenue and other income (continued)

Programs, events, activity and training fees

Revenue is recognised upon commencement of the program.

For the current year

Revenue from contracts with customers

The core principle of AASB 15 is that revenue is recognised on a basis that reflects the transfer of promised goods or services to customers at an amount that reflects the consideration the Association expects to receive in exchange for those goods or services. Revenue is recognised by applying a five-step model as follows:

1. Identify the contract with the customer
2. Identify the performance obligations
3. Determine the transaction price
4. Allocate the transaction price to the performance obligations
5. Recognise revenue as and when control of the performance obligations is transferred

Generally the timing of the payment for sale of goods and rendering of services corresponds closely to the timing of satisfaction of the performance obligations, however where there is a difference, it will result in the recognition of a receivable, contract asset or contract liability.

None of the revenue streams of the Association have any significant financing terms as there is less than 12 months between receipt of funds and satisfaction of performance obligations.

Specific revenue streams

The revenue recognition policies for the principal revenue streams of the Association are:

Sale of goods

Revenue from the sale of goods is recognised at the point of delivery to the customer as this is deemed to be the point in time when the performance obligation is satisfied.

Membership subscriptions

Revenue is recognised evenly over the term of the membership subscription.

Programs, events, activity and training fees

Revenue is recognised upon commencement of the program.

Notes to the Financial Statements

For the Year Ended 31 December 2019

3 Summary of Significant Accounting Policies (continued)

(a) Revenue and other income (continued)

Specific revenue streams (continued)

For both years

Donations and bequests

Donations and bequests are recognised as revenue when received.

Grant revenue

Grant revenue is recognised immediately in the statement of profit or loss and other comprehensive income when the Association obtains control of the grant and the contract is not enforceable or the performance obligations are not sufficiently specific, in accordance with the principles of AASB 1058 *Income of Not for Profit Entities*.

Where performance obligations are sufficiently specific, the assets and the related liability are recognised with the residual being directly recognised in the statement of profit or loss and other comprehensive income. A liability may be recognised in the instance where an obligation exists to transfer goods or services to the contributor for which consideration has already been received or in the instance where failure to provide a service is subject to a refund of payment.

Interest revenue

Interest is recognised using the effective interest method.

Dividend revenue

Dividends are recognised when the Association's right to receive payment is established.

Gain on disposal of non-current assets

When a non-current asset is disposed, the gain or loss is calculated by comparing proceeds received with its carrying amount and is taken to profit or loss.

(b) Borrowing costs

Borrowing costs are recognised as an expense in the period in which they are incurred.

(c) Leases

Leases of fixed assets where substantially all the risks and benefits incidental to the ownership of the asset, but not the legal ownership that are transferred to the Association are classified as finance leases.

Finance leases are capitalised by recording an asset and a liability at the lower of the amounts equal to the fair value of the leased property or the present value of the minimum lease payments, including any guaranteed residual values. Lease payments are allocated between the reduction of the lease liability and the lease interest expense for the period.

Notes to the Financial Statements

For the Year Ended 31 December 2019

3 Summary of Significant Accounting Policies (continued)

(c) Leases (continued)

Lease payments for operating leases, where substantially all of the risks and benefits remain with the lessor, are charged as expenses on a straight-line basis over the life of the lease term.

There was no material impact on the financial statements on the adoption of AASB 16 *Leases*.

(d) Income Tax

The Association is exempt from income tax under Division 50 of the *Income Tax Assessment Act 1997*.

(e) Goods and Services Tax (GST)

Revenue, expenses and assets are recognised net of the amount of goods and services tax (GST), except where the amount of GST incurred is not recoverable from the Australian Taxation Office (ATO).

Receivables and payables are stated inclusive of GST.

The net amount of GST recoverable from, or payable to, the ATO is included as part of receivables or payables in the statement of financial position.

Cash flows in the statement of cash flows are included on a gross basis and the GST component of cash flows arising from investing and financing activities which is recoverable from, or payable to, the taxation authority is classified as operating cash flows.

(f) Cash and cash equivalents

Cash and cash equivalents comprises cash on hand, demand deposits and short-term investments which are readily convertible to known amounts of cash and which are subject to an insignificant risk of change in value.

