



**AUSTRALIAN VETERANS' CHILDREN
ASSISTANCE TRUST LIMITED**

(A Company Limited by Guarantee)
ABN 50 008 609 032

**ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED
31 DECEMBER 2018**

AUSTRALIAN VETERANS' CHILDREN ASSISTANCE TRUST LIMITED
(A Company Limited by Guarantee)
ACN 008 609 032

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AUSTRALIAN VETERANS' CHILDREN ASSISTANCE TRUST LIMITED

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ABN 50 008 609 032

AUSTRALIAN VETERANS' CHILDREN ASSISTANCE TRUST LIMITED

ABN 50 008 609 032

Directors

The following Directors were in office during the year and at the date of this Report:

Major General W J Crews AO (Ret'd) (Chair)

*K H Foster OAM, JP

*Lt Col P G Badcock OAM (Ret'd)

G S Blake

W Roberts OAM

Dr R S Webster OAM

*M Green

appointed 22 May 2018

Alternate Directors

P Eveille

*Lt Col I M Henderson (Ret'd)

P Kainerder

*D J Norton

P Jones from 21 May 2018

P Medway AM from 21 November 2018

* Indicates member of Finance, Audit and Risk Committee

Company Secretary

J A Hughes

The Responsible Entities are the Directors and the Company Secretary.

Registered office and principal place of business

Ground Level

Tower B, Centennial Plaza

280 Elizabeth Street

Surry Hills

NSW 2010

Auditor

Grant Thornton Audit Pty Ltd

Level 17, 383 Kent Street

Sydney NSW 2000

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Auditor's Independence Declaration to the Responsible Entities of Australian Veterans' Children Assistance Trust Limited

In accordance with the requirements of section 60-40 of the Australian Charities and Not-for-profits Commission Act 2012, as lead auditor for the audit of Australian Veterans' Children Assistance Trust Limited for the year ended 31 December 2018, I declare that, to the best of my knowledge and belief, there have been no contraventions of any applicable code of professional conduct in relation to the audit.



GRANT THORNTON AUDIT PTY LTD
Chartered Accountants



James Winter
Partner - Audit & Assurance

Sydney, 11 June 2019

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AUSTRALIAN VETERANS' CHILDREN ASSISTANCE TRUST LIMITED
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Statement of Profit or Loss and Other Comprehensive Income
For the year ended 31 December 2018

	Note	2018 \$	2017 \$
Operating Revenue			
Administration and Management of Bursaries		366,914	330,897
Donations, bequests and other contributions		1,795	194,475
Other revenue		20,687	17,136
	3	<u>389,396</u>	<u>542,508</u>
Expenses			
Employment expenses	3	(370,264)	(364,375)
Overhead expenses		(48,437)	(30,858)
AVCAT Bursaries		(16,000)	(11,625)
		<u> </u>	<u> </u>
Net Surplus / (Deficit) for the year		(45,305)	135,650
Other Comprehensive Income		-	-
Total Comprehensive Income for the year		<u>(45,305)</u>	<u>135,650</u>

The above Statement of Profit or Loss and Other Comprehensive Income should be read in conjunction with the accompanying notes.

AUSTRALIAN VETERANS' CHILDREN ASSISTANCE TRUST LIMITED
(A Company Limited by Guarantee)
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Statement of Financial Position
As at 31 December 2018

<u>ASSETS</u>	Note	2018 \$	2017 \$
Current assets			
Cash and cash equivalents	4	388,377	445,051
Term Deposits	4	649,156	606,945
Receivables and other current assets	5	<u>7,093</u>	<u>13,281</u>
Total current assets		<u>1,044,626</u>	<u>1,065,277</u>
Non-current assets			
Property, plant and equipment		6,926	-
Total assets		<u>1,051,552</u>	<u>1,065,277</u>
 <u>LIABILITIES</u>			
Current liabilities			
Trade creditors and other payables	6	17,847	22,801
Accruals		16,471	10,250
Deferred Revenue		33,967	40,472
Provisions	7	14,989	12,089
Bursary Funds	8	<u>381,991</u>	<u>348,073</u>
Total current liabilities		<u>465,265</u>	<u>433,685</u>
Total liabilities		<u>465,265</u>	<u>433,685</u>
Net assets		<u>586,287</u>	<u>631,592</u>
 <u>FUNDS</u>			
Accumulated Funds	9	142,745	118,050
Quality Fund Reserve	9	157,626	207,626
RAAF WA EPF Reserve	9	171,125	191,125
General Reserve	9	<u>114,791</u>	<u>114,791</u>
Total Funds		<u>586,287</u>	<u>631,592</u>

