



Financial Statements

Period Ended 30 June 2008

■ **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 channelling 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 Riddet 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)	
Blair Mackenzie		(Appointed April 06)	
Debbie Goodwin		(Appointed April 06)	
Mike Garland	Chairperson		
Scott Slykerman		(Appointed April 06)	
Tim Lee		(Appointed April 06)	
Tracy Bedford	Secretary/Treasurer	(Appointed April 06)	
Julie Heaton	Mission Team Leader	Appointed June 07	(Resigned 27 April 08)
Karl Dickson	Mission Team Leader	Appointed 27 April 07	
Gus Row		Appointed June 07	

■ **Mission Leadership Team (Operations, Programmes, Activities & Membership)**

The Mission Leadership Team is appointed by the National Board and approved at Annual General Meeting

Julie Heaton	(Appointed June 06)	(Resigned 27 April 08)
Karl Dickson	(Appointed Nov 06)	
Paul Keane	(Appointed June 06)	

■ **Mission Base Administrators**

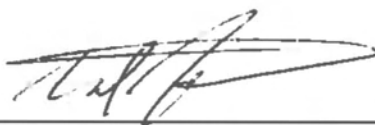
Administrator	Mission Base
Mal Green	Auckland
Botros Morgan	Christchurch
David Tims	Gisborne
Toni Brooks	Marlborough
Sarah Britton	Nelson
Scott Slykerman	Northland
Rory Grant	Otago
Mark Campbell	South Auckland
Karen McCauley	Southland
Glen Bennett	Taranaki
Paul Keane	Timaru
Gus Row	Waikato/Bay of Plenty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

Incedo Incorporated
Statement of Financial Position
as at 30 June 2008

	Notes	2008 (7 Months)	2007 (12 Months)
TOTAL EQUITY		<u>4,088,555</u>	<u>4,218,881</u>
ASSETS			
Current Assets			
Bank and Short Term Investments	7	3,039,136	1,901,976
Prepayments & Other receivables		123,440	1,664,839
Accounts Receivable	10	3,420	87,055
Loans & Investments	8	279,310	123,980
Stock on Hand			914
Total Current Assets		<u>3,445,306</u>	<u>3,778,764</u>
Non-Current Assets			
Land and Buildings	9	703,596	719,285
Motor Vehicles	9	71,600	70,751
Office Equipment	9	49,237	56,953
Ministry Team Equipment	9	67,788	71,750
Total Non-Current Assets		<u>892,221</u>	<u>918,739</u>
TOTAL ASSETS		<u>4,337,527</u>	<u>4,697,503</u>
LIABILITIES			
Current Liabilities			
GST Payable		(12,733)	202,190
PAYE		3,870	10,991
Income received in advance			31,069
Short Term Loans		(4,291)	
Accounts Payable & Accruals		<u>107,817</u>	<u>70,415</u>
		94,663	314,665
Non-Current Liabilities			
Specified & Trust Funds	6	154,309	163,957
		<u>154,309</u>	<u>163,957</u>
TOTAL LIABILITIES AND FUNDS HELD IN TRUST		<u>248,972</u>	<u>478,622</u>
NET ASSETS		<u>4,088,555</u>	<u>4,218,881</u>

For and on behalf of Incedo Incorporated


Mike Garland (National Board Chairperson)


Karl Dickson (Mission Leadership Team)

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

Incedo Incorporated
Statement of Financial Position
as at 30 June 2008

Equity	2008 (7 Months)	2007 (12 Months)
Retained Earnings		
Opening Equity	4,218,881	3,128,225
Net Profit/(Loss) for the year	(130,326)	1,090,656
Balance Carried Forward	<u>4,088,555</u>	<u>4,218,881</u>

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

Incedo Incorporated
Statement of Financial Performance
for the period ended 30 June 2008

