

Camp Quality Limited

ABN 87 052 097 720

Annual Report

For the financial year ended: 31 December 2019

Directors' Report

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The financial statements were authorised for issue by the directors on 22nd June 2020.

The directors have the power to amend and reissue the financial statements.

The Directors present their report, together with the financial statements, on the consolidated entity (referred to hereafter as the 'Consolidated Entity' or 'Group') consisting of Camp Quality Limited (referred to hereafter as the 'Company' or 'Parent Entity') and the entity it controlled at the end of, or during, the year ended 31 December 2019 (that is The Oranges Toolkit or 'Oranges').

Corporate Governance

Camp Quality Limited complies with the Australian ASX Corporate Governance Council's Corporate Governance Principles and Recommendations: third edition (the Principles) and the Australian Charities and Not-for-Profits Commission's (ACNC) governance standards.

The Camp Quality Board has adopted eight governance principles listed below:

Principle 1: Lay solid foundations for management and oversight

The Board sets the strategic direction of the company and provides effective oversight of management. The Board has clearly delineated the respective roles and responsibilities of the Board and management. There is a formal delegation structure in place which sets out the powers delegated to the CEO and those specifically retained by the Board. These delegations are reviewed on a regular basis.

Board members are required to declare any conflict of interest that requires disclosure at every Board meeting.

Principle 2: Structure the Board to be effective and add value

The Board has selected Board members in accordance with the approved selection criteria that is based on an appropriate mix of skills, experience, expertise and diversity to help Camp Quality navigate the range of challenges faced by the company.

Details of the Board members' experience and qualifications are set out in the Directors' Report.

To assist the Board in discharging its responsibilities, it has established the following Committees:

Audit and Compliance

The Audit & Compliance Committee meets at least six times a year to review and report to the Board on: audit; accounting and reporting obligations; legal and statutory compliance; emerging risks and mitigation measures; and investment portfolio management and performance.

People and Culture

The People & Culture Committee meets at least four times a year to review and report back to the Board on: people related policies, systems and processes; remuneration framework and management; and legal and statutory obligations. The Committee monitors structure and functions, ensures best practice for working with children, and monitors staff performance.

Each of these committees has Terms of Reference (TOR) and operating procedures in place. The Committees have access to the Company's executives and senior management as well as independent advice as necessary. Each Committee provides a report on the outcomes of the most recent meeting to the Board at their meeting immediately following the Committee meeting.

Principle 3: Instil a culture of acting lawfully, ethically and responsibly

The Board acknowledges and emphasises the importance of all Directors and employees maintaining a culture of acting lawfully, ethically and responsibly.

The Board encourages the development of a culture of diversity within the company where a mix of skills and diverse backgrounds are employed by the company at all levels.

Principle 4: Safeguard integrity of corporate reports

The Audit and Compliance Committee assists the Board in fulfilling its corporate governance responsibilities regarding:

- the integrity of the financial reporting
- compliance with legal and regulatory obligations
- the effectiveness of the company's risk management and internal control framework
- ethical investment of funds
- oversight of the independence of the external auditors.

The names and qualifications of those appointed to the Audit and Compliance Committee, and their attendance at meetings of the Committee, are included in the Directors' Report.

Principle 5: Make timely and balanced disclosure

Camp Quality Limited has established policies and procedures to ensure timely and balanced disclosures of all material matters concerning the company and to ensure regulators, members and the public have access to information on the company's financial performance when and where appropriate.

Principle 6: Respect the rights of Members

The Company Secretary has been nominated as the person responsible for communicating with regulators and members of the company.

A Notice of General Meeting is provided to all members and posted on the company's website. The Board encourages full participation by members at General Meetings to ensure a high level of Director accountability to members.

Principle 7: Recognise and manage risk

The Board considers identification and management of key risks associated with the business as vital to managing the core business of the Company. The Board has developed and implemented an overarching Risk Appetite Statement for the company that provides a clear direction to management on acceptable and unacceptable risks. The Board requires management to report on key risk indicators every two months including what risk mitigation measures have been identified and/ or taken.

Principle 8: Remunerate fairly and responsibly

Camp Quality has a policy of remunerating staff in such a way as to encourage them to pursue the long-term growth and success of the company and demonstrate a clear relationship between their performance and remuneration.

