

Year Ended 30 November 2007

Financial Statements

Incorporated

Youth For Christ (New Zealand)

■ **Objects:**

- a) To undertake, encourage and assist in the propagation of the Christian gospel with the view to leading young people (especially) to personal faith in the Lord Jesus Christ.
- b) To develop Christian character in the individual and Christian witness in the community.
- c) To co-operate with local churches by channeling young people into them in so far as this is consistent with the statement of belief below.
- d) To urge the need for young people to carry out effective Christian service and to provide an avenue for such service.

■ **National Administration Office**

21 Campbell St
 PO Box 497
 Wanganui

■ **Solicitor**

Jack Ridder Tripe
 Wanganui

■ **Auditor**

Silks Chartered Accountants
 P O Box 7144
 Wanganui

silks@silks.co.nz

■ **National Board (Governance)**

The National Board is made up of up to 12 members including the Mission Team Leader.

Botros Morgan	(Appointed April 06)	Mission Team Leader	(Appointed April 06)
Blair Mackenzie	(Appointed April 06)		
Darryl Gardiner	Resigned June 07		
Debbie Goodwin	(Appointed April 06)		
Hune Poi	Resigned June 07	Treasurer	Resigned June 07
Mark McKenzie			
Mike Garland		Chairperson	
Scott Slykerman	(Appointed April 06)		
Tim Lee	(Appointed April 06)		
Tracy Bedford	(Appointed April 06)	Secretary/Treasurer	(Appointed April 06)
Julie Heaton	Appointed June 07		
Gus Row	Appointed June 07		

The Mission Leadership Team (Operations, Programmes, Activities & Membership)
 The Mission Leadership Team is appointed by the National Board and approved at Annual General Meeting

■ **Darryl Gardiner**

Julie Heaton
 Karl Dickson
 Paul Keane
 (Appointed June 07)
 (Appointed Nov 06)
 (Appointed June 06)

■ **Mission Base Administrators**

Administrator	Mission Base
Mal Green	Auckland
Botros Morgan	Christchurch
David Tims	Gisborne
Toni Brooks	Marlborough
Sarah Britton	Nelson
Scott Slykerman	Northland
Rory Grant	Otago
Mark Campbell	South Auckland
Karen McCauley	Southland
Glen Bennett	Taranaki
Paul Keane	Timaru
Gus Row	Waikato/Bay of Plenty
Greg Tichbon	Wanganui
Karl Dickson	Wellington

Notes

2006

4,218,881

3,128,225

TOTAL EQUITY

ASSETS

Current Assets	1,901,976	1,579,190
Bank and Short Term Investments		
Prepayments & Other receivables	1,664,839	559,823
Accounts Receivable	87,055	12,090
Loans & Investments	123,980	7,688
Stock on Hand	914	291
Total Current Assets	3,778,764	2,159,082

Non-Current Assets	719,285	1,048,731
Land and Buildings		
Motor Vehicles	70,751	70,347
Office Equipment	56,953	112,387
Ministry Team Equipment	71,750	81,923
Total Non-Current Assets	918,739	1,313,388

Loans & Investments	0	0
TOTAL ASSETS	4,697,503	3,472,470

LIABILITIES

Current Liabilities	202,190	14,368
GST Payable		
PAYE Payable	10,991	6,251
Income received in advance	31,069	82,202
Accounts Payable & Accruals	70,415	91,885
Non-Current Liabilities	314,665	194,706
Specified & Trust Funds	163,957	149,539

TOTAL LIABILITIES AND FUNDS HELD IN TRUST	478,622	344,245
NET ASSETS	4,218,881	3,128,225

For and on behalf of Youth for Christ (New Zealand) Incorporated

Mike Garland (National Board Chairperson)

Julie Heaton (National Director)

The accompanying Notes and Accounting Policies form part of and are to be read in conjunction with these financial statements





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Youth for Christ (New Zealand) Incorporated		Statement of Financial Position		as at 30 November 2007	
Youth for Christ (New Zealand) Incorporated		Statement of Movements in Equity		as at 30 November 2007	
Equity		Retained Earnings		Opening Equity	
		Net Profit/(Loss) for the year		Balance Carried Forward	
2007	2006	3,128,225	2,913,929	4,218,881	3,128,225

	Note	2007	2006
Income			
Donations		389,153	573,128
Grants		249,222	635,636
Quotas		0	1,052
Interest Received		113,841	65,763
Property Rental		76,763	81,321
Profit on Sale of Property, Plant & Equipment		1,464,066	512,155
Sponsorship/Fundraising		11,995	80,775
Miscellaneous Income		18,414	11,887
Total Income		2,323,454	1,961,717
Expenses			
Personnel Expenses	4	323,545	482,660
Administration:			
- Administration	3	204,468	303,242
- Building Expenses	3	165,841	174,643
- Vehicle Expenses	3	75,940	98,724
Total Expenditure		769,794	1,059,269
Net Income / (Deficit)		1,553,660	902,448
Net Deficit from Projects	2	(464,479)	(441,318)
Distribution from Centres	14	1,475	2,452,799
Net Profit/(Loss) for the year		1,090,656	2,913,929

The accompanying Notes and Accounting Policies form part of and are to be read in conjunction
 with these financial statements



**Youth for Christ (New Zealand) Incorporated
Notes to the Financial Statements
for the Year Ended 30 November 2007**

1. STATEMENT OF ACCOUNTING POLICIES

Reporting Equity

Youth for Christ (New Zealand) Incorporated is registered under the Incorporated Societies Act 1908.