	Note	2008 (7 Months)	2007 (12 Months)
Income			
Donations		179,406	389,153
Grants		86,136	249,222
Interest Received		125,026	113,841
Property Rental		16,758	76,763
Profit on Sale of Property, Plant & Equipment		5,047	1,464,066
Sponsorship/Fundraising		720	11,995
Miscellaneous Income		14,929	18,414
Ministry Events Income	2	146,655	0
Total Income		<u>574,677</u>	<u>2,323,454</u>
Expenses			
Personnel Expenses	4	130,489	323,545
Administration:			
- Administration	3	112,380	204,468
- Building Expenses	3	66,903	165,841
- Vehicle Expenses	3	35,017	75,940
- Ministry Expenses	2	307,353	345,142
- Depreciation	2	56,832	119,337
Total Expenditure		<u>708,974</u>	<u>1,234,273</u>
Net Income / (Deficit)		<u>(134,297)</u>	<u>1,089,181</u>
Distribution from Centres	14	3,971	1,475
Net Profit/(Loss) for the year		<u>(130,326)</u>	<u>1,090,656</u>

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

1. STATEMENT OF ACCOUNTING POLICIES

Reporting Equity

Incedo 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 Incedo only for specific purposes or
- b) amounts held in trust

ii) 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.

Incedo Incorporated
Notes to the Financial Statements
for the period ended 30 June 2008

2. PROJECTS

	2008	
	Income	Expenses
Ministry	146,655	307,353
Depreciation	0	56,832
	<u>146,655</u>	<u>364,185</u>
		<u>(217,530)</u>

	2007	
	Income	Expenses
Ministry	265,269	610,411
Depreciation	0	119,337
	<u>265,269</u>	<u>729,748</u>
		<u>(464,479)</u>

	2008	2007
	Expenses	Expenses
Ministry		
Camps/Conferences/Training/Events	24,813	35,628
Advertising/Publicity	8,358	122,605
Equipment hire/R & M	19,382	58,986
Food/Catering/Hospitality	77,210	98,554
Registrations/Tickets	6,262	15,063
Resources/Materials purchased	31,341	35,181
Speakers/Bands	7,467	24,182
Team Allowances	8,300	15,280
Travel/Fuel expenses	97,204	140,342
Hire of Venues	14,573	45,570
Miscellaneous	3,169	1,988
Mission	11,294	21,052
	<u>307,353</u>	<u>610,411</u>

	2008	2007
	Expenses	Expenses
Depreciation		
Office Plant & Equipment	11,406	30,437
Ministry Plant & Equipment	13,826	28,594
Property	17,734	32,746
Vehicles	13,866	27,580
	<u>56,832</u>	<u>119,337</u>

	2008	2007
3. ADMINISTRATION		
Auditor's fees:		
- Auditing the Financial Statements	29,234	25,000
- Other Services		1,876
Other Legal		2,354
Professional services		0
Bank Fees	2,468	3,752
Insurance	8,044	9,909
Office Plant/Equip R & M	5,532	9,997
Postage	5,872	12,608
Movement in provision for Doubtful Debts	742	12,184
Rates, Power and Water	8,287	18,411
Stationery/Printing	16,532	38,882
Subscriptions/Fees	1,055	1,755
Telephone/Internet	34,634	66,980
Travel		0
Total General Administration	<u>112,380</u>	<u>204,468</u>

Vehicle Cost and Maintenance

Registrations/ WOF	8,600	11,404
Vehicle Insurance	7,124	5,874
Vehicle R & M	19,293	58,662
Vehicle Cost and Maintenance	<u>35,017</u>	<u>75,940</u>

Insurance	9,477	16,152
Property R & M	9,804	24,461
Property Rental	43,341	39,887
Rates	(47)	19,717
Sale Expenses	1,325	57,560
Security & Cleaning	3,003	8,064
Total Property Expenses	<u>66,903</u>	<u>165,841</u>

Total Administration Expenses	<u>214,300</u>	<u>446,249</u>
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The above expenses exclude expenses categorised as Project expenses

Incedo Incorporated
Notes to the Financial Statements
for the period ended 30 June 2008

4. PERSONNEL	2008	2007
ACC	122	2,106
Medical Insurance	4,004	8,380
Personnel Expenses		0
Phone Rental, Tolls & Internet		0
Staff Development/Training	5,899	7,777
Staff Meetings/meals/food	694	3,363
Staff Support/salaries/ wages	118,770	301,909
	<u>130,489</u>	<u>323,535</u>

5. LEASE AND CAPITAL COMMITMENTS

Rentals and Operating Lease Commitments are:

	2008	2007
Current Commitments	9,200	9,200
Non Current Commitments	77,893	77,893
Total commitments	<u>87,093</u>	<u>87,093</u>

6. SPECIFIED AND TRUST FUNDS

	2008	Movement	2007
Other Holdings	54,243	(84)	54,327
Staff Reserves	100,066	(9,564)	109,830
	<u>154,309</u>		<u>163,957</u>

The Specified Funds represent cash set aside for specific purposes.

