

Thomas Kelly Youth Foundation Limited

(A Company Limited By Guarantee)

A.B.N. 61 161 682 962

General Purpose Financial Report

30 June 2018

Thomas Kelly Youth Foundation Limited
A.B.N. 61 161 682 962

Financial Report
For the year ended 30 June 2018

CONTENTS	Page
Company Particulars	3
Directors' Report	4
Auditor's Independence Declaration	16
Statement of Comprehensive Income	17
Statement of Financial Position	18
Statement of Changes in Equity	19
Statement of Cash Flows	20
Notes to the Financial Statements	21
Directors' Declaration	29
Independent Auditor's Report	30

Thomas Kelly Youth Foundation Limited
A.B.N. 61 161 682 962

Company Particulars
For the year ended 30 June 2018

Directors

David Anstee
Justin Greiner (Chairperson)
Kathryn Kelly
Ralph Kelly
Mark Langsworth (Deputy Chairperson)
Simon McGrath
Eric Cao (appointed 17.10.2017)
Maree Whybourne (appointed 12.11.2017 and resigned 20.07.2018)
Ian Penman (Chairperson resigned 09.08.2017)

Secretary

Ms Natalie Zelinsky

Registered Office in Australia

103/56 Bowman Street
Pyrmont NSW 2009
AUSTRALIA

Principal Place of Business

103/56 Bowman Street
Pyrmont NSW 2009
AUSTRALIA

Auditors

PricewaterhouseCoopers
Chartered Accountants
GPO Box 2650
Sydney NSW 1171

Bankers

Westpac Banking Corporation
319-323 Bong Bong Street
Bowral NSW 2576

Directors' Report
For the year ended 30 June 2018

The Directors present their report, together with the financial statements of the Thomas Kelly Youth Foundation Limited (the 'Company' or the 'Foundation') for the year ended 30 June 2018.

1. Directors

The following persons were Directors of the Thomas Kelly Youth Foundation ('TKYF') during the financial year and up to the date of the report, unless otherwise shown:

David Anstee
Justin Greiner (Chairperson appointed 08.08.2017)
Kathryn Kelly
Ralph Kelly
Mark Langsworth (Deputy Chairperson)
Simon McGrath
Eric Cao (appointed 17.10.2017)
Maree Whybourne (appointed 12.11.2017 and resigned 20.07.2018)
Ian Penman (Chairperson resigned 09.08.2017)

The director meeting attendance for the year was as follows:

	Total	Possible
Mr. Justin Greiner	9	9
Mr. Mark Langsworth	9	10
Mr. Ralph Kelly	10	10
Mr. David Anstee	9	10
Ms. Kathryn Kelly	8	10
Mr. Simon McGrath	4	10
Mr. Eric Cao	7	7
Ms. Maree Whybourne	3	6
Mr. Ian Penman	2	2

2. Principal activities

The company is a not for profit registered charitable institution established and located in Australia. The company was formed on 17 December 2012 to raise funds to foster a more responsible drinking culture and ultimately a safe and healthier community.

The principal activity of the Company is to promote the minimisation of harm from alcohol, self-harm, suicide and anti-social behaviour amongst young people in Australia. The Company has adopted an ongoing strategy of raising community awareness, contributing to the formation of government regulation, facilitating community support programs and the development of initiatives and strategies that contribute to government programs and industry practice.

3. Long Term Objective

The Foundation milestones and 5 year outcomes were initially developed in September 2016 with regular strategy reviews conducted by the board. The Foundation's longer term objective "to get our youth home safely" also incorporates the vision to "keep our youth safe".

4. Key Strategies

The Foundation's 2018 key milestones support the Foundation's mission in promoting harm prevention and driving behavioural change in our communities, families, youth and sport and influencing reform. The Thomas Kelly Youth Foundation values remain unchanged and are to be:

- kind
- inclusive
- courageous
- respectful and
- never give up

2020 Outcomes

The 2020 Foundation outcomes are:

- the Foundation will influence safe behaviour of young people by driving real social change
- develop strong community support and engagement
- operate as a youth driven platform
- expand complimentary services
- continue to grow as an independent organisation
- maintain a sustainable business model
- maintain excellent governance

2018 Milestones

The 2018 milestones are:

1. Create a robust model for Take Kare.
2. Establish a diversified board.
3. Utilise the interim UNSW Evaluation report as evidence for government funding.
4. Tactically test mission statement, branding, key messages and launch a successful digital platform.
5. Establish an aligned strategy for NRL game day.
6. Assess whether all assets and capabilities are contributing to promoting the prevention of harm and publish first annual report demonstrating our social and economic impact.
7. Capacity building for the Foundation.
8. Review partner and stakeholder engagement strategies.

Directors' Report (continued)
For the year ended 30 June 2018

5. Explanation of how business activities helped meet key objectives

The principal object of the Company is the promotion of the prevention or the control of human behaviour that is harmful or abusive to human beings, including but not restricted to behaviour arising from substance abuse relating to alcohol consumption, self-harm and suicide.

In pursuing the principal object, the Foundation engages in the following principal activities:

- Raising community awareness through various digital and print media, social media and community presentations;
- Actively seeking opportunities to contribute to the prevent of harm and the promotion of welfare of the general community through government programs and industry practice;
- Supporting research conducted by the University of NSW in the evaluation of the prevention of harm and the community and economic benefits of the Take Kare Safe Spaces;
- As of July 1 2018 provision of Take Kare Safe Space programs in Sydney (Town Hall, Kings Cross and Darling Harbour) as an inhouse program;
- Maintaining an interactive social media platform to engage with youth and general community;
- Raising funds to support the development and expansion of Take Kare ('TK') initiatives including Take Kare Safe Space programs and Take Kare educational programs;
- Raising funds to support the development and expansion of Stay Kind initiatives on a national level, through awareness campaigns, sporting codes, community activations and educational programs;
- Pursuing improved community support outcomes for victims of violence;
- Maintain a public fund, the sole purpose of which is to receive all gifts of money or property for the objectives; and
- Do all things as are incidental or conducive to the attainment of any or all the objectives.

