

Livefree Project Incorporated
ABN: 64 916 654 924

Annual Financial Statements for the Financial Year Ended 31 December 2018

Livefree Project Incorporated

Annual Financial Statements for the Financial Year Ended 31 December 2018

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Livefree Project Incorporated

Responsible Persons Report

The committee members present their report on Livefree Project Incorporated ('the entity') for the financial year ended 31 December 2018.

General information

Information on Committee Members

The names of each person who has been a member during the year and to the date of this report are:

Matthew Jones
Greg Eliot
Tyrone Duggan
Gavin Martens
Amanda Homard
Isabel Chopping

Committee members have been in office since the start of the financial year to the date of this report unless otherwise stated.

Principal Activities

The principal activity of the entity during the financial year was that of a charitable organisation.

No significant changes in the nature of the entity's activity occurred during the financial year.

Review of Operations

The surplus for the entity amounted to \$9,349

Significant Changes in the State of Affairs

There were no significant changes in the state of affairs of the entity during the financial year.

Likely Developments and Expected Results of Operations

Information on likely developments in the operations of the Entity and the expected results of operations have not been included in this report because the Committee Members believe it would be likely to result in unreasonable prejudice to the Entity.

Environmental Regulation

The Entity is not subject to any significant environmental regulation under Australian Commonwealth or State law.

Committee Member:

Committee Member:

Dated:

Livefree Project Incorporated
Statement of Surplus or Loss and Other Comprehensive Income
For the year ended 31 December 2018

	Note	2018
		\$
Revenue from operating activities	2	54,470
Expenses from ordinary activities	3	<u>(45,121)</u>
(Deficit) / surplus before income tax		9,349
Income tax expense	1(c)	<u>-</u>
(Deficit) / surplus) after income tax		9,349
Other comprehensive income		<u>-</u>
Total comprehensive income		<u><u>9,349</u></u>

Livefree Project Incorporated
Statement of Financial Position
As at 31 December 2018

	Note	2018 \$
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	4	15,699
Trade and other receivables	5	77
Other Assets	6	2,264
TOTAL CURRENT ASSETS		18,040
TOTAL NON-CURRENT ASSETS		-
TOTAL ASSETS		18,040
CURRENT LIABILITIES		
Trade and other payables	7	1,691
Other Liabilities	8	7,000
TOTAL CURRENT LIABILITIES		8,691
TOTAL NON-CURRENT LIABILITIES		-
TOTAL LIABILITIES		8,991
NET ASSETS		9,349
EQUITY		
Retained surplus	9	9,349
TOTAL EQUITY		9,349

The accompanying notes form part of these financial statements.

Livefree Project Incorporated
Notes to the Financial Statements
For the Year Ended 31 December 2018

1 Summary of Significant Accounting Policies

(a) General Information

Livefree Project Incorporated ("the Entity") is an Incorporated Association. The Committee has determined that the Entity is not a reporting entity because there are no users dependent on general purpose financial statements. These special purpose financial statements have been prepared in order to satisfy the financial reporting requirements of the Associations Incorporation Act 2009.

The financial report has been prepared in accordance with the requirements of the *Australian Charities and Not-for-profits Commission Act 2012* and the following Australian Accounting Standards:

AASB 101	Presentation of Financial Statements
AASB 1031	Materiality
AASB 110	Events after the Balance Sheet Date
AASB 108	Accounting Policies , Changes in Accounting Estimates and Errors
AASB 1048	Interpretation of Standards
AASB 1054	Australian Additional Disclosures

No other applicable Australian Accounting Standards, Interpretations or other authoritative pronouncements of the Australian Accounting Standards Board have been applied.

The financial report is prepared on an accruals basis and is based on historic costs and does not take into account changing money values.

The following specific accounting policies, which are consistent with the previous period unless otherwise stated, have been adopted in the preparation of this financial report.