Bank overdrafts also form part of cash equivalents for the purpose of the statement of cash flows and are presented within current liabilities on the statement of financial position.

(g) Trade and other receivables

Trade receivables which generally have 30-60 day terms, are recognised and carried at original income amount less any provision for impairment. Collectibility of trade debtors is reviewed at the date of transaction using the lifetime estimated credit loss model (ECL) and also on an ongoing basis. Debts that are assessed to be uncollectible are impaired when identified. A provision for impairment is raised at the date of the transaction when the ECL calculation is completed and on an ongoing basis.

(h) Inventories

Inventories are measured at the lower of cost and net realisable value. Cost of inventory is determined using the weighted average costs basis and is net of any rebates and discounts received.

Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and the costs necessary to make the sale. Net realisable value is estimated using the most reliable evidence available at the reporting date and inventory is written down through an obsolescence provision if necessary.

Notes to the Financial Statements

For the Year Ended 31 December 2019

3 Summary of Significant Accounting Policies (continued)

(i) Financial assets

Investments in financial assets are initially recognised at cost, which includes transaction costs, and are subsequently measured at fair value, which is equivalent to their market bid price at the end of the reporting period. Movements in fair value are recognised through the statement of profit or loss and other comprehensive income.

(j) Non-current assets held for sale

Non-current assets are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use and a sale is considered highly probable. They are measured at the lower of their carrying amount and fair value less costs to sell.

Assets classified as held for sale are not amortised or depreciated.

Non-current assets classified as held for sale and any associated liabilities are presented separately in the statement of financial position.

(k) Property, plant and equipment

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

Where the cost model is used, the asset is carried at its cost less any accumulated depreciation and any impairment losses. Costs include purchase price, other directly attributable costs and the initial estimate of the costs of dismantling and restoring the asset, where applicable.

Assets measured using the revaluation model are carried at fair value at the revaluation date less any subsequent accumulated depreciation and impairment losses. Revaluations are performed whenever there is a material movement in the value of an asset under the revaluation model.

Property, plant and equipment does not include halls and properties held jointly by Guides and Scouts.

Land and buildings

Land and buildings are measured using the revaluation model.

Plant and equipment

Plant and equipment are measured using the cost model.

Depreciation

Property, plant and equipment, excluding freehold land, is depreciated on a straight-line basis over the assets useful life to the Association, commencing when the asset is ready for use.

Leased assets and leasehold improvements are amortised over the shorter of either the unexpired period of the lease or their estimated useful life.

Notes to the Financial Statements

For the Year Ended 31 December 2019

3 Summary of Significant Accounting Policies (continued)

(k) Property, plant and equipment (continued)

The depreciation rates used for each class of depreciable asset are shown below:

Fixed asset class	Depreciation rate
Freehold buildings and improvements	2.5%
Guide-Scout Sailing Centre	2.5%
Campsite, buildings and improvements	2.5% - 10%
Plant, motor vehicles, furniture and equipment	10% - 33%

At the end of each annual reporting period, the depreciation method, useful life and residual value of each asset is reviewed. Any revisions are accounted for prospectively as a change in estimate.

(l) Intangibles

Amortisation

Amortisation is recognised in profit or loss on a straight-line basis over the estimated useful lives of intangible assets, from the date that they are available for use.

Amortisation methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate.

Software

Software has a finite life and is carried at cost less any accumulated amortisation and impairment losses. It has an estimated useful life of between one and three years.

(m) Impairment of non-financial assets

At the end of each reporting period the Association determines whether there is any evidence of impairment for its non-financial assets.

Where this indicator exists and regardless for indefinite life intangible assets and intangible assets not yet available for use, the recoverable amount of the asset is estimated.

Where assets do not operate independently of other assets, the recoverable amount of the relevant cash-generating unit (CGU) is estimated.

The recoverable amount of an asset or CGU is the higher of the fair value less costs of disposal and the value in use. Value in use is the present value of the future cash flows expected to be derived from an asset or cash-generating unit.