There were no significant changes in the nature of these principal activities during the year.

6. Measurement of performance

The Foundation engaged in a number of activities in the 2017/2018 financial year that contributed to the pursuit of the principal object and positive outcomes. A summary of these activities is listed below:

- The Foundation partnered with Channel Nine, Nine World of Sports through the Nine Cares program to promote prevention of harm and raise community awareness.
- The Foundation partnered with Fox Sports to promote prevention of harm and raise community awareness.
- The Foundation partnered with APN Media to promote prevention of harm through national messaging on billboards.
- The Foundation partnered with Fairfax Media to promote the prevention of harm through national advertising.
- From inception to 30 June 2018, the Take Kare Safe Space programs supporting nightlife in Sydney facilitated 59,884 interventions that supported and primarily assisted young people. The following three incidents are examples of the numerous interventions by Take Kare Ambassadors (TKAs):

Directors' Report (continued)
For the year ended 30 June 2018

6. Measurement of performance (continued)

1) While walking along Oxford St Take Kare Ambassadors (TKA) noticed a female slumped against a wall in a door way. TKA provided water and started to assist the female by contacting friends who were inside a venue. The friends stated that they had just taken drugs and could not assist. TKA then contacted the female's boyfriend who lived on the northern beaches. The male agreed to come into the city to pick up and take care of his girlfriend. The female was walked back to the Safe Space where she slept until shortly after she was reconnected with her boyfriend.

2) Take Kare Ambassadors (TKA) noticed a male touching a female, and were unsure if they were actually together. The male was then observed grabbing the female by the neck, and pushed her against the wall. After the male walked away, TKA approached the female, who was crying and in shock. She did not know the male, who was trying to get her into an Uber. She was reconnected with friends. TKA noticed the male approaching more females in the area. TKA alerted the Rangers, who gave him a move on direction. He continued to harass women, at which point the TKA involved the Police.

3) Take Kare Ambassadors (TKA) found a male sitting by the water. His two female friends said they were concerned for his welfare as he had been angry and aggressive. A team leader spoke with the male. The team leader asked if he was feeling suicidal. The male replied "no". The male stated he had taken drugs earlier in the evening. He stated that "I am not worth helping, no one cares about me". At this stage the team leader was concerned for the man's welfare and escorted him back to the safe space. Short time later the male became aggressive and left the safe space. Two members of Take Kare followed. The male walked up onto Pymont Bridge with his behaviour indicating he was going to take his own life by jumping off it. Rangers were called and detained the male and he was handed to police to be assessed at hospital.

- \$395,187 raised for the Take Kare Safe Space programs.
- The Stay Kind jerseys were launched on July 10, 2017.
- The inaugural Stay Kind Day Cup match was played on July 23, 2017 between the Wests Tigers and the Parramatta Eels.
- Kathy Kelly presented to the Real+ conference on July 28, 2017.
- On July 30, 2017 the Foundation presented to Sydney North Impact 100.
- Kathy Kelly presented to Business Chicks in Sydney on September 13, 2017.
- The Foundation attended the Colour of KYDS luncheon on September 15, 2017.
- The Foundation was awarded a Westpac Community Grant and attended a special event for grant recipients on September 17, 2017.
- The Foundation participated and contributed to the TKSS Evaluation Advisory Group on 18 October 2017, 14 February 2018 and 16 May 2018.
- The Take Kare Safe Space program was awarded a Silver Award by the Australian Institute of Criminology Prevention of Violence Awards on October 19, 2018.
- The Foundation was a semi-finalist for the 2017 Impact 100 Sydney North grant. This grant is awarded to a program that supports young people at risk. Impact 100 Sydney North is a collective giving body that administers this annual grant awarded on 16 November 2017.
- On November 24, 2017 His Excellency General The Honourable David Hurley AC DSC (Ret'd) Governor of New South Wales and Mrs Linda Hurley visited the Take Kare Safe Space program and experienced the work of a Take Kare Ambassador.
- In February 2018 the Foundation travelled to Canberra to meet with parliamentarians to promote the importance of the Stay Kind campaign and its potential impact on local communities.
- On February 11, 2018 the Foundation promoting the Stay Kind initiative at the Parramatta Eels Family Day.
- On February 26 the Foundation met with the GWC Giants to explore Stay Kind opportunities in the AFL.

Directors' Report (continued)
For the year ended 30 June 2018

6. Measurement of performance (continued)

- Kathy Kelly presented to Randwick Boys High School on March 14, 2018.
- The Foundation Dinner was held on March 22, 2018 with a special pre-dinner cocktail event at Government House.
- The second Stay Kind Day Cup match was held on April 2, 2018 alongside the Wests Tigers versus the Parramatta Eels NRL game.
- The Foundation met with the Vice Chancellor of UTS on April 9, 2018 to explore further partnerships with UTS.
- The UNSW invited the Foundation to present to Criminology students on April 16, 2018.
- The Foundation met with Life Education on May 3, 2018 to explore collaborative opportunities.
- On May 17, 2018 the Foundation presented to Western Sydney University Paramedic students.
- On May 18, 2018 the Foundation attended a NFP workshop hosted by the honourable Tanya Plibersek MP.
- The Foundation attended a Hancock Creative NFP development day on May 31, 2018.
- On June 8, 2018 Kathy Kelly presented to Tangara School for Girls.
- In June 2018 the Foundation hosted the Take Kare Ambassadors on a cruise in recognition of the selfless work that they do.
- Kathy Kelly presented to conviction group on Friday June 22, 2018.
- The Foundation attended the Kings School Parramatta for a Stay Kind awareness day on Saturday June 23, 2018.

7. Trading results

The profit from ordinary activities for the Company for the year ended 30 June 2018 after income tax expense was \$141,538 (2017: \$21,955).