(b) Cash and Cash Equivalents

Cash and cash equivalents include cash on hand, deposits held-at call with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within short-term borrowings in current liabilities on the statement of financial position. The Entity in addition to its normal operating accounts, has a Gift Fund and donations to this account is tax deductible.

(c) Income Tax

As the Entity is a charitable institution in terms of subsection 50-5 of the Income Tax Assessment Act 1997, as amended, it is exempt from paying income tax.

The accompanying notes form part of these financial statements.

Livefree Project Incorporated
Notes to the Financial Statements
For the Year Ended 31 December 2018

1 Summary of Significant Accounting Policies (continued)

(d) Revenue and Other Income

Revenue is recognised when it is probable that the economic benefit will flow to the Entity and the revenue can be reliably measured. Revenue is measured at the fair value of the consideration received or receivable.

Interest revenue is recognised using the effective interest rate method, which, for floating rate financial assets, is the rate inherent in the instrument.

Donations and tithe income are recognised upon receipt of the funds.

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

(e) Trade and Other Receivables

Trade and other receivables are recognised at amortised cost, less any provision for impairment.

(f) Trade and Other Payables

These amounts represent liabilities for goods and services provided to the Entity prior to the end of the financial year and which are unpaid. Due to their short-term nature they are measured at amortised cost and are not discounted.

(g) 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 Tax 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.

(h) Investments

Investments held are immediately recognised at cost which includes transaction costs. They are subsequently measured at fair value which is equivalent to their market bid price at the end of the reporting period.

(i) Property, plant and equipment

Property, plant and equipment is carried at cost and not depreciated over the useful life of the asset.

(j) Impairment of non-financial assets

Non-financial assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount.

Recoverable amount is the higher of an asset's fair value less costs to sell and value-in-use. The value-in-use is the present value of the estimated future cash flows relating to the asset using a pre-tax discount rate specific to the asset or cash-generating unit to which the asset belongs. Assets that do not have independent cash flows are grouped together to form a cash-generating unit.

Livefree Project Incorporated
Notes to the Financial Statements
For the Year Ended 31 December 2018

	2018 \$
2 Revenue	
Broken & restored - consignment sales	6,019
Broken & restored - product sales	3,272
Donations	43,067
Grants received	200
Other income	1,912
	54,470
 3 Expenses	
Accounting & bookkeeping	(2,677)
Advertising & marketing	(807)
Bank charges	(48)
Building costs	(1,650)
Client meeting costs	(14)
Community care	(3,973)
Community events	(351)
Cost of sales – consignment	(837)
Gallery décor	(95)
Inspire program costs	(3,435)
Insurance	(1,210)
Office expenses	(78)
Materials and supplies	(104)
Postage	(24)
Printing and stationery	(445)
Professional fees	(1,200)
Rent – building	(6,382)
Staff training	(10)
Superannuation	(1,471)
Travel expenses	(159)
Wages	(17,617)
Website expenses	(2,534)
	(45,121)

The accompanying notes form part of these financial statements.

Livfree Project Incorporated
Notes to the Financial Statements
For the Year Ended 31 December 2018

	2018
	\$
4 Cash and Cash Equivalents	
Cash at Bank: Broken & restored account	8,841
Cash at Bank: Gift fund account	957
Cash at Bank: Transaction account	5,900
Petty Cash	1
	15,699
	15,699
5 Trade and Other Receivables	
Trade receivable	77
	77
	77
6 Other Assets	
Prepayments	2,264
	2,264
	2,264
7 Trade and Other Payables	
Trade creditors and accruals	1,250
Superannuation payable	93
PAYGW liability	150
Other payables	198
	1,691
	1,691

The accompanying notes form part of these financial statements.

Livefree Project Incorporated
Notes to the Financial Statements
For the Year Ended 31 December 2018

	2018
	<u>\$</u>
8 Other Liabilities	
Loan payable – Livefree Church Inc.	7,000
	<u>7,000</u>
9 Retained Earnings	
Opening balance	-
Surplus / (Loss) for the year	9,349
Balance at end of the financial year	<u>9,349</u>

10 Events After the Balance Date

No matters or circumstances have arisen since the end of the financial year, that has significantly affected, or may significantly affect, the operations of the Entity, the results of those operations, or the state of affairs of the Entity in future financial years.