The Trust Funds and Missionary Giving Funds are amounts held in trust by Incedo Inc.

7. BANK ACCOUNTS	2008	2007
Cash & Bank Balances	393,124	270,898
Trust/ Staff Bank Balances	60,626	51,026
Term Deposits	2,585,386	1,579,952
Total Bank Accounts	<u>3,039,136</u>	<u>1,901,976</u>

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

8. Loans & Investment

Loans	279,310	123,980
	<u>279,310</u>	<u>123,980</u>

9. FIXED ASSETS

2008

	Cost	Accumulated Depreciation	Book Value
Land and Buildings	933,182	229,586	703,596
Ministry Team Equipment	347,738	279,950	67,788
Motor Vehicles	326,429	254,829	71,600
Office Equipment	467,101	417,864	49,237
	<u>2,074,450</u>	<u>1,182,229</u>	<u>892,221</u>

2007

	Cost	Accumulated Depreciation	Book Value
Land and Buildings	931,181	211,896	719,285
Ministry Team Equipment	405,567	333,817	71,750
Motor Vehicles	335,299	264,548	70,751
Office Equipment	472,808	415,855	56,953
	<u>2,144,855</u>	<u>1,225,916</u>	<u>918,739</u>

Incedo Incorporated
Notes to the Financial Statements
for the period ended 30 June 2008

10. Accounts Receivable

	2008	2007
Accounts Receivable	3,420	87,055
Provision for Doubtful Debts	<u>0</u>	<u>0</u>
	<u>3,420</u>	<u>87,055</u>

11. INCOME

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

12. RELATED PARTY TRANSACTIONS

The Incorporation has invested in Jotham Limited in which the Incorporation has a significant shareholding. (refer note 8).

13. Contingent Liabilities

The Incorporation has a potential liability relating to the treatment of gifts and payments to volunteers (2007 the same).

14. Centre Assets Transfer

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

	2008	2007
Youth for Christ Dunedin Inc	0	0
Youth for Christ Taranaki Inc	0	0
Youth for Christ South Auckland	0	0
Youth for Christ (Wanganui) Incorporated	0	0
Youth for Christ (Wellington) Incorporated	0	0
Youth for Christ (Waikato) Inc	0	0
Youth for Christ (Auckland) Incorporated	0	0
Youth for Christ Nelson Inc	0	0
Youth for Christ (Northland) Inc	0	0
Youth for Christ (CHCH) Inc	0	0
Gisborne Youth for Christ	0	0
Youth for Christ Marlborough Incorporated	0	0
Youth for Christ Southland	0	0
Youth for Christ Bay of Plenty	3,971	0
Youth for Christ Hawkes Bay	0	0
Youth for Christ Timaru	<u>0</u>	<u>1,475</u>
	<u>3,971</u>	<u>1,475</u>

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.

15. Post Balance Date Events

Incedo Inc have gifted the Skate Park and related Programmes run by the Gisbourne mission base to Te Ora Hou Te Tarawhitu, another non profit organisation.

Audit Report

To the National Council of Incedo Incorporated (formerly known as 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 June 2008. 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 June 2008 and the results of operations for the period 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 Incedo Incorporated with regard to financial, accounting systems and bookkeeping support. Other than in our capacity as auditors we have no other relationship with, or interests in, the Incorporation.

Fundamental Uncertainty

In forming our opinion, we have considered the adequacy of the disclosure in note 13 to the Financial Statements regarding the interpretation relating to the treatment of gifts and payments to volunteers for taxation. If the treatment of gifts and payments to volunteers is interpreted differently it is possible the incorporation may have a significant tax liability.

Qualified Opinion


As stated in Note 11 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 period 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 June 2008.

Our audit was completed on 22 December 2008 and our qualified opinion is expressed as at that date.

Silks 
Chartered Accountants
Wanganui, New Zealand