The incorporation prepares general purpose financial statements in accordance with generally accepted accounting practice. The general accounting principles recognised as appropriate for the measurement and reporting of results and financial position on an historical cost basis have been consistently followed.

Accrual accounting has been used to match revenue and expenses.

Reliance is placed on the fact that the incorporation is a going concern.

Particular Accounting Policies

The following particular accounting policies which materially affect the measurement of earnings and the financial position have been applied.

a) Accounts Receivable

Accounts receivable are stated at net realisable value.

b) Property, Plant & Equipment Depreciation

Property, Plant & Equipment are stated at cost less depreciation.

Depreciation has been charged at the following rates:

Land and Buildings:	2.5% to 10% (SL)
Motor Vehicles:	26% (DV)
Other:	20% - 40% (DV)

c) Goods and Service Tax

Other than accounts payable and accounts receivable balance at balance date, all transactions are recorded exclusive of Goods and Service Tax.

d) Specified Funds

i) Specified Reserves are the fund monies which:

- a) have been donated to YFC only for specific purposes or
- b) amounts held in trust

iii) Funds received or dispersed are not recognised as income or expense by YFC (NZ) Inc

e) Differential Reporting

The incorporation qualifies for differential reporting exemption as it is not publicly accountable and it does not qualify as a large entity. The incorporation has taken advantage of all differential reporting exemptions except that GST exclusive accounting has been adopted.

f) Changes in Accounting Policies

There have been no changes in accounting policy. All the policies have been applied on a basis consistent with those used in previous years.

2. PROJECTS

	2007	2006
Ministry	265,269	589,359
Mission	0	21,052
Depreciation	0	119,337
	265,269	729,748
		(464,479)
Net		
Ministry	540,223	806,413
Mission	0	24,050
Depreciation	0	151,078
	540,223	981,541
		(441,318)
Net		

The above project income includes Donation income

3. ADMINISTRATION

	2007	2006
Auditor's fees:	25,000	25,000
- Auditing the Financial Statements	1,876	6,734
- Other Services	2,354	1,500
Other Legal	0	24,411
Professional services	3,752	4,039
Bank Fees	9,909	16,307
Insurance	9,997	15,427
Office Plant/Equip R & M	12,608	23,202
Postage	12,184	11,968
Movement in provision for Doubtful Debts	18,411	25,665
Rates, Power and Water	39,662	60,792
Stationery/Printing	1,755	3,054
Subscriptions/Fees	66,960	85,143
Telephone/Internet	204,468	303,242
Total General Administration		
Vehicle Cost and Maintenance	11,404	8,619
Registrations/ WOF	5,874	9,624
Vehicle Insurance	58,662	80,481
Vehicle R & M	75,940	98,724
Vehicle Cost and Maintenance		
Insurance	16,152	18,751
Property R & M	24,461	19,723
Property Rental	39,887	41,933
Rates	19,717	49,369
Sale Expenses	57,560	32,787
Security & Cleaning	8,064	12,080
Total Property Expenses	165,841	174,643
Total Administration Expenses	446,249	576,609

The above expenses exclude expenses categorised as Project expenses

4. PERSONNEL

	2007	2006
ACC	2,106	3,405
Medical Insurance	8,380	10,280
Personnel Expenses	0	126
Staff Development/Training	7,777	15,757
Staff Meetings/meals/food	3,363	22,273
Staff Support/salaries/ wages	301,919	430,819
	323,545	482,660

5. LEASE AND CAPITAL COMMITMENTS

Rentals and Operating Lease Commitments are:

	2007	2006
Current Commitments	9,200	9,200
Non Current Commitments	77,893	87,093
Total commitments	87,093	96,293

6. SPECIFIED AND TRUST FUNDS

	2007	2006
Mission Holding	0	2,953
Other Holdings	54,327	30,582
Staff Reserves	109,630	(6,374)
	163,957	149,639

The Specified Funds represent cash set aside for specific purposes.
The Trust Funds and Missionary Giving Funds are amounts held in trust by YFC (NZ) inc.

7. BANK ACCOUNTS

	2007	2006
Cash & Bank Balances	270,998	435,035
Trust/ Staff Bank Balances	51,026	83,622
Term Deposits	1,579,952	1,060,533
Total Bank Accounts	1,901,976	1,579,190

The above bank accounts include the specified funds and trust funds as noted in note 6.