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

AUSTRALIAN VETERANS' CHILDREN ASSISTANCE TRUST LIMITED
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Statement of Changes in Funds

	Note	Accumulated Funds \$	Quality Fund Reserve	RAAF WA EPF Reserve	General Reserve \$	Total Funds \$
Balance at 1 January 2017		77,636	303,515	-	114,791	495,942
Net Surplus/(Deficit) for year	9	135,650	-	-	-	135,650
Changes to Reserves	9	<u>(95,236)</u>	<u>(95,889)</u>	<u>191,125</u>	<u>-</u>	<u>-</u>
Balance at 31 December 2017		<u>118,050</u>	<u>207,626</u>	<u>191,125</u>	<u>114,791</u>	<u>631,592</u>
Balance at 1 January 2018		118,050	207,626	191,125	114,791	631,592
Net Surplus/(Deficit) for year	9	(45,305)				(45,305)
Changes to Reserves	9	<u>70,000</u>	<u>(50,000)</u>	<u>(20,000)</u>	<u>-</u>	<u>-</u>
Balance at 31 December 2018		<u>142,745</u>	<u>157,626</u>	<u>171,125</u>	<u>114,791</u>	<u>586,287</u>

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

AUSTRALIAN VETERANS' CHILDREN ASSISTANCE TRUST LIMITED
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Statement of Cash Flow
For the year ended 31 December 2018

	Note	2018 \$	2017 \$
Administration			
Receipts from:			
Administration Fees		365,069	376,265
Interest		25,213	1,614
Donations and contributions		1,795	194,475
Payments for Suppliers and Employees, and AVCAT			
Bursaries		<u>(433,532)</u>	<u>(388,963)</u>
Cash flow from Operating Activities	11	<u>(41,455)</u>	<u>183,391</u>
Bursary Activities			
Interest		63	-
Receipts from Government		340,825	282,075
Receipts from Bursary Sponsors		494,680	693,870
Payments from bursary accounts/Recipients		<u>(801,650)</u>	<u>(775,324)</u>
Cash flow from Bursary Activities		<u>33,918</u>	<u>200,621</u>
Investing Activity – Office equipment		(6,926)	-
Net increase/(decrease) in cash held		(14,463)	384,012
Cash at the beginning of the year		<u>1,051,996</u>	<u>667,984</u>
Cash at the end of the year	4	<u>1,037,533</u>	<u>1,051,996</u>

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

AUSTRALIAN VETERANS' CHILDREN ASSISTANCE TRUST LIMITED
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Notes to and forming part of the financial statements

1. Corporate Information

The financial report includes the financial statements and notes of Australian Veterans' Children Assistance Trust Limited.

2. Summary of Significant Accounting Policies

a) Basis of Preparation

These financial statements are general purpose financial statements that have been prepared in accordance with Australian Accounting Standards – Reduced Disclosure Requirements and the Australian Charities and Not-for-profits Commission Act 2012. Australian Veterans' Children Assistance Trust Limited is a not-for-profit entity for the purpose of preparing the financial statements.

The financial statements for the year ended 31 December 2018 were approved and authorised for issue by the Board of Responsible Entities on 11 June 2019.

The significant accounting policies that have been used in the preparation of these financial statements are summarised below.

The financial statements have been prepared using the measurement bases specified by the Australian Accounting Standards for each type of asset, liability, income and expense. The measurement bases are more fully described in the accounting policies below.

b) Significant accounting judgements, estimates and assumptions

The preparation of Financial Statements requires Management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and other factors that are believed to be reasonable under the circumstances, the outcomes of which form the basis of making the judgements. Actual outcomes may differ from these estimates. The accounting policies have been consistently applied by the Company.