Where the recoverable amount is less than the carrying amount, an impairment loss is recognised in profit or loss.

Reversal indicators are considered in subsequent periods for all assets which have suffered an impairment loss.

Notes to the Financial Statements

For the Year Ended 31 December 2019

3 Summary of Significant Accounting Policies (continued)

(n) Trade and other payables

Trade and other payables are carried at amortised cost. They represent liabilities for goods and services provided to the Association prior to the end of the financial year that are unpaid and arise when the Association becomes obliged to make future payments in respect of the purchase of these goods and services. The amounts are unsecured and are usually paid within 30 days of recognition.

(o) Employee benefits

Provision is made for the Association's liability for employee benefits arising from services rendered by employees to the end of the reporting period. Employee benefits that are expected to be wholly settled within one year have been measured at the amounts expected to be paid when the liability is settled.

Employee benefits expected to be settled more than one year after the end of the reporting period have been measured at the present value of the estimated future cash outflows to be made for those benefits. In determining the liability, consideration is given to employee wage increases and the probability that the employee may satisfy vesting requirements. Cashflows are discounted using market yields on high quality corporate bond rates incorporating bonds rated AAA or AA by credit agencies, with terms to maturity that match the expected timing of cashflows. Changes in the measurement of the liability are recognised in profit or loss.

(p) Restricted bequest reserves

Restricted bequests comprise an accumulation of specific donations received over a period of time. They are recognised as revenue initially with a subsequent transfer to reserves. These funds are invested on behalf of the Association in short term deposits, at call accounts or ordinary shares and the returns generated are available for use in specified operations.

In 2016 the treatment of donations toward the Blackburn Bursary Fund was revised. Donations to the Fund were not recognised as revenue at the time of receipt. All donations were immediately transferred to the Blackburn Bursary Fund reserve account and will be recognised as income as and when bursaries are granted.

(q) Adoption of new and revised accounting standards

The Association has adopted all standards which became effective for the first time at 1 January 2019, the adoption of these standards has not caused any material adjustments to the reported financial position, performance or cash flow of the Association or refer to Note 2 for details of the changes due to standards adopted.

(r) New accounting standards for application in future periods

The AASB has issued new and amended Accounting Standards and Interpretations that have mandatory application dates for future reporting periods. The committee members have decided against early adoption of these Standards, but does not expect the adoption of these standards to have any impact on the reported position or performance of the Association.

Notes to the Financial Statements

For the Year Ended 31 December 2019

4 Critical Accounting Estimates and Judgements

The Executive Committee make estimates and judgements during the preparation of these financial statements regarding assumptions about current and future events affecting transactions and balances.

These estimates and judgements are based on the best information available at the time of preparing the financial statements, however as additional information is known then the actual results may differ from the estimates.

Key estimates - impairment of property, plant and equipment

The Association assesses impairment at the end of each reporting period by evaluating conditions specific to the Association that may be indicative of impairment triggers. Recoverable amounts of relevant assets are reassessed using value-in-use calculations which incorporate various key assumptions.

5 Expenses

The result for the year includes the following specific expenses:

	2019 \$	2018 \$
Depreciation and amortisation expenses:		
- Guide Centre Building Improvements	2,930	2,939
- Plant, Furniture & Equipment	9,557	18,099
- Motor Vehicles	3,288	1,120
- Campsites, Buildings & Improvements	74,795	74,271
- Guide Scout Sailing Centre	1,616	1,621
- Computer software	3,668	-
Total depreciation and amortisation expenses	95,854	98,050

6 Cash and Cash Equivalents

	Note	2019 \$	2018 \$
Cash on hand		945	1,369
Cash at bank		524,053	880,639
Other cash and cash equivalents		3,249	581
Total cash and cash equivalents	6(a)	528,247	882,589

(a) Reconciliation of cash

Cash and cash equivalents reported in the statement of cash flows are reconciled to the equivalent items in the statement of financial position as follows:

Cash and cash equivalents	6	528,247	882,589
Balance as per statement of cash flows		528,247	882,589