8. Review of operations

In the opinion of the directors, the results of the operations of the Company for the year ended 30 June 2018 were not affected by any item, transaction or event of a material or unusual nature. The directors note that two out of five of the Foundation's Take Kare Safe Space funding partners paid the service provider directly. The City of Sydney and the Macquarie Group Foundation both paid \$100,000 directly to St John Ambulance Australia.

9. Changes in the state of affairs

The following significant changes have occurred in relation to the financial year:

1. The Thomas Kelly Youth Foundation contracted St John Ambulance as a service provider from 1 July 2016 to 30 June 2018. The Foundation will not engage a service provider going forward.
2. Macquarie Group Foundation funded the Executive Officer role of the Foundation until February 2018. Natalie Zelinsky continues in the role of Executive Officer at the date of this report.

10. Dividends

No dividends have been paid, declared or recommended since the company's incorporation.

Directors' Report (continued)
For the year ended 30 June 2018

11. Information on directors

Justin Greiner

Chairperson / Director of Risk (appointed August 8 2017)

Justin Greiner's experience spans over 20 years across Banking, Advisory, Wealth Management and Retail. Justin is a values-centred leader with a strong track-record of strategy development and delivery, people engagement and transformational change. Justin is currently the CEO of JBWere Australia and New Zealand, and oversees more than \$50b in Funds Under Advice. JB Were provides a wide range of investment, advisory and philanthropic services and has over 500 employees. Prior to joining JBWere, Justin was General Manager, Transformation for ANZ Wealth. In this role, he had responsibility for the customer transformation agenda with a specific focus on the digital, online and physical channels. Justin holds a Master of Business Administration (MBA) from Harvard Business School and a Bachelor of Accounting from the University of Technology, Sydney. He is also the President of the Harvard Club of Australia, a Director of the Financial Industry Community Aid Program (FICAP), a Director of the Institute of Bone & Joint Research and an Advisory member of the Youngcare Sydney Leadership Team. Passionate about diversity and leadership, Justin is also a current member of the JBWere Diversity Council.

Mark Langsworth

Deputy Chairperson / Director of Governance

Mark is an experienced Banking and Finance senior executive and business originator who has been active on the Australia financial markets for over 25 years. Mark's roles have encompassed risk management, sales and distribution, origination, product development and strategic planning. He has the ability to drive business initiatives and has extensive strategic management experience in the finance industry and as well as positioning capabilities and product strengths. Mark's extensive risk management experience will prove invaluable in his role as Director of Governance.

David Anstee

Director of Marketing, Fundraising and Sponsorship

David Anstee is co-founder of rapporr and is a seasoned founder with CEO experience across the start-ups, media and technology sectors. He founded and sold two media and communications businesses to establish Australia's 2nd largest direct advertising agency. Very early in his professional career David worked with American Express, he then founded what was to become a leading Direct Response Advertising and Communications Group, with prestigious clients including American Express, British Airways and St George Bank. Selling the business to McCann Erickson, David led the combined agency to become the country's 2nd largest. David later founded a new start-up, MMI, which he built to become a leading provider of customer loyalty services running British Airways Frequent Flyer program.

Directors' Report (continued)
For the year ended 30 June 2018

11. Information on directors (continued)

Eric Cao

Director of Youth Communications and Marketing

Eric Cao is a high achieving UNSW student majoring in marketing and psychology. He has spent the last two years kick starting his career by working full time in the marketing industry whilst also studying full time. Through both personal experiences and experiences of the people around him, Eric understands the importance of responsible drinking and listening to those who may be suffering mentally. He believes that everyone innately cares and wants the best for themselves and others. Eric considers community awareness of social issues and appropriate behaviours a critical element for our social structure. He is a firm believer in the importance of empowering individuals to do the right thing, in order to help shift the underlying culture.

Kathy Kelly

Founder Thomas Kelly Youth Foundation

Director for Kelly Family

Kathy Kelly is the mother of Thomas. Kathy is an advocate for behavioural change in the community, harm reduction and the provision of social support for victims of violence. She sees communication, prevention and education as key platforms supporting the drive for social change. Kathy is able to provide powerful advocacy for the Foundation as she engages with people from across the community, communicates social issues from the heart and motivates action to create change. She is a firm believer in the need to take a pro-active approach to exploring and implementing strategies for harm reduction. Kathy is passionate about education as she sees social change and behavioural change as being interwoven into core social knowledge and values.

Ralph Kelly

Founder Thomas Kelly Youth Foundation

CEO, Director of Foundation Operations, Initiatives, Sponsorship and Relationships

Ralph Kelly is the father of Thomas. Initially with the support of a friend and then as CEO of the Thomas Kelly Youth Foundation, Ralph has pro-actively campaigned for behavioural change in the community, social support for victims of violence as well as violence protection. This has resulted in the provision of Take Kare Safe Spaces in the Sydney CBD, Dept. of Justice and a soon to be implemented UNSW research study of the Safe Space programs. Notably the Take Safe Space program has recorded a total of 17,304 incidents of assistance between December 2014 and April 2016. Ralph continues to oversee Take Kare program initiatives, day to day operations and relationship management of all stakeholders.

Directors' Report (continued)
For the year ended 30 June 2018

11. Information on directors (continued)

Simon McGrath

Director of Strategy

Simon joined Accor Hotels in 2005 as General Manager, Sofitel Reef Casino Cairns and was later appointed Regional General Manager, overseeing all hotel operations in Northern Australia and Western Australia. In December 2006 Simon was appointed to the position of Vice President Australia responsible for all Accor's Australian hotels and in May 2012 Simon was promoted to the role of Chief Operating Officer for Accor Hotels Pacific. In his role as the Chief Operating Officer of Accor Hotels in the Pacific Simon currently oversees the operation of 250 hotels, employing 11,000 employees with annual revenue of over 1.6 billion. Simon currently sits on a number of Boards including Tourism and Transport Forum (TTF), Accommodation Association of Australia (AAA), Blue Mountains International Hotel Management School and Genesis Care.