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(c) Revenue Recognition

Income comprises administration fees from sponsors, interest and donations and, is recognised on an accruals basis. Revenue from Government and Scholarship Sponsors is recognised in the Statement of Comprehensive Income.

Revenue is recognised when the amount of revenue can be measured reliably, collection is probable, the costs incurred or to be incurred can be measured reliably, and when the criteria for each of the Company's different activities have been met. Details of the activity-specific recognition criteria are described below.

Interest income

Interest income is recognised on an accruals basis using the effective interest method.

Cash at bank earns interest at floating interest rates based on daily deposit rates. Term deposits are made for varying periods of between two and ten months. These deposits earn interest at market rates.

Volunteer services

A number of volunteers, including Directors and members of Committees, donate a significant amount of their time to the activities of the entity. However, as no objective basis exists for recording and assigning values to these services, they are not reflected in the financial statements as either revenue or expenses.

(d) Expenditure

All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to the relevant category.

Management and administration costs are those incurred in connection with the administration of the Company and compliance with constitutional and statutory requirements.

(e) Cash and Cash Equivalents

Cash and cash equivalents comprise cash on hand and demand deposits, together with other short-term, highly liquid investments that are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value.

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(f) Receivables

Receivables comprise accrued interest and prepayments.

(g) Trade Creditors and Other Payables

Trade creditors and other payables comprise liabilities for goods and services provided to the Company before the end of the financial year that are unpaid. These amounts are usually settled in 30 days.

(h) Employee Benefits

Employee Benefits comprise salaries, annual and long service leave and contributions to superannuation plans.

(i) Salaries and Annual Leave

Liabilities for salaries and annual leave are recognised, and are measured as the amount unpaid at the reporting date at current remuneration levels in respect of employees' services up to that date.

(ii) Long Service Leave

The liability for long service leave is recognised as the amount unpaid at the reporting date at current remuneration levels for all employees with five years or more service.

(iii) Superannuation

The Company pays contributions to external superannuation plans. Contributions are recognised in the Statement of Comprehensive Income when they are due. The Company has no obligation to pay further contributions to these plans if the plans do not hold sufficient assets to pay all employee benefits relating to employee service in current and prior periods.

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(i) 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 tax 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 these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense. Receivables and payables in the statement of financial position are shown inclusive of GST.

Cash flows are presented in the statement of cash flows on a gross basis, except for the GST components of investing and financing activities, which are disclosed as operating cash flows.

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Notes to and forming part of the financial statements (cont'd)**3. Revenue and Expenses**

	2018	2017
	\$	\$
(a) Revenue		
Administration income – Long Tan	293,535	269,363
Administration income – Other Bursaries	73,379	61,534
	<u>366,914</u>	<u>330,897</u>
RAAF WA EPF contribution of funds	-	191,125
Donations to General Gift Fund	1,795	3,350
	<u>1,795</u>	<u>194,475</u>
Interest	<u>20,687</u>	<u>17,136</u>
Total Operating Revenue	<u>389,396</u>	<u>542,508</u>
(b) Expenses		
i) Employee Benefits Expense		
- Salaries & Taxes	315,431	303,048
- Superannuation contributions	54,240	60,793
- Workers Compensation Insurance	<u>593</u>	<u>534</u>
	<u>370,264</u>	<u>364,375</u>

4. Cash and Cash Equivalents

Cash at Bank and on hand	388,377	445,051
Term deposits	649,156	606,945
	<u>1,037,533</u>	<u>1,051,996</u>

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Notes to and forming part of the financial statements (cont'd)

	2018	2017
	\$	\$
5. Receivables and other current assets		
Debtors and accrued income	5,180	10,365
Prepayments	<u>1,913</u>	<u>2,916</u>
	7,093	13,281
6. Trade Creditors and Other Payables		
Trade creditors	-	2,693
Other payables	<u>17,847</u>	<u>20,108</u>
	17,847	22,801
7. Provisions – Current		
Employee entitlements – annual leave	14,989	12,089
8. Bursary Funds		
Long Tan Bursary Fund	40,386	24,573
Other Bursary Funds	<u>341,605</u>	<u>323,500</u>
Total Bursary Funds	381,991	348,073

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Notes to and forming part of the financial statements (cont'd)

9. Total Funds

a) Movement in Funds

Details of the movement in Reserves and Funds are provided in the Statement of Changes in Funds

b) Details of Accumulated Funds and Reserves included in Statement of Changes in Funds

Accumulated Funds represents accumulated operating surpluses that are available for general purposes of the entity.