Notes to the Financial Statements

For the Year Ended 31 December 2019

7 Trade and Other Receivables

	2019 \$	2018 \$
CURRENT		
Trade receivables	18,569	96,651
Provision for impairment	(12,526)	(13,956)
	<u>6,043</u>	<u>82,695</u>
GST receivable	-	3,565
Accrued franking credits	17,045	-
Other receivables	<u>43,202</u>	<u>57,850</u>
Total current trade and other receivables	<u>66,290</u>	<u>144,110</u>

8 Inventories

	2019 \$	2018 \$
CURRENT		
At cost:		
Finished goods	<u>134,884</u>	<u>137,711</u>
Total current inventories	<u>134,884</u>	<u>137,711</u>

9 Financial assets

	2019 \$	2018 \$
CURRENT		
Financial assets at fair value through profit or loss:		
- Listed shares at fair value	7,943,964	6,431,822
- Bonds	<u>1,300</u>	<u>1,800</u>
Total current financial assets	<u>7,945,264</u>	<u>6,433,622</u>

10 Other Assets

	2019 \$	2018 \$
CURRENT		
Prepayments	<u>98,238</u>	<u>114,364</u>
Total current other assets	<u>98,238</u>	<u>114,364</u>

Notes to the Financial Statements

For the Year Ended 31 December 2019

11 Property, plant and equipment

	2019 \$	2018 \$
Land		
At independent valuation	8,147,932	8,147,932
Total land	8,147,932	8,147,932
Guide Centre Building Improvements		
At cost	117,534	117,534
Accumulated depreciation	(21,019)	(18,089)
Total guide centre building improvements	96,515	99,445
Plant, Furniture & Equipment		
At cost	846,813	840,596
Accumulated depreciation	(815,836)	(806,279)
Total plant, furniture & equipment	30,977	34,317
Motor vehicles		
At cost	23,924	21,978
Accumulated depreciation	(4,408)	(1,120)
Total motor vehicles	19,516	20,858
Campsites, Buildings & Improvements		
At cost	2,000,048	2,000,048
Accumulated depreciation	(394,926)	(320,131)
Total campsites, buildings & improvements	1,605,122	1,679,917
Guide Scout Sailing Centre		
At cost	64,812	64,812
Accumulated depreciation	(64,808)	(63,192)
Total guide scout sailing centre	4	1,620
Total property, plant and equipment	9,900,066	9,984,089

(a) Valuation of Land and Campsite Buildings

Land for Halls owned jointly by Guides and Scouts has not been recorded in the financial statements as the fair value of the Association's share cannot be measured reliably.

The Association owns a number of buildings where land is owned by a Council or other Government Authority. The value of these buildings are not recorded in the financial statements because it is deemed that the buildings have no commercial saleable value.

In 2016, the Association acquired a new property at Dockland Drive, Dockland which has been used as the head office of the Association from early 2017.

Notes to the Financial Statements

For the Year Ended 31 December 2019

11 Property, plant and equipment (continued)

(b) Movements in carrying amounts of property, plant and equipment

Movement in the carrying amounts for each class of property, plant and equipment between the beginning and the end of the current and previous financial years:

	Land \$	Guide Centre Buildings Improvements \$	Plant, Furniture & Equipment \$	Motor Vehicles \$	Campsites, Buildings & Improvements \$	Guide Scout Sailing Centre \$	Total \$
Year ended 31 December 2019							
Balance at the beginning of year	8,147,932	99,445	34,317	20,858	1,679,917	1,620	9,984,089
Additions	-	-	6,217	2,000	-	-	8,217
Disposals - written down value	-	-	-	(54)	-	-	(54)
Depreciation expense	-	(2,930)	(9,557)	(3,288)	(74,795)	(1,616)	(92,186)
Balance at the end of the year	8,147,932	96,515	30,977	19,516	1,605,122	4	9,900,066
Year ended 31 December 2018							
Balance at the beginning of year	8,147,932	102,384	45,673	4,055	1,754,188	3,241	10,057,473
Additions	-	-	6,743	21,978	-	-	28,721
Disposals - written down value	-	-	-	(4,055)	-	-	(4,055)
Depreciation expense	-	(2,939)	(18,099)	(1,120)	(74,271)	(1,621)	(98,050)
Balance at the end of the year	8,147,932	99,445	34,317	20,858	1,679,917	1,620	9,984,089