Simon brings great depth of experience to his role in Strategy and Finance as well as excellent input into our community programs. Simon has played a major advocacy role in advancing Indigenous employment in hospitality and wider economic employment. He has also championed and taken a lead role to greatly improve gender diversity in the tourism sector. Simon has been recognised for his contribution to the hospitality industry with numerous company and individual awards of excellence. He was awarded Australasian Hotelier of the Year 2009 in the HM (Hotel Management Awards) and Accor Hotels was named Best Accommodation Chain 2013 also at the HM (Hotel Management) Awards. In addition, Simon received a Gold Bernache - the highest accolade for Accor Hotels globally - for Performance in 2012.

Maree Whybourne

Director of Fundraising

Maree Whybourne has been involved in the Third Sector for many years. She is a professional fundraiser with a passion for changing the world and creating authentic partnerships. Maree has also served on many not-for-profit boards as well as holding leadership positions in the arts, welfare and health sectors. Her natural curiosity and personality makes connecting donors with their interests an enjoyable experience in a way that is rewarding for both parties.

12. Information on committees

Audit and Risk Committee

The audit and risk committee will assist the board in exercising its authority and effective discharge of its authorities for statutory reporting, internal control systems, risk management systems, insurance and legal proceedings, and the internal and external audit functions.

Members

Justin Greiner (appointed August 8 2017)

Mark Langsworth

Natalie Zelinsky

Ian Penman (resigned August 9 2017)

Directors' Report (continued)
For the year ended 30 June 2018

12. Information on committees (continued)

Finance Committee

The finance committee will assist the board in exercising its authority and effective discharge of its authorities for by providing advice and guidance on issues affecting the financial strategy. The finance committee will ensure financial controls are in place, review and monitor expenditure on a monthly basis, and report income and expenditure against annual budget.

Members

Mark Langsworth

David Anstee

Ralph Kelly

13. Information on advisory board

To bring specialist skills to the programs and operations of the TKYF and provide non-binding strategic advice through an informal and flexible process.

Elizabeth Broderick AO

Legal and Violence against Women

Elizabeth has brought together captains of industry, governments and Defence Force chiefs to address gender inequality in Australia and beyond. As Australia's longest serving Sex Discrimination Commissioner (2007-2015), Elizabeth worked tirelessly to break down structural and social barriers faced by women and men, and to promote gender equality. A key advocate for Australia's paid parental leave scheme, Elizabeth influenced changes to regulations to increase the numbers of women at decision-making level, and to elevate the voices of women in marginalised communities. She also established and convenes the globally recognised 'Male Champions of Change' strategy, enlisting a 'who's who' of powerful male leaders to tackle workplace gender inequality. Her review into the treatment of women in the Australian Defence Force led to sweeping cultural reforms. She is a powerful and influential voice in the struggle for gender equality, enlisting both women and men as agents of change.

Elizabeth is Special Advisor to the Executive Director of UN Women on Private Sector Engagement, and Global Co-Chair of UN Global Compact's Women's Empowerment Principles Leadership Group. She is a member of the Australian Defence Force Gender Equality Advisory Board, the Australian Rugby Union Board, and formerly a member of the World Bank Gender Advisory Council. She is Senior Advisor to the Australian Federal Police Commissioner on cultural change. In 2016 Elizabeth was appointed an Officer of the Order of Australia and was named 2016 NSW Australian of the Year. She holds Honorary Doctorates of Law from the University of Sydney, University of New South Wales, and the University of Technology Sydney.

Directors' Report (continued)
For the year ended 30 June 2018

13. Information on advisory board (continued)

Howard Brown

Community Programs (Victims of Violence)

Howard is a 61 year-old failed legal student who after studying Law for six years found himself unable to pass the subject of Taxation. He then became a Private Investigator and was working as same in 1988 when one of his friends was murdered. It was at this point that Howard realised that what he had learned at Law School was not really accurate and that there was no real protection for Victims of Crime. Howard attended the inaugural meeting of VOCAL and became a member and went straight onto the committee, in 1989. Howard then established the Sydney arm of the Victims of Crime Assistance League (Vocal) in 1991.

Howard is a member of the Victims Advisory Board, NSW Sentencing Council, and the DNA Review Panel. He provides assistance to Homicide Victims Support Group, Enough is Enough, Mission Australia, Stacsa (stand together against Sexual Abuse) Gunnedah, Homicide Victims Association. He has also held the positions of President, Vice-President of VOCAL Hunter, and is a Life Member.

Howard is a Victims Advocate for Victims of Crime before the Mental Health Review Tribunal and NSW Parole Authority. He is also engaged in restorative justice programs through The Department of Juvenile Justice and was involved as a Victims representative in the trial of the Forum Sentencing Scheme out of Liverpool Court. Howard is now working with Burwood Court as the rollout of Forum Sentencing is extended to that court. Howard was awarded the Order of Australia Medal in June of 2004 for his work with Victims of Crime. In 2011 Howard was made an Honorary Fellow of the University of New South Wales for his work with the University and for Victims of Crime.

Professor Peter Miller

Research Partnerships and Community Programs

Peter Miller is Professor of Violence Prevention and Addiction Studies at the School of Psychology, Deakin University. Peter has recently completed three of the largest studies ever conducted into licensed venues, comparing 11 Australian cities (and Wellington, NZ) over 5 years and talking to more than 15,000 patrons. Peter has edited one book and has over 100 peer-reviewed articles as well as numerous government reports.

Peter's current projects include: an Australia Research Council Linkage grant in collaboration with the Cancer Council and the Foundation for Alcohol Research and Education (FARE) to investigate the role of vested interests such as the tobacco, alcohol and gambling in preventing effective health policy; Drug and Alcohol intoxication and Subsequent Harm in night-time Entertainment Districts (DASHED), examining the relationship between alcohol consumption, intoxication, substance use, crime and other risky behaviour in and around licensed premises in Canberra and Hobart; Alcohol and Drug Involvement in family and Domestic Violence in Australia (ADIVA), focusing on alcohol and other drug (AOD) - related violence and the impact of different police responses on recidivism rates; and an ARC Discovery project evaluating risk-based licensing (RBL) schemes for the sale of alcohol at on-licensed premises in Australia. Peter is also working with eight Emergency Departments across Australia on systematic screening of alcohol-related harm including a public health intervention identifying the sources of alcohol which drive emergency department attendances.