The Quality Fund Reserve represents funds from the TLC Trust, for use in advancing the administration of scholarships.

The RAAF WA EPF Reserve represents the funds received from the RAAF WA Educational Patriotic Fund, set aside for issue of scholarships in the future.

The General Reserve represents the funds that have been set aside as a general reserve and are available for general purposes of the entity.

10. Contingent Liabilities and Commitments

There are no contingent liabilities as at 31 December 2018.

	2018	2017
	\$	\$
11. Cash Flow Information		
Reconciliation of net surplus for the year to net cash flow from operations		
Net surplus/(deficit) for the year	(45,305)	135,650
<u>Changes in assets and liabilities:</u>		
(Increase)/Decrease in Debtors	5,185	998
(Increase)/Decrease in Prepayments	1,003	(455)
Increase/ (Decrease) in Creditors and Payables	(4,954)	9,072
Increase/ (Decrease) in Provisions	2,900	(7,596)
Increase/ (Decrease) in Deferred Revenue and	(6,505)	40,472
Increase/ (Decrease) in Accruals	<u>6,221</u>	<u>5,250</u>
Total cash flow from operating activities	<u>(41,455)</u>	<u>183,391</u>

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Notes to and forming part of the financial statements (cont'd)

12. Related Party Transactions

The Company's related parties include its key management personnel and related entities as described below.

Unless otherwise stated, none of the transactions incorporate special terms and conditions and no guarantees were given or received. Outstanding balances are usually settled in cash.

Transactions with Key Management Personnel

Key management personnel of the Company include the Board and CEO. The Board members act in an honorary capacity and receive no compensation for their services. Key Management Personnel remuneration includes the following:

	2018	2017
	\$	\$
Total remuneration	88,027	85,075

13. Economic Dependency

The Company is dependent upon the ongoing receipt of funding from the Australian Government Department of Veterans' Affairs (DVA), ex-service organisations and private donors to ensure the continuance of its scholarship services for the children of veterans. DVA also provide office space and services at no cost as part of an agreement which is reviewed periodically.

At the date of this report, the Board and Management have no reason to believe that this financial support will not continue.

14. Member's Guarantee

The Company is a company limited by Guarantee. In the event of the Company being wound up, the Constitution states that each member is required to contribute a maximum of \$10 towards meeting any outstanding obligations of the Company. At 31 December 2018, the number of members was 6 (2017: 6).

AUSTRALIAN VETERANS' CHILDREN ASSISTANCE TRUST LIMITED

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Notes to and forming part of the financial statements (cont'd)

15. Information and declarations to be furnished under the Charitable Fundraising Act, 1991.

The Administration, Contribution and Donation income disclosed in Note 3 represents fundraising income under the Charitable Fundraising Act 1991.

All expenses for fundraising are as disclosed in the Statement of Profit or Loss and Other Comprehensive Income.

Fundraising income is applied by the Company in providing its programmes and services.

Cash and cash equivalents and Funds, in the Statement of Financial Position include unapplied fundraising income carried forward for the ongoing delivery of programmes and services.

	2018	2017
Gross proceeds from fundraising	\$	\$
Administration of bursaries	366,914	330,897
Contribution	-	194,475
General Donations	1,795	3,350
Total income from fundraising appeals	368,709	528,722
Less total costs of fundraising appeals	-	-
Net amounts available to be applied in accordance with the charitable purposes of the entity	368,709	528,722

AUSTRALIAN VETERANS' CHILDREN ASSISTANCE TRUST LIMITED

(A Company Limited by Guarantee)

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Responsible Entities' Declaration for the year ended 31 December 2018

In the opinion of the Responsible Entities of Australian Veterans' Children Assistance Trust Limited:

- a The financial statements and notes of Australian Veterans' Children Assistance Trust Limited are in accordance with the *Australian Charities and Not-for-profits Commission Act 2012*, including:
 - i Giving a true and fair view of its financial position as at 31 December 2018 and of its performance for the financial year ended on that date; and
 - ii Complying with Australian Accounting Standards – Reduced Disclosure Requirements (including the Australian Accounting Interpretations) and the *Australian Charities and Not-for-profits Commission Regulation 2013*; and
- b There are reasonable grounds to believe that Australian Veterans' Children Assistance Trust Limited will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of the Responsible Entities.