11 Entity Details

Livefree Project Incorporated is a not-for-profit organisation operating in Australia.

Principal Place of Business

486 Glebe Road, Adamstown NSW 2289

Livefree Project Incorporated
Statement by Members of the Incorporation

The Committee has determined that the Entity is not a reporting entity and that this special purpose financial report should be prepared in accordance with Division 60 of the *Australian Charities and Not-for-profit Commission Act 2012*.

The Members of the Committee declare that:

1. The financial statements and notes, as set out on pages 2 to 8, presents a true and fair view of the Entity's financial position as at 31 December 2018 and its performance for the year ended on that date in accordance with the accounting policies outlined in Note 1 to the financial statements; and
2. In the Committee's opinion, there are reasonable grounds to believe that the Entity will be able to pay its debts as and when they become due and payable.

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

Committee Member:

Committee Member:

Dated:

**Livefree Project Incorporated
Independent Audit Report to the members of
For the Year Ended 31 December 2018**

Report on the Financial Report

We have audited the financial report of Livefree Project Incorporated Incorporated (the Association), which comprises the statement of financial position as at 31 December 2018, the statement of profit or loss and other comprehensive income and the statement of changes in equity and notes to the financial statements, including a summary of significant accounting policies, and the declaration by those charged with governance.

In our opinion, except for the effects of the matter described in the *Basis for Qualified Opinion* section of our report, the accompanying financial report presents fairly, in all material respects, including:

- (i) giving a true and fair view of the entity's financial position as at 31 December 2018 and of its financial performance and its cash flows for the year ended; and
- (ii) complying with Australian Accounting Standards, Associations Incorporation Act (NSW) 2009, Associations Incorporation Regulation (NSW) 2010 and Australian Charities and Not-for-profits Commission Act 2012.

Basis for Qualified Opinion

Donations are a significant source of revenue for Livefree Project Incorporated. Livefree Project Incorporated has determined that it is impracticable to establish control over the collection of cash donations prior to entry into its financial records. Accordingly, as the evidence available to us regarding revenue from these sources was limited, our audit procedures with respect to donations and tithes has been restricted to the amounts recorded in the financial records. We are therefore unable to express an opinion whether donations and tithes received by Livefree Project Incorporated are complete.

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 entity in accordance with the auditor independence requirements of 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 qualified opinion.

**Livefree Project Incorporated
Independent Audit Report to the members of
For the Year Ended 31 December 2018**

Emphasis of Matter – Basis of accounting

Without modifying our opinion, we draw attention to Note 1 to the financial report which describes the basis of accounting. The financial report is prepared to assist Livefree Project Incorporated to comply with the financial reporting provisions of the Department of Fair Trading (NSW) and the Australian Charities and Not-for-profits Commission 'ACNC'. As a result, the financial report may not be suitable for another purpose.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report of the current period. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Responsibilities of Management and Those Charged with Governance

Management is responsible for the preparation and fair presentation of the financial report in accordance with the Associations Incorporation Act (NSW) 2009, Associations Incorporation Regulation (NSW) 2010 and Australian Charities and Not-for-profits Commission Act 2012 and for such internal control as management determines is necessary to enable the preparation of the financial report is free from material misstatement, whether due to fraud or error.

In preparing the financial report, management is responsible for assessing the 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 management either intends to liquidate the entity or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the 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.

**Livefree Project Incorporated
Independent Audit Report to the members of
For the Year Ended 31 December 2018**

Independence

In conducting our audit, we have complied with the independence requirements of Section 60.40 of the *Australian Charities and Not-for-profits Commission Act 2012*.

KLM ACCOUNTANTS



Neil Watson
Partner
Registered Company Auditor: 1685

Charlestown, NSW
Dated 18 June 2019