Directors' Report (continued)
For the year ended 30 June 2018

14. Member's guarantee

In accordance with the company's constitution, if the company is wound up during the time of a Member's membership or within one year afterwards, each member undertakes to contribute to the assets of the Company for payment of:

- (a) debt and liabilities of the Company contracted before the Member's membership ceases;
- (b) costs, charges and expenses of the winding up of the Company; and
- (c) adjustment of the rights of the contributions amongst themselves, such amount as may be required, but not exceeding \$10.00

15. Events subsequent to balance date

In the opinion of the directors, there are no other matters or circumstances that have arisen since the end of the financial period which are not otherwise dealt with in this report, that have significantly affected or may significantly affect the operations of the Company, the results of those or the state of affairs of the company in subsequent financial periods.

16. Likely developments and expected results of operations

The directors are not aware of any matter or circumstance that will have had or may have on the operation of the operations of the company, the results of those operations or the state of affairs of the company in subsequent years.

17. Indemnification and insurance of officers and auditors

The Company has not, since the end of the previous financial year, in respect of any person who is or has been an officer or auditor of the Company:

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

18. Directors benefits

The Directors are not entitled to be paid for their services. Subject to the approval of the Directors, the Directors may be reimbursed for all expenses properly incurred in attending or in connection with their attendance at any meeting of the Company or of the Board or any committee of Directors.

19. Related party transactions

Ralph Kelly remains in a voluntary capacity, as the CEO and as a Director of the Company.

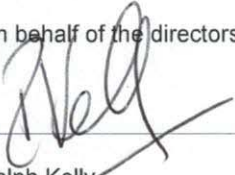
Directors' Report (continued)
For the year ended 30 June 2018

20. Auditor's independence declaration

The auditors' independence declaration as required under section 60-40 of the Australian Charities and Not-for-Profit Commission (ACNC) Act 2012 is set out on page 16 and forms part of the Director's report.

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

On behalf of the directors:



Ralph Kelly
Director

Sydney

Dated: 3 October 2018



Auditor's Independence Declaration

As auditor for the *review* of Thomas Kelly Youth Foundation Limited 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 *review*.

This declaration is in respect of Thomas Kelly Youth Foundation Limited during the period.

A handwritten signature in blue ink that reads 'Scott Hadfield'.

Scott Hadfield
Partner
PricewaterhouseCoopers

3 October 2018

PricewaterhouseCoopers, ABN 52 780 433 757

One International Towers Sydney, Watermans Quay, Barangaroo, GPO BOX 2650, SYDNEY NSW 2001

T: +61 2 8266 0000, F: +61 2 8266 9999, www.pwc.com.au

Level 11, 1PSQ, 169 Macquarie Street, Parramatta NSW 2150, PO Box 1155 Parramatta NSW 2124

T: +61 2 9659 2476, F: +61 2 8266 9999, www.pwc.com.au

Liability limited by a scheme approved under Professional Standards Legislation.

Statement of Comprehensive Income
For the year ended 30 June 2018

	Notes	2018 \$	2017 \$
Revenue			
Program sponsorship	4(a)	395,187	216,623
Other donations	4(b)	233,733	121,956
Public fund donations	4(c)	119,541	39,437
Grant income		58,333	41,667
Other income	5	4,073	1,250
Revenue and other income		<u>810,867</u>	<u>420,933</u>
Expenses			
Fundraising and appeal costs	6(a)	(133,397)	(16,856)
Program fees	6(a)	(361,502)	(243,243)
Donations		(4,977)	(30,686)
Contractors		-	(29,017)
Travel		(7,328)	(7,636)
Telephone		(3,467)	(4,731)
Computer expenses		(5,015)	(4,653)
Administrative expenses		(8,697)	(7,713)
Employee expenses	6(b)	(134,153)	(49,176)
Insurance		(10,793)	(5,267)
Total expenses		<u>(669,329)</u>	<u>(398,978)</u>
Net surplus for the year		<u>141,538</u>	<u>21,955</u>
Other comprehensive income		-	-
Income tax expense		-	-
Total comprehensive income for the year (after tax)		<u><u>141,538</u></u>	<u><u>21,955</u></u>

The above Statement of Comprehensive Income should be read in conjunction with the accompanying notes.

Statement of Financial Position
As at 30 June 2018

	Notes	2018 \$	2017 \$
Current assets			
Cash and cash equivalents	7	329,861	253,686
Trade and other receivables	8	19,718	1,048
Other current assets	9	16,562	5,405
Total current assets		<u>366,141</u>	<u>260,139</u>
Non-current assets			
Total assets		<u>366,141</u>	<u>260,139</u>
Current liabilities			
Trade and other payables	10	24,161	10,986
Deferred grant income		-	58,333
Provision for employee benefits	11	11,746	2,124
Total current liabilities		<u>35,907</u>	<u>71,443</u>
Non-current liabilities			
Total liabilities		<u>35,907</u>	<u>71,443</u>
Net assets		<u>330,234</u>	<u>188,696</u>
Equity			
General funds	12	<u>330,234</u>	<u>188,696</u>
Total equity		<u>330,234</u>	<u>188,696</u>

The above Statement of Financial Position should be read in conjunction with the accompanying notes.

Thomas Kelly Youth Foundation Limited
A.B.N. 61 161 682 962

**Statement of Changes in Equity
For the year ended 30 June 2018**

	Accumulated Profits \$	Total \$
Balance at 30 June 2016	166,741	166,741
Total comprehensive income for the year	<u>21,955</u>	<u>21,955</u>
Balance at 30 June 2017	<u>188,696</u>	<u>188,696</u>
Total comprehensive income for the year	<u>141,538</u>	<u>141,538</u>
Balance at 30 June 2018	<u>330,234</u>	<u>330,234</u>

The above Statement of Changes in Equity should be read in conjunction with the accompanying notes.