Information on Directors

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

Kim L. Jacobs, AM	Chairman
Qualifications:	MBA Macquarie University, LLB Sydney University
Experience	Former Chairman of the Australian Israel Chamber of Commerce, Member of the Advisory Board of UTS Business School Chairman of Local Measure Director of several private companies
David N Arkles	Director and Executive Chairman, Oranges Toolkit Pty Ltd (Oranges)
Qualifications:	Diploma in Business Management Wits University Johannesburg, Advanced Management Program Melbourne University Business School, Graduate AICD
Experience	Former General Manager, Zebra Technologies Australia and New Zealand operations. Trustee, PJCF
Katherine R Burleigh	Director
Qualifications:	MBA University of Technology BA Sydney University
Experience:	CEO of Amazon Australia Director of the Australian IT Industry Association (AIIA) Chair of the National IT Awards Steering Committee
Cameron A Clyne	Director and Chair, People and Culture Committee
Qualifications:	BA Sydney University
Experience	Chairman of Camel Partners and The Camel Foundation Chairman of Whitecoat Director of Western Sydney University Foundation. Director of the Whitlam Institute. Adjunct Professor of Western Sydney University School of Business. Patron of Western Sydney Dialogue. Past Chairman of Rugby Australia. Past Member of World Rugby Council. Former Group CEO of NAB, Chairman of Clydesdale Bank (UK) and Director of the Bank of NZ

**Camp Quality Limited
Directors' report
31 December 2019**

Gary W Edstein

Qualifications:

Director
Management Certificate, College of TAFE,
Diploma of Marketing, CIT/Holmes College Vic,
Executive Program University of Michigan
AICD Company Directors Diploma

Experience

CEO/Senior Vice President for DHL Express Oceania
Member of Asia Pacific Management Board for DHL Express
Director of Council of Asia Pacific Express Carriers

John C Higgins

Experience

Director
Chairman of Higgins Coatings
Chairman of Advisory Board for the Chair of Positive Psychology at Melbourne
University
Foundation Board Member of the National Gallery of Victoria

David P Morris

Qualifications:

Director
BEC (Accounting Major), Sydney University. LLB, Sydney University.
Harvard Business School Leadership Program

Experience

National Head of Corporate & M&A, KPMG Law Australia, Joint Global Head of M&A
Legal Services, KPMG International and a member of the global steering group of
KPMG's Global Legal Services business

David N Ridehalgh

Qualifications:

Director and Chair, Audit and Compliance Committee
Graduate of the Australian Institute of Company Directors, Chartered Accountant,
MBA (Executive) Monash, Mt Eliza Business School

Experience

National Leader, Better Business Reporting, KPMG CFO Advisory providing
assurance and advisory services to Boards and senior management on financial,
process, sustainability and corporate communications issues.

Dr Amanda Rischbieth

Qualifications:

Director, Audit and Compliance Committee
PhD, Faculty of Health Science, University of Adelaide
MNSc, University of Adelaide

Experience

Fellow, Australian Institute of Company Directors
Visiting Scientist, Harvard TH Chan School of Public Health
Advanced Leadership Fellow '17
Chair, National Blood Authority Australia
Clinical Associate Professor, University of Adelaide

Camp Quality Limited
Directors' report
31 December 2019

Professor Mary Foley - AM
Experience

Director
Adjunct Professor School of Science and Health at Western Sydney University
Managing Director of Telstra Health
Director of Research Australia
Member of the Order of Australia for her contribution to public administration in health and education
Former Director General and Secretary of NSW Health
Former National Health Practice Leader for PwC Australia,
Former Chief Executive of St Vincent's and Mater Health Sydney
Former as Deputy Chancellor of Western Sydney University
Former Director of the National eHealth Transition Authority
Former Deputy Chair of the Australian Health Ministers' Advisory Council Former
Former Director of the Garvan Institute of Medical Research
Former Board President of the YWCA NSW
Former Telstra NSW Business Woman of the Year

Deborah Thomas
Qualifications:
Experience

Chief Executive Officer and Director
Member of the Australian Institute of Company Directors
Former Editor-in Chief The Australian Women's Weekly
Former Director Media, Public Affairs and Brand Development, Bauer Media
Former CEO Ardent Leisure (ASX Listed)
Former Deputy Chair National Library of Australia
Former Councilor Woollahra Council
Board Member Humanitix
Former Board Member National Breast And Ovarian Cancer Centre
Former Board member Royal Hospital For Women Foundation
Former Board member Youth Off The Streets
Former Executive Patron Taronga Conservation Foundation

Kylea J Tink
Robyn L Watts
William R Ulyate
Ram Neupane

Chief Executive Officer and Director (Resigned 6th January 2020)
Director (Resigned 23rd May 2019)
Director (Resigned 23rd May 2019)
Company Secretary (Resigned 11th June 2019)

All Directors have been in office since the start of the financial year, to the date of this report, unless otherwise stated.