Notes to the Financial Statements

For the Year Ended 31 December 2019

12 Intangible Assets

	2019 \$	2018 \$
Computer Software		
Cost	425,986	416,169
Accumulated amortisation and impairment	(419,837)	(416,169)
Total intangibles	6,149	-

13 Trade and Other Payables

	2019 \$	2018 \$
CURRENT		
<i>Unsecured liabilities</i>		
Trade payables	19,975	40,055
Restricted grants, donations and revenue received in advance	2,806	3,456
GST payable	1,470	-
Employee benefits	7,439	6,651
Sundry payables and accrued expenses	23,811	39,405
Total current trade and other payables	55,501	89,567

14 Employee Benefits

	2019 \$	2018 \$
CURRENT		
Long service leave	14,519	13,294
Annual leave	58,808	51,792
Total current employee benefits	73,327	65,086
NON-CURRENT		
Long service leave	14,307	5,396
Total non-current employee benefits	14,307	5,396

15 Other Liabilities

	2019 \$	2018 \$
CURRENT		
Contract liabilities - Unearned income	227,522	438,294
Total current other liabilities	227,522	438,294

Notes to the Financial Statements

For the Year Ended 31 December 2019

16 Reserves

	Note	2019 \$	2018 \$
Asset revaluation reserve	16(a)		
Opening balance		<u>1,575,988</u>	<u>1,575,988</u>
Closing balance		<u>1,575,988</u>	<u>1,575,988</u>
Restricted funds	16(b)		
Opening balance		3,190,106	3,219,818
Add: Net transfers (to)/from retained earnings		(13,121)	(27,013)
Utilisation of funds for donations/disbursements		<u>220,144</u>	<u>(2,699)</u>
Closing balance	16(c)	<u>3,397,129</u>	<u>3,190,106</u>
Total reserves		<u>4,973,117</u>	<u>4,766,094</u>

(a) Asset revaluation reserve

The asset revaluation reserve records fair value movements on property, plant and equipment held under the revaluation model.

(b) Description of funds

Blackburn Fund	Funds to assist girls to pay membership subscriptions
Britannia Park Campsite	Funds to assist in the upkeep of the Britannia Park site
Denise Hargreaves	Funds to assist Guides in the 14+ age group
Disaster Fund	Funds to support members affected by natural disasters
Future Fund	Funds to develop Guiding in Victoria
Gwen Mann Bequest	Funds to support Guiding in general
Guiding Light Fund	Funds to support girls to make a difference in their communities
Iluka Campsite	Funds to assist in the upkeep of the Iluka Campsite
Laura Gregory Fund	Funds to support Guiding in general
Margaret Shaw Fund	Funds to assist members travelling interstate/overseas
Otway Region Camping Fund	Funds to assist the girls in the Otway Region
Archives	Funds to assist Archives (restricted grant)
TC Lothian Fund	Funds to assist in national and international travel
Training Fund	Funds to assist in the training of Leaders
Hand-in-Hand	Funds to provide financial support for girls to participate in Girl Guides school and community outreach programs

Notes to the Financial Statements

For the Year Ended 31 December 2019

16 Reserves (continued)

(c) Restricted funds

	2019	2018
	\$	\$
Closing balance comprise:		
Blackburn Fund	215,198	28,319
Britannia Park Campsite	53,195	35,466
Denise Hargreaves	193,234	193,354
Disaster Fund	55,939	55,939
Future Fund	490,602	492,830
Gwen Mann Bequest	2,873	2,873
Guiding Light Fund	8,320	8,320
Iluka Campsite	709	709
Laura Gregory Fund	2,021,941	2,021,941
Margaret Shaw Fund	160,037	160,037
Otway Region Camping Fund	34,431	34,431
Archives	1,314	1,314
TC Lothian Fund	86,951	86,951
Training Fund	67,622	67,622
Hand-in-Hand	4,763	-
Total reserve funds	3,397,129	3,190,106