Statement of Cash Flows
For the year ended 30 June 2018

	Notes	2018 \$	2017 \$
Cash flows from operating activities			
Donations and gifts		737,258	478,016
Payments to suppliers and employees		(661,462)	(386,534)
Interest received		379	261
Net cash inflow from operating activities	13	<u>76,175</u>	<u>91,743</u>
Cash flows from investing activities		<u>-</u>	<u>-</u>
Cash flows from investing activities		<u>-</u>	<u>-</u>
Net increase in cash and cash equivalents		76,175	91,743
Cash and cash equivalents at the beginning of the financial year		<u>253,686</u>	<u>161,943</u>
Cash and cash equivalents at the end of the financial year	7	<u><u>329,861</u></u>	<u><u>253,686</u></u>

The above Statement of Cash Flows should be read in conjunction with the accompanying notes.

Notes to the Financial Statements
For the year ended 30 June 2018

1. Corporate information

Thomas Kelly Youth Foundation Limited is a company limited by guarantee, incorporated and domiciled in Australia. The company was registered by the Australian Charities and Not-for-profit Commission on 17 December 2012. The nature of the operations and principal activities of the company are described in the directors' report.

2. Basis of preparation

(a) Statement of Compliance

These general purpose financial statements have been prepared in accordance with Australian Charities and Not-for-profits Commission (ACNC) Act 2012, Australian Accounting Standards - Reduced Disclosure Requirements, Accounting Interpretations and other authoritative pronouncements of the Australian Accounting Standards Board.

The financial statements were authorised for issue by the Board of Directors on 3 October 2018.

The company is a not-for-profit entity for the purposes of preparing these financial statements.

(b) Basis of measurement

The financial statements are prepared on the historical cost basis. Cost is based on the fair values of the consideration given in exchange for assets.

(c) Functional and presentation currency

The Company financial statements are presented in Australian dollars, which is the Company's functional currency.

(d) Use of estimates and judgements

The preparation of financial statements requires the Directors to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expenses. Actual results may differ from these estimates.

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

In the current and prior year, management consider that there were no significant judgements or estimation uncertainties encountered in the preparation of the financial statements.

3. Significant accounting policies

(a) Revenue recognition

Revenue is measured at the fair value of consideration received or receivable. Revenue is recognised net of the amounts of goods and services tax (GST) payable to the Australian Taxation Office.

Notes to the Financial Statements
For the year ended 30 June 2018

3. Significant accounting policies (continued)

(a) Revenue recognition (continued)

- (i) Donations
Donations collected, including cash and goods for resale, are recognised as revenue when the company gains control, economic benefits are probable and the amount of the donation can be measured reliably.
- (ii) Legacies
Legacies are recognised when the company is notified of an impending distribution or the legacy is received, whichever occurs earlier.

Revenue from legacies comprising bequests of shares or other property are recognised at fair value, being the market value of the shares or property at the date the company becomes legally entitled to the shares or property.
- (iii) Government funding
The company's activities are supported by grants received from the federal, state and local governments. Grants received on the condition that specified services are delivered, or conditions are fulfilled, are considered reciprocal. Such grants are initially recognised as a liability and revenue is recognised as services are performed or conditions fulfilled. Revenue from non-reciprocal grants is recognised when the company obtains control of the funds.
- (iv) Interest income
Interest income is brought to account when the company's right to receive payment is established. Interest income is brought to account using the effective interest method.
- (v) Program sponsorship
Program sponsorship income is recognised as revenue when the company establishes the right to receive payment, economic benefits are probable and the amount of income can be measured reliably.
- (vi) Grants
Grants received for specified services are initially recognised as a liability and revenue is recognised as services are performed or conditions fulfilled.

(b) Expenditure

All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to the category. Where costs cannot be directly attributed to a particular category they have been allocated to activities on a basis consistent with use of the resources. Premises overheads have been allocated on a floor area basis and other overheads have been allocated on the basis of the head count.

Fundraising costs are those incurred in seeking voluntary contributions by donation and do not include costs of disseminating information relating to the activities carried on by the company.

Support costs are those costs directly incurred in supporting the objectives of the company and include project management carried out by central administration, bank fees and travel expenses.

Research grants are amounts granted to institutions in Australia that specialise in research into reducing alcohol-related violence and anti-social behaviour amongst young people in Australia. Grants are recognised when paid to the institution or when there is an obligation to make payment under a contract.

Notes to the Financial Statements
For the year ended 30 June 2018

3. Significant accounting policies (continued)

(c) Cash and cash equivalents

Cash and cash equivalents in the balance sheet comprise cash at bank and in hand and short-term deposits with an original maturity of three months or less where the investment is convertible to known amounts of cash and is subject to insignificant risk of changes in value. For the purposes of the cash flow statement, cash and cash equivalents consist of cash and cash equivalents as defined above, net of any outstanding bank overdrafts.

(d) Trade and other receivables

Trade receivables include amounts when the economic right to receive payment is established. Interest is accrued at the reporting date from the time of last payment using the effective interest rate method. Amounts are generally received within 30 days of being recorded as receivables.

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment. Trade receivables are generally due for settlement within 30 days. They are presented as current assets unless collection is not expected for more than 12 months after the reporting date.

(e) Trade and other payables

These amounts represent liabilities for goods and services provided to the group 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.

(f) Taxation

Income tax

The company is a charitable institution for the purposes of Australian taxation legislation and is therefore exempt from income tax. This exemption has been confirmed by the Australian Taxation Office. The company holds deductible gift recipient status.

Goods and services tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST except where the amount of GST incurred is not recoverable from the Australian Taxation Office, in which case it is recognised as part of the cost of acquisition of an asset or as part of an item of expense.