8. Loans & Investment

	2007	2006
Loans	123,980	1,000
Investment in Jotham Limited		
At cost	0	26,688
Provision for impairment of value	0	(20,000)
Total Loans & Investments	123,980	7,688

With effect from the 1 December 2006 the assets and liabilities of the centres were transferred to Youth for Christ (New Zealand) Incorporated. From that date the activities of each centre (now called mission bases) are included in the results of Youth for Christ (New Zealand) Incorporated.

2006	2007	
50,065	0	Youth for Christ Dunedin Inc
365,915	0	Youth for Christ Taranaki Inc
145,972	0	Youth for Christ South Auckland
12,228	0	Youth for Christ (Wanganui) Incorporated
664,046	0	Youth for Christ (Wellington) Incorporated
134,604	0	Youth for Christ (Waikato) Inc
312,822	0	Youth for Christ (Auckland) Incorporated
104,585	0	Youth for Christ Nelson Inc
197,259	0	Youth for Christ (Northland) Inc
183,137	0	Youth for Christ (CHCH) Inc
138,633	0	Gisborne Youth for Christ
101,343	0	Youth for Christ Marlborough Incorporated
36,823	0	Youth for Christ Southland
5,366	0	Youth for Christ Hawkes Bay
0	1,475	Youth for Christ Tamaru
<u>2,452,798</u>	<u>1,475</u>	

The incorporation received net assets as a result of the winding up of the Youth for Christ Centres as follows:

14. Centre Assets Transfer

There were no contingent liabilities at balance date (2006 Nil).

13. Contingent Liabilities

There have been no transactions with related parties

12. RELATED PARTY TRANSACTIONS

Internal control over income from donations, fundraising, and miscellaneous sales prior to recording is limited. There are no reasonable accounting controls that exist to ensure that all income received is recorded accurately.

11. INCOME

2006	2007	
18,090	87,055	Accounts Receivable
(6,000)	0	Provision for Doubtful Debts
<u>12,090</u>	<u>87,055</u>	

10. Accounts Receivable

2006	2007	
Land and Buildings	1,366,462	Cost
Ministry Team Equipment	317,731	Accumulated Depreciation
Motor Vehicles	222,546	Book Value
Office Equipment	244,977	
	328,569	
	410,492	
	2,427,211	
	<u>1,113,823</u>	
	<u>1,313,388</u>	
Land and Buildings	931,181	Cost
Ministry Team Equipment	211,896	Accumulated Depreciation
Motor Vehicles	333,817	Book Value
Office Equipment	264,548	
	415,655	
	472,608	
	2,144,666	
	<u>1,225,916</u>	
	<u>918,739</u>	

9. PROPERTY, PLANT & EQUIPMENT

Youth for Christ (New Zealand) Incorporated
Notes to the Financial Statements
for the Year Ended 30 November 2007

Audit Report

To the National Council of Youth For Christ (New Zealand) Incorporated

We have audited the financial report on pages 2 to 8. The financial report provides information about the past financial performance of the Incorporation and its financial position as at 30 November 2007. This information is stated in accordance with the accounting policies set out on page 5.

The Board's Responsibilities

The National Board are responsible for the preparation of a financial report which gives a true and fair view of the financial position of the Incorporation at 30 November 2007 and the results of operations for the year ended on that date.

Auditors' Responsibilities

It is our responsibility to express an independent opinion on the financial report presented by the National Board.

Basis of Opinion

An audit includes examining, on a test basis, evidence relevant to the amounts and disclosures in the financial report. It also includes assessing:

- the significant estimates and judgements made by the National Board's in the preparation of the financial report, and
- whether the accounting policies are appropriate to the Incorporation circumstances, consistently applied and adequately disclosed.

We conducted our audit in accordance with New Zealand Auditing Standards. We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to obtain reasonable assurance that the financial report is free from material misstatements, whether caused by fraud or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial report.

We provide certain assistance to Youth For Christ (NZ) Incorporated with regard to financial, accounting systems and bookkeeping support. Other than in our capacity as auditors we have no relationship with, or interests in, the Incorporation.

Qualified Opinion

As stated in Note 1 on page 8, control over certain revenues of the Incorporation prior to being recorded is limited, and there are no practical audit procedures to determine the effect of this limited control.

In this respect alone we have not obtained all the information and explanations that we have required.

In our opinion, except for adjustments that might have been found to be necessary had we been able to obtain sufficient evidence concerning revenues, the financial report on pages 2 to 8 fairly reflects the results of operations for the year ended on that date.

In our opinion the financial report on pages 2 to 8 fairly reflects the financial position of the Incorporation as at 30 November 2007.

Our audit was completed on 30 June 2008 and our qualified opinion is expressed as at that date.


Silks

Chartered Accountants
Wanganui, New Zealand