17 Accumulated Surplus

	2019	2018
	\$	\$
Accumulated surplus at the beginning of the financial year	12,332,048	12,374,583
Net surplus/(deficit) for the year	1,213,947	(69,548)
Aggregate of amounts transferred to reserve funds	13,121	27,013
Utilisation of funds for donations/disbursements	(223,752)	-
Accumulated surplus at end of the financial year	13,335,364	12,332,048

Notes to the Financial Statements

For the Year Ended 31 December 2019

18 Cash Flow Information

Reconciliation of result for the year to cashflows from operating activities

	2019	2018
	\$	\$
Net surplus/(deficit) for the year	1,213,947	(69,548)
Non-cash flows in profit:		
- depreciation and amortisation	95,854	98,050
Fair value adjustment to investment portfolio	(663,778)	376,562
- (profit)/loss on sale of asset	-	56
Changes in assets and liabilities:		
- (increase)/decrease in trade and other receivables	77,820	(104,690)
- (increase)/decrease in inventories	2,827	9,991
- (increase)/decrease in other assets	16,126	(8,894)
- increase/(decrease) in trade and other payables	(34,066)	(34,156)
- increase/(decrease) in other liabilities	(210,772)	254,777
- increase/(decrease) in employee benefits	17,152	(18,597)
Cashflow from/(used in) operations	515,110	503,551

19 Capital and Leasing Commitments

(a) Lease rentals of halls

There are approximately 200 units that lease or rent halls from local community groups or governing bodies. These have an average rental charge of \$150 per annum, with rental commitments up to 10 years. These rental agreements are between the lessor and the individual units, and not with the Association directly.

(b) Operating leases

	2019	2018
	\$	\$
Minimum lease payments under non-cancellable operating leases:		
- not later than one year	22,140	22,410
- between one year and five years	27,675	49,815
Total operating lease commitments	49,815	72,225

The property lease commitments are non-cancellable operating leases contracted for but not capitalised in the financial statements with a five-year term. No capital commitments exist in regards to the operating lease commitments at year end. Increase in lease commitments may occur in line with CPI.

Notes to the Financial Statements

For the Year Ended 31 December 2019

20 Auditor's Remuneration

	2019	2018
	\$	\$
Remuneration of the auditor of the Association, HLB Mann Judd, for:		
- auditing the financial statements	23,300	22,800
Total auditor's remuneration	23,300	22,800

21 Contingencies

In the opinion of the Executive Committee, the Association did not have any contingencies at 31 December 2019 (31 December 2018: None).

22 COVID-19 and Other Events After the end of the Reporting Period

The financial report was authorised for issue on 11 May 2020 by the Executive Committee.

In late March 2020, the Commonwealth and Victorian governments commenced implementing social isolation measures aimed at preventing the spread of COVID-19 ("the measures"), which are expected to have a significant impact on the Australian and Victorian economies. At this time, Australia was also beginning to experience the flow on effects of similar measures implemented by foreign governments. In response, the Commonwealth and Victorian governments have announced multiple stimulus packages and financial support measures to minimise the impact on the respective economies.

In order to observe social isolation measures the Association has implemented the following initiatives:

- in person Girl Guides activities have been temporarily suspended from 14 March 2020 in order to ensure the welfare of the Association's members;
- a range of online Guiding activities has been offered to members; and
- the Association has elected not to charge membership fees for the next 12 months (to 18 April 2021), in order to provide support to its members, who may be experiencing financial difficulties.

The above factors will have a significant impact on the Association's revenue as a significant portion of its revenue is generated from membership fees. The Association's management will seek to minimise the impact of the measures by investigating eligibility for government stimulus packages and identifying potential cost savings.

Additionally, the current volatility of domestic and foreign share markets may likely have an unfavourable impact on the fair value of the Association's equity-based investments.

Management is still in the process of quantifying the other possible impacts associated with implementing the measures. Management also recognises that the situation associated with the management of COVID-19 continues to evolve on a daily basis and it is difficult to estimate with any degree of certainty the resulting impact (financial and operational) which this may have on the Association and its future results and financial position. At this stage, however, the impact of the measures are unlikely to alter the applicability of the going concern assumption on the preparation of this financial report.