Receivables and payables are recognised inclusive of GST.

The net amount of GST recoverable from or payable to the Australian Taxation Office is included as part of receivables or payables.

Cash flows are included in the cash flow statement on a gross basis. The GST component of cash flow arising from investing and financing activities that is recoverable from or payable to the Australian Taxation Office is classified as operating cash flow.

Notes to the Financial Statements
For the year ended 30 June 2018

3. Significant accounting policies (continued)

(g) Employee benefits

Wages and salaries and annual leave

Liabilities for wages and salaries, including non-monetary benefits and annual leave expected to be settled within 12 months of the reporting date are recognised in provision for employee benefits in respect of employees' services up to the reporting date and are measured at the amounts expected to be paid when the liabilities are settled.

It is noted that the charity has one employee at year end 30 June 2018 (2017: one).

(h) Lease commitments

A lease agreement was entered into on 20 June 2018 for rental of office premises to 20 March 2020. Prepayments relating to rental expenditure are recognised in other current assets while bond paid is recognised in trade and other receivables.

It is noted that the guarantor of the lease is a director of the Company.

(i) New accounting standards and interpretations

The Company has changed some of its accounting policies as the result of new and revised accounting standards which became effective for the annual reporting period commencing on 1 July 2017. The new and revised standards adopted by the Company are:

- (i) AASB 136 Amendments to Australian Accounting Standards - Recoverable Amount of Non-Cash-Generating Specialised Assets of Not-for-Profit Entities (effective from 1 January 2017) simplify the impairment testing requirements for not-for-profit entities measuring specialised, non-cash generating assets using the fair value model ('cost approach'). The application of this new standard does not impact the type of information disclosed in the notes to the financial statements.

Australian Accounting Standards and Interpretations that have recently been issued or amended but are not yet effective have not been adopted by the Company for the annual reporting period ended 30 June 2018. The impact of these standards and interpretations has been assessed and to the extent applicable to the Company are discussed below. Standards and Interpretations that are not expected to have a material impact on the Company have not been included.

- (i) AASB 1058 Income Of Not-For-Profit Entities (effective from 1 January 2019) aim to ensure not-for-profit entities more closely reflect the economic reality of transactions that are not contracts with customers. The timing of income recognition depends on whether such a transaction gives rise to a liability or other performance obligation, or a contribution by owners, related to an asset received by an entity. The Company does not expect that there will be a significant impact on its financial statements.
- (ii) AASB 9 Financial Instruments (effective from 1 January 2018) is a new standard which replaces AASB 139. This new version supersedes AASB 9 issued in December 2009 (as amended) and AASB 9 (issued in December 2010) and includes a model for classification and measurement and a single forward-looking 'expected loss' impairment model. AASB 9 includes requirements for a simplified approach for classification and measurement of financial assets compared with the requirements of AASB 139. The Company does not intend to early adopt AASB 9 as permitted by the standard.
- (iii) AASB 1059 Service Concession Arrangements: Grantors (effective from 1 January 2019) is a new standard which introduces recognition and measurement requirements for assets and liabilities of public sector grantors in a service concession arrangement. The Company does not expect that there will be a significant impact on its financial statements.

Notes to the Financial Statements
For the year ended 30 June 2018

	2018 \$	2017 \$
4. Revenue		
(a) Program sponsorship		
Program sponsorship revenue	395,187	216,623
Total program sponsorship	<u>395,187</u>	<u>216,623</u>
(b) Other donations		
Other donations (non-tax deductible)	233,733	121,956
Total other donations	<u>233,733</u>	<u>121,956</u>
(c) Public fund donations		
Public fund donations (tax deductible)	119,541	39,437
Total public fund donations	<u>119,541</u>	<u>39,437</u>
	2018	2017
	\$	\$
5. Other revenue		
Interest income	379	261
Merchandise sales	3,620	-
Other income	74	989
Total other revenue	<u>4,073</u>	<u>1,250</u>
	2018	2017
	\$	\$
6. Expenses		
Profit includes the following specific expenses:		
(a) Fundraising expenses		
Administration fees	-	760
Advertising and promotion	56,993	12,915
Commissions paid	-	1,919
Merchandise expenses	24,381	-
Program Fees	361,502	243,243
All other fundraising expenses	52,023	1,262
Total fundraising	<u>494,899</u>	<u>260,099</u>
(b) Employee expenses		
Wages and salaries	101,959	36,145
Superannuation	22,544	9,112
Staff amenities	-	425
Staff uniforms	1,363	-
Motor vehicle expenses	8,287	3,494
Total employee expenses	<u>134,153</u>	<u>49,176</u>

Notes to the Financial Statements
For the year ended 30 June 2018

	2018 \$	2017 \$
7. Cash and cash equivalents		
Cash at bank	<u>329,861</u>	<u>253,686</u>
	<u>329,861</u>	<u>253,686</u>
	2018 \$	2017 \$
8. Trade and other receivables		
GST receivable	4,822	1,048
Other receivables	<u>14,896</u>	<u>-</u>
	<u>19,718</u>	<u>1,048</u>
	2018 \$	2017 \$
9. Other current assets		
Prepayments	<u>16,562</u>	<u>5,405</u>
	<u>16,562</u>	<u>5,405</u>
	2018 \$	2017 \$
10. Trade and other payables		
Sundry creditors	-	3,300
PAYG withholding	5,500	7,686
GST payable	<u>18,661</u>	<u>-</u>
	<u>24,161</u>	<u>10,986</u>
	2018 \$	2017 \$
11. Provision for employee benefits		
Provision for annual leave	5,874	2,124
Provision for superannuation	<u>5,872</u>	<u>-</u>
	<u>11,746</u>	<u>2,124</u>

Notes to the Financial Statements
For the year ended 30 June 2018

12. Total funds

(a) Movements in funds

Details of the movement in reserves and funds are provided in the Statement of Changes in Equity.