Major General W J Crews AO (Ret'd)
Chair

Sydney
11 June 2019

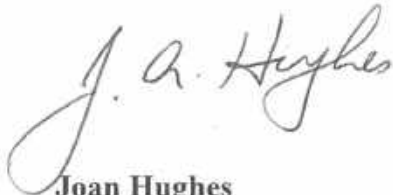
**AUSTRALIAN VETERANS' CHILDREN ASSISTANCE TRUST
LIMITED**

(A Company Limited by Guarantee)
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**Declaration by Principal Officer in accordance with the requirements of the
Charitable Fundraising Act 1991 (NSW)**

In my opinion, regarding Australian Veterans' Children Assistance Trust Limited ("the organisation") for the year end 31 December, 2018:

1. the Statement of Profit or Loss and Other Comprehensive Income of Australian Veterans' Children Assistance Trust Limited gives a true and fair view of all income and expenditure of the organisation with respect to fundraising appeals;
2. the Statement of Financial Position of Australian Veterans' Children Assistance Trust Limited gives a true and fair view of the state of affairs of the organisation with respect to fundraising appeals conducted by the organisation;
3. the provisions of the Charitable Fundraising Act 1991 (NSW), the regulations under that Act and the conditions attached to the authority issued under the Act have been complied with by the organisation; and
4. the internal controls exercised by the organisation are appropriate and effective in accounting for all income received and applied by the organisation from any of its fundraising appeals.



Joan Hughes
Chief Executive Officer

Sydney
11 June 2019

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Independent Auditor's Report To the Members of Australian Veterans' Children Assistance Trust Limited

Report on the audit of the financial report

Opinion

We have audited the accompanying financial report of Australian Veterans' Children Assistance Trust Limited (the "Registered Entity"), which comprises the statement of financial position as at 31 December 2018, the statement of comprehensive income, statement of changes in funds and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and the Responsible Entities' declaration.

In our opinion, the financial report of Australian Veterans' Children Assistance Trust Limited has been prepared in accordance with Division 60 of the Australian Charities and Not-for-profits Commission Act 2012 ("ACNC Act"), including:

1. giving a true and fair view of the Registered Entity's financial position as at 31 December 2018 and of its financial performance for the year then ended;
2. complying with Australian Accounting Standards and Division 60 of the Australian Charities and Not-for-profits Commission Regulation 2013;
3. The financial report gives a true and fair view of the financial result of fundraising appeals of the company for the year ended 31 December 2018, in accordance with the requirements of the Charitable Fundraising Act 1991;
4. The financial statements and associated records of the company have been properly kept during the year, in all material respects, in accordance with the Charitable Fundraising Act 1991 and its Regulations;
5. Money received by the company, as a result of fundraising appeals conducted during the year ended 31 December 2018, has been accounted for and applied, in all material aspects, in accordance with the Charitable Fundraising Act 1991 and its Regulations; and
6. There are reasonable grounds to believe that the company is able to pay its debts as and when they fall due.

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

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

Responsibilities of the Responsible Entities for the Financial Report

The Responsible Entities of the Registered Entity are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards, the ACNC Act and the Charitable Fundraising Act 1991 and Regulations, and for such internal control as the Responsible Entities determine 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 financial report, the Responsible Entities are responsible for assessing the Registered Entity'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 the Responsible Entities either intend to liquidate the Registered Entity or to cease operations, or have no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Registered Entity'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 the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of 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 Registered Entity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Responsible Entities.
- Conclude on the appropriateness of the Responsible Entities' 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 Registered Entity'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 audit report. However, future events or conditions may cause the Registered Entity 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 those charged with governance 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.



GRANT THORNTON AUDIT PTY LTD
Chartered Accountants



James Winter
Partner - Audit & Assurance

Sydney, 11 June 2019