Company Secretary

The following person held the position of Company Secretary at the end of the financial year:

Rachael Clifford
Qualifications:
Experience

Company Secretary
Bachelor of Accounting, University of South Australia, CPA
Rachael Clifford has been the Company Secretary for Camp Quality since 9th September 2019.

Principal activities

As an organisation with a proud history spanning over 35 years, Camp Quality has supported hundreds of thousands of children across Australia impacted by cancer, and their families, since it was first established.

Through our services and programs, we strive to be there in a meaningful way for any child impacted by cancer, and their families, wherever and whenever they need us. Our services and programs are currently provided completely free of charge to those in need thanks to the generosity of our donors and supporters (individuals, organisations, companies and corporations).

We meet this ambition by being there: in hospital (via our Family Liaison Coordinator Program, ward visits by our puppeteers and the funding we provide for Child Life Therapists); at school (through our Primary School Education Program and information resources for teachers, parents and children); at home (via our Kids Guide to Cancer App and through our Family Experiences and Family Fun Days); and away from it all (through our Kids' Age Camps, Family Camps and Respite and Retreat facilities).

As a consolidated entity, Camp Quality reports on its business performance at the end of each calendar year. What follows is the commentary on performance for the Calendar Year ending 31st December 2019 (CY2019).

During CY2019, The Oranges Toolkit Pty Ltd ('Oranges'), a for-profit, wholly owned subsidiary of Camp Quality Limited became fully functional generating \$555,924 in revenue. By operating on commercial terms, the main purpose of Oranges is to provide, via profits, a sustainable source of revenue to Camp Quality by selling well-being programs to private and public organisations (including companies and the public). As Oranges is still in the start-up phase, in CY2019 it incurred a net operating deficit of \$7,418.

Short & Long-Term Objectives and Strategies

Camp Quality is a national children's charity that exists to support any child aged 0-13 years impacted by cancer in Australia: be that their own diagnosis or the diagnosis of someone they love like their brother, sister, mother, father or other primary carer.

We believe every child impacted by cancer, and their family, should be given every opportunity to thrive. We do this by pursuing the following short and long-term objectives:

- to provide innovative programs and services to children impacted by cancer between the ages of 0 and 13 to help them, and their families, develop life skills and strengthen their wellbeing.
- we support all children impacted by cancer be that their own diagnosis or the diagnosis of someone they love (such as a brother, sister, mother, father or other primary carer).
- we are there for children and their families from the first experience of cancer through every stage, from treatment to remission and in the case of bereavement: in hospital, at home, at school and away from it all.
- our belief in the proven principles of positive psychology underlies everything we do.
- we consistently strive to realise our belief that laughter is the best medicine. Laughter and optimism are essential to help our kids and their families not only cope but thrive and to allow kids just to be kids again.

The company's plan for achieving these objectives includes:

Programs and Service

- Continue to deliver services and programs based on the identified needs of children and families impacted by cancer.
- Deliver measurable programs that drive long-term, sustainable, positive social outcomes and demonstrate significant returns on investment.

Revenue

- Create and drive sustainable revenue streams to support the work of the organisation.
- Foster and support strong brand awareness within both the community we serve and the wider public, ensuring we are building trust with key stakeholder audiences.

Governance and Risk

- Continue to drive best practice principles in corporate governance.
- Create a strong safety and risk management environment.

Operations

- Build a sustainable organisational structure that encourages, rewards and leverages best practice among staff and across the business.
- Wherever possible identify and actively pursue initiatives to improve efficiency across the organisation.

Performance Measures Used by the Company

The company has several performance measures, called Key Performance Measures (KPI's), which enable us to track the performance of our company against plan. These KSMs, which are agreed annually prior to the start of the Operational Year, are drawn from the Annual Business Plan and ensure everyone associated with the organisation understands what success looks like at Camp Quality.

In CY2019, Camp Quality had 10 KSMs which provided performance indicators for our work in the following areas: revenue generation; services and program development and delivery; management of human resources including volunteers; and compliance.

Having approved the Annual Operating Business Plan at the end of CY2018, the Board then oversaw and monitored the performance of the Company via several regular Board and Committee meetings in 2019.