(b) Details of reserves and funds included in the Statement of Changes in Equity.

General funds

The general funds represents the funds of the charity that are not designated for particular purposes.

(c) Members' guarantee

The company is limited by guarantee.

If the Company is wound up during the time of a Member's membership or within 1 year afterwards, each Member undertakes to contribute to the assets of the Company for payment of:

- (i) debts and liabilities of the Company contracted before the Member's membership ceases;
- (ii) costs, charges and expenses of the winding up of the Company; and
- (iii) adjustment of the rights of the contributories amongst themselves, such amount as may be required but not exceeding \$10.00.

	2018 \$	2017 \$
13. Cash flow information		
Reconciliation of net cash outflow from operating activities to profit from ordinary activities after income tax :		
Net surplus for the year	141,538	21,955
Changes in assets and liabilities		
- (Increase) / decrease in trade and other receivables	(18,670)	304
- (Increase) in other current assets (prepayments) and provisions	(11,157)	(1,742)
- Increase in trade and other payables	22,797	12,893
- (Decrease) / increase in deferred grant income	(58,333)	58,333
Net cash inflow from operating activities	<u>76,175</u>	<u>91,743</u>

Notes to the Financial Statements
For the year ended 30 June 2018

14. Lease commitments

The Company entered into an operating lease on 20 June 2018 for a non cancellable period of 1 year, 9 months and 7 days. The lease commitments for under 12 months are \$37,805, and greater than 12 months are \$29,141. Post the original term of 1 year the rental agreement can be extended by the Company.

15. Related parties and related party transactions

(a) Directors' compensation

The directors act in an honorary capacity and receive no compensation for their services in this capacity. During the year \$75 of parking expenses incurred by the directors in fulfilling their role were reimbursed.

(b) Transactions with director-related entities

During the year, no other payments were made to directors or director related entities. No amounts are payable to or receivable from directors or director-related entities at the reporting date.

16. Economic dependency

The company is dependent upon the ongoing receipt of grants and donations to ensure the continuance of its operations.

17. Auditors' remuneration

The auditors received no remuneration for services provided during the period (2017: nil).

18. Events occurring after reporting date

Except for the above matters disclosed, the directors are not aware of any other matters or circumstances that have occurred since the end of the period that have significantly affected or may significantly affect the operations of the Company, the results for the financial period or state of affairs.

Directors' Declaration
For the year ended 30 June 2018

1. In the opinion of the directors of Thomas Kelly Youth Foundation:
 - (a) the financial statements and notes, set out on pages 17 to 28, are in accordance with the Australian Charities and Not-for-profit Commission (ACNC) Act 2012, including:
 - (i) complying with Accounting Standards - Reduced Disclosure Requirements, the ACNC Act 2012 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 financial year ended on that date;
 - (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 the directors.



Ralph Kelly
Director

Sydney

Dated: 3 October 2018



Independent auditor's review report to the members of Thomas Kelly Youth Foundation Limited

Report on the Financial Report

We have reviewed the accompanying financial report of Thomas Kelly Youth Foundation Limited (the Company), which comprises the statement of financial position as at 30 June 2018, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year ended on that date, a summary of significant accounting policies, other explanatory notes and the directors' declaration.

Directors' responsibility 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 is free from material misstatement whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express a conclusion on the financial report based on our review. We conducted our review in accordance with Australian Auditing Standard on Review Engagements *ASRE 2415 Review of a Financial Report – Company Limited by Guarantee, or an Entity Reporting under the ACNC Act or Other Applicable Legislation or Regulation*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the financial report is not in accordance with the Division 60 of the *Australian Charities and Not-for-profits Commission (ACNC) Act 2012* including giving a true and fair view of the entity's financial position as at 30 June 2018 and its performance for the year ended on that date; and complying with Australian Accounting Standards - Reduced Disclosure Requirements and the *Australian Charities and Not-for-profits Commission Regulations 2013*. As the auditor of Thomas Kelly Youth Foundation Limited, ASRE 2415 requires that we comply with the ethical requirements relevant to the review of the annual financial report.

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

Independence

In conducting our review, we have complied with the independence requirements of the *Australian Charities and Not-for-profits Commission (ACNC) Act 2012*.

PricewaterhouseCoopers, ABN 52 780 433 757

One International Towers Sydney, Watermans Quay, Barangaroo, GPO BOX 2650, SYDNEY NSW 2001

T: +61 2 8266 0000, F: +61 2 8266 9999, www.pwc.com.au

Level 11, 1PSQ, 169 Macquarie Street, Parramatta NSW 2150, PO Box 1155 Parramatta NSW 2124

T: +61 2 9659 2476, F: +61 2 8266 9999, www.pwc.com.au

Liability limited by a scheme approved under Professional Standards Legislation.



Basis for Qualified Conclusion

Cash from donations and other fundraising activities are a significant source of revenue for the Company. The Company's directors have determined that it is impractical to establish control over the collection of revenue from these sources prior to entry into its financial records. Accordingly, as the evidence available to us regarding revenue from cash donations and other fundraising activities was limited, our review procedures with respect to revenue from these sources had to be restricted to the amounts recorded in the Company's financial records. As a result, we are unable to express a conclusion as to whether revenue from cash donations and other fund raising activities is complete.

Qualified Conclusion

Based on our review, which is not an audit, except for the possible effects of the matter described in the Basis for Qualified Conclusion paragraph, we have not become aware of any matter that makes us believe that the financial report of Thomas Kelly Youth Foundation Limited is not in accordance with the *Australian Charities and Not-for-profits Commission (ACNC) Act 2012* including:

1. giving a true and fair view of the entity's financial position as at 30 June 2018 and of its performance for the year ended on that date;
2. complying with Australian Accounting Standards - Reduced Disclosure Requirements and the *Australian Charities and Not-for-profits Commission Regulations 2013*.

PricewaterhouseCoopers

PricewaterhouseCoopers

Scott Hadfield

Scott Hadfield
Partner

Sydney
3 October 2018