No other matters or circumstances have arisen since the end of the financial year which 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.

Girl Guides Association of Victoria

ABN: 59 533 729 847

Notes to the Financial Statements For the Year Ended 31 December 2019

23 Association Details

The registered office of the Association is:
Girl Guides Association of Victoria
Suite 812
402 Docklands Drive
Docklands VIC 3008

Girl Guides Association of Victoria

ABN: 59 533 729 847


Executive Committee's Declaration

The Executive Committee has determined that the Association is not a reporting entity and that this special purpose financial report should be prepared in accordance with the accounting policies outlined in Note 3 to the financial statements.

In the opinion of the Executive Committee, the financial report as set out on pages 2, is in accordance with the *Girl Guides Association Act, 1952* and the *Australian Charities and Not-for-profits Commission Act 2012*:

1. Shows a true and fair view of the financial position of Girl Guides Association of Victoria as at 31 December 2019 and its performance for the year ended on that date.
2. At the date of this statement, there are reasonable grounds to believe that Girl Guides Association of Victoria will be able to pay its debts as and when they fall due.

This statement is made in accordance with a resolution of the Executive Committee and is signed for and on behalf of the Executive Committee by:

Governance Chair

Holly Bracken

Honorary Treasurer.....

Kathryn Brown

Dated this 11th day of May, 2020

**INDEPENDENT AUDITOR'S REPORT
to the Members of the Girl Guides Association of Victoria**

REPORT ON THE AUDIT OF THE FINANCIAL REPORT

Opinion

We have audited the financial report of the Girl Guides Association of Victoria ("the Association"), which comprises the statement of financial position as at 31 December 2019, the statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and the Executive Committee's declaration.

In our opinion, the accompanying financial report of the Association has been prepared in accordance with Division 60 of the *Australian Charities and Not-for-profits Commission Act 2012* and the *Girl Guides Association Act 1952* including:

- (a) giving a true and fair view of the Association's financial position as at 31 December 2019 and of its financial performance for the year then ended; and
- (b) complying with Australian Accounting Standards to the extent described in Notes 1 and 2 and Division 60 of the *Australian Charities and Not-for-profits Commission Regulation 2013*.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Association in accordance with the auditor independence requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* ("the Code") that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by Division 60 of the *Australian Charities and Not-for-profits Commission Act 2012*, which has been given to the executive committee, would be in the same terms if given as at the time of this auditor's report.

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

Basis of Accounting

We draw attention to Notes 1 and 2 to the financial report, which describes the basis of accounting. The financial report has been prepared for the purpose of fulfilling the financial reporting responsibilities under the *Australian Charities and Not-for-profits Commission Act 2012* and the *Girl Guides Association Act 1952*. As a result, the financial report may not be suitable for another purpose. Our opinion is not modified in respect of this matter.

hlb.com.au

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Events Subsequent to 31 December 2019

We draw attention to Note 22 *COVID-19 and Other Events After the End of the Reporting Period*, which describes the uncertainties and possible effects on the Association arising from its management of the on-going issues related to COVID-19. Our opinion is not modified in respect of this matter.

Responsibilities of Management and the Executive Committee for the Financial Report

Management is responsible for the preparation of the special purpose financial report that gives a true and fair view and have determined that the basis of preparation described in Notes 1 and 2 of the financial report is appropriate to meet the requirements of the *Australian Charities and Not-for Profits Commission Regulations 2013* and the *Australian Charities and Not-for-profits Commission Act 2012* and the *Girl Guides Association Act 1952*. Management's responsibility also includes such internal control as management determines is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error.

In preparing the special purpose financial report, management is responsible for assessing the Association's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intend to liquidate the Association or to cease operations, or have no realistic alternative but to do so.

The Executive Committee are responsible for overseeing the Association's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Report

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

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

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Association's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of the management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Association's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Association to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

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

We also provide the Executive Committee with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.



HLB Mann Judd
Chartered Accountants

Melbourne
11 May 2020



Nick Walker
Partner

Membership of Girl Guides Victoria is free until April 2021



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