

Youth For Christ (New Zealand)
Incorporated

Financial Statements

Year Ended 30 November 2007

Youth for Christ (New Zealand) Incorporated
Directory
as at 30 November 2007

■ **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)
Darryl Gardiner	Mission Team Leader	Resigned June 07
Debbie Goodwin		(Appointed April 06)
Hune Poi		Resigned June 07
Mark Mckenzie	Treasurer	Resigned June 07
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
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

■ Darryl Gardiner	Mission Team Leader	Resigned June 07
Julie Heaton		(Appointed June 06)
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

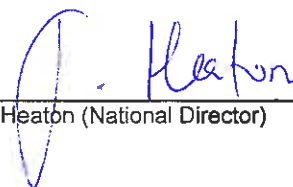
Youth for Christ (New Zealand) Incorporated
Statement of Financial Position
as at 30 November 2007

	Notes	2007	2006
TOTAL EQUITY		<u>4,218,881</u>	<u>3,128,225</u>
ASSETS			
Current Assets			
Bank and Short Term Investments	7	1,901,976	1,579,190
Prepayments & Other receivables		1,664,839	559,823
Accounts Receivable	10	87,055	12,090
Loans & Investments	8	123,980	7,688
Stock on Hand		914	291
Total Current Assets		<u>3,778,764</u>	<u>2,159,082</u>
Non-Current Assets			
Land and Buildings	9	719,285	1,048,731
Motor Vehicles	9	70,751	70,347
Office Equipment	9	56,953	112,387
Ministry Team Equipment	9	71,750	81,923
Total Non-Current Assets		<u>918,739</u>	<u>1,313,388</u>
Loans & Investments	8	<u>0</u>	<u>0</u>
		<u>0</u>	<u>0</u>
TOTAL ASSETS		<u>4,697,503</u>	<u>3,472,470</u>
LIABILITIES			
Current Liabilities			
GST Payable		202,190	14,368
PAYE Payable		10,991	6,251
Income received in advance		31,069	82,202
Accounts Payable & Accruals		<u>70,415</u>	<u>91,885</u>
		314,665	194,706
Non-Current Liabilities			
Specified & Trust Funds	6	163,957	149,539
		<u>163,957</u>	<u>149,539</u>
TOTAL LIABILITIES AND FUNDS HELD IN TRUST		<u>478,622</u>	<u>344,245</u>
NET ASSETS		<u>4,218,881</u>	<u>3,128,225</u>

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

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	2007	2006
Retained Earnings		
Opening Equity	3,128,225	214,296
Net Profit/(Loss) for the year	1,090,656	2,913,929
Balance Carried Forward	<u>4,218,881</u>	<u>3,128,225</u>

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
Statement of Financial Performance
for the year ended 30 November 2007

	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		<u>2,323,454</u>	<u>1,961,717</u>
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		<u>769,794</u>	<u>1,059,269</u>
Net Income / (Deficit)		<u>1,553,660</u>	<u>902,448</u>
Net Deficit from Projects	2	(464,479)	(441,318)
Distribution from Centres	14	1,475	2,452,799
Net Profit/(Loss) for the year		<u>1,090,656</u>	<u>2,913,929</u>

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

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.

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

2. PROJECTS

	2007		
	Income	Expenses	Net
Ministry	265,269	589,359	(324,090)
Mission	0	21,052	(21,052)
Depreciation	0	119,337	(119,337)
	265,269	729,748	(464,479)

	2006		
	Income	Expenses	Net
Ministry	540,223	806,413	(266,190)
Mission	0	24,050	(24,050)
Depreciation	0	151,078	(151,078)
	540,223	981,541	(441,318)

The above project income includes Donation income

3. ADMINISTRATION

	2007	2006
Auditor's fees:		
- Auditing the Financial Statements	25,000	25,000
- Other Services	1,876	6,734
Other Legal	2,354	1,500
Professional services	0	24,411
Bank Fees	3,752	4,039
Insurance	9,909	16,307
Office Plant/Equip R & M	9,997	15,427
Postage	12,608	23,202
Movement in provision for Doubtful Debts	12,184	11,968
Rates, Power and Water	18,411	25,665
Stationery/Printing	39,662	60,792
Subscriptions/Fees	1,755	3,054
Telephone/Internet	66,960	85,143
Total General Administration	204,468	303,242

Vehicle Cost and Maintenance

Registrations/ WOF	11,404	8,619
Vehicle Insurance	5,874	9,624
Vehicle R & M	58,662	80,481
Vehicle Cost and Maintenance	75,940	98,724

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
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The above expenses exclude expenses categorised as Project expenses

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

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
	<u>323,545</u>	<u>482,660</u>

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	<u>87,093</u>	<u>96,293</u>

6. SPECIFIED AND TRUST FUNDS

	2007	Movement	2006
Mission Holding	0	(2,953)	2,953
Other Holdings	54,327	23,745	30,582
Staff Reserves	109,630	(6,374)	116,004
	<u>163,957</u>		<u>149,539</u>

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	<u>1,901,976</u>	<u>1,579,190</u>

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

8. Loans & Investment

Loans	123,980	1,000
Investment in Jotham Limited		
At cost	0	26,688
Provision for impairment of value	<u>0</u>	<u>(20,000)</u>
	0	6,688
Total Loans & Invesments	<u>123,980</u>	<u>7,688</u>

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

9. PROPERTY, PLANT & EQUIPMENT

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	472,608	415,655	56,953
	2,144,655	1,225,916	918,739

2006

	Cost	Accumulated Depreciation	Book Value
Land and Buildings	1,366,462	317,731	1,048,731
Ministry Team Equipment	292,893	222,546	70,347
Motor Vehicles	357,364	244,977	112,387
Office Equipment	410,492	328,569	81,923
	2,427,211	1,113,823	1,313,388

10. Accounts Receivable

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

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

There have been no transactions with related parties

13. Contingent Liabilities

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

14. Centre Assets Transfer

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

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

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.

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 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 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