At each of these meetings the CEO and Senior Executive of Camp Quality tabled reports on: financial management; people process; program and service delivery; and overarching strategic imperatives that were in turn reviewed and challenged by the Board.

In CY2017, Camp Quality became the first Not-for-Profit in Australia to adopt the principles of Integrated <IR> Reporting Framework. As part of this transition to an integrated business management model, where the focus is on reporting and tracking long-term business and social outcomes and value generated, we have necessarily rearticulated the KSMs our business strives to achieve year-on-year. We believe this ultimately provides our key stakeholders with greater insight into how our business is performing and the strategic priorities that have been identified to ensure we are returning increasing value for our stakeholders and the wider community

Camp Quality Limited is a company limited by guarantee. In the event, and for the purpose, of winding up of the company, the amount capable of being called up from each Member, and any person or association who ceased to be a Member in the year prior to the winding up, is limited to \$10 each subject to the provisions of the Company's constitution.

At 31 December 2019 the collective liability of members was \$240 (2018: \$440).

Review of operations

The consolidated deficit of the group for the financial year, after providing for income tax, amounted to \$1,283,649 (2018: deficit \$1,436,094). The deficit of the parent company for the year amounted to \$1,276,231 (2018: deficit \$1,336,098).

In its third year of operations the subsidiary entity, Oranges, earned a total revenue of \$555,924 (2018: \$421,233). It ultimately incurred a loss of \$7,418 (2018: loss \$99,996) for the year.

Events since the end of Financial Year

Subsequent to end of the 2019 financial year, the COVID-19 outbreak was declared a pandemic by the World Health Organization in March 2020.

We have seen a significant impact on our business to date. The outbreak and the response of Federal and State Governments in dealing with the pandemic is guiding and influencing the general activity levels within the community, the economy and the operations of our business. The scale and duration of these developments remain uncertain and as at the date of this report, are having a negative impact on our earnings, cash flow and financial condition.

It is not possible to estimate the impact of the outbreak's near-term and longer-term effects or Governments' varying requirements and efforts to combat the outbreak and support businesses. We do not consider it practicable to provide a quantitative or qualitative estimate of the potential impact of this outbreak at this time.

The financial statements have been prepared based upon conditions existing at 31 December 2019 and considers only those events occurring prior to that date, with evidence of conditions that existed at the end of the reporting period provided herewith. As the outbreak of COVID-19 occurred after 31 December 2019, its impact is considered an event that is indicative of conditions after the reporting period and accordingly, no adjustments have been made to financial statements as at 31 December 2019 for the impacts of COVID-19.

Meetings of Directors

During the financial year, 17 meetings of Directors (including Committees of Directors) were held. Attendances by each Director during the year were as follows:

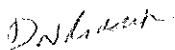
DIRECTORS	Directors' Meetings		Committee Meetings			
			Audit & Compliance Committee		People & Culture Committee	
	Number eligible to attend	Number attended	Number eligible to attend	Number attended	Number eligible to attend	Number attended
Kim L Jacobs	7	7	6	6	-	-
David N Arkles	7	6	-	-	-	-
Katherine R Burleigh	7	6	-	-	4	2
Cameron A Clyne	7	3	-	-	4	4
Gary W Edstein	7	6	-	-	-	-
John C Higgins	7	5	-	-	4	3
David P Morris	7	6	6	5	-	-
David N Ridehalgh	7	7	6	5	-	-
William R Ulyate	2	0	-	-	-	-
Robyn L Watts	2	1	2	2	-	-
Amanda Rischbleth	5	4	3	2	-	-
Dr Mary Foley	5	3	-	-	-	-
Ram Neupane	2	2	2	2	-	-
Rachael Clifford	3	3	2	2	1	1
Kylea Tink	7	7	6	6	4	3

The copy of auditor's independence declaration as required under section 60 40 of the *Australian Charities and Not for profits Commission Act 2012*, is set out on page 8.

Signed in accordance with a resolution of the Board of Directors:



Director:
 Kim L. Jacobs



Director:
 David N Ridehalgh

Dated this 22nd day of June 2020



Auditor's Independence Declaration

As lead auditor for the audit of Camp Quality Limited for the year ended 31 December 2019, 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.

This declaration is in respect of Camp Quality Limited and the entities it controlled during the period.

A handwritten signature in blue ink, appearing to read 'M Upcroft', is written over a light blue horizontal line.

Marc Upcroft
Partner
PricewaterhouseCoopers

Sydney
22 June 2020

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Camp Quality Limited
Consolidated statement of profit or loss and other comprehensive income
For the year ended 31 December 2019

		2019	2018
		\$	\$
Revenue	4	14,174,000	17,562,554
Investment income	5	405,540	508,180
Other gains/(losses) - net	6	620,544	232,906
Expenses			
Administrative expenses		(1,238,554)	(1,464,473)
Marketing and Communications		(445,255)	(971,361)
Recreation Program		(5,539,590)	(6,492,261)
Family Support Program		(762,065)	(1,019,234)
Education Program		(878,591)	(1,041,525)
Hospital Program		(677,722)	(992,025)
Other Programs		(508,636)	(983,269)
Fundraising expenses		(5,886,420)	(6,285,386)
Oranges Toolkit expenses		(546,900)	(490,200)
Deficit before income tax expense	7	(1,283,649)	(1,436,094)
Income tax expense	2	-	-
Deficit after income tax expense for the year	20	(1,283,649)	(1,436,094)
Total comprehensive deficit for the year		<u>(1,283,649)</u>	<u>(1,436,094)</u>

The above statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes

Camp Quality Limited
Consolidated statement of financial position
As at 31 December 2019

Assets		2019	2018
Current assets			
Cash and cash equivalents	8	1,014,046	10,489,137
Trade and other receivables	9	309,143	277,136
Financial assets at fair value through profit or loss	10	50,000	1,145,515
Other financial assets	11	527,529	526,862
Prepayments		158,942	181,001
Total current assets		<u>2,059,660</u>	<u>12,619,651</u>
Non-current assets			
Financial assets at fair value through profit or loss	12	8,638,886	-
Property, plant and equipment	13	507,378	387,211
Right-of-use assets	14	2,040,161	-
Intangibles	15	410,798	226,935
Security deposits		24,560	32,955
Total non-current assets		<u>11,621,783</u>	<u>647,101</u>
Total assets		<u>13,681,443</u>	<u>13,266,752</u>
Liabilities			
Current liabilities			
Trade and other payables	16	914,443	1,534,112
Contract liabilities	17	449,278	365,543
Employee benefits	18	263,023	379,916
Lease liabilities	14	713,420	-
Provision for leased property restoration costs		20,000	-
Total current liabilities		<u>2,360,164</u>	<u>2,279,571</u>
Non-current liabilities			
Employee benefits	19	54,791	57,306
Lease liabilities	14	1,420,262	-
Provision for leased property restoration costs		80,000	-
Total non-current liabilities		<u>1,555,053</u>	<u>57,306</u>
Total liabilities		<u>3,915,217</u>	<u>2,336,877</u>
Net assets		<u>9,766,226</u>	<u>10,929,875</u>
Equity			
Retained surpluses	20	<u>9,766,226</u>	<u>10,929,875</u>
Total equity		<u>9,766,226</u>	<u>10,929,875</u>

The above consolidated statement of financial position should be read in conjunction with the accompanying notes

Camp Quality Limited
Consolidated statement of changes in equity
For the year ended 31 December 2019

Consolidated	Retained earnings \$	Financial asset reserve \$	Total equity \$
Balance at 1 January 2018	11,662,208	703,761	12,365,969
Adjustment for change in accounting policy	703,761	(703,761)	-
Balance at 1 January 2018 - restated	12,365,969	-	12,365,969
Deficit after income tax expense for the year	(1,436,094)	-	(1,436,094)
Other comprehensive income for the year, net of tax	-	-	-
Total comprehensive income for the year	(1,436,094)	-	(1,436,094)
Balance at 31 December 2018	<u>10,929,875</u>	<u>-</u>	<u>10,929,875</u>

Consolidated	Retained earnings \$	Financial assets reserve \$	Total equity \$
Balance at 1 January 2019	10,929,875	-	10,929,875
Reclassification from profit or loss to intangibles	120,000	-	120,000
Balance at 1 January 2019 - restated	11,049,875	-	11,049,875
Deficit after income tax expense for the year	(1,283,649)	-	(1,283,649)
Other comprehensive income for the year, net of tax	-	-	-
Total comprehensive income for the year	(1,283,649)	-	(1,283,649)
Balance at 31 December 2019	<u>9,766,226</u>	<u>-</u>	<u>9,766,226</u>

The above consolidated statement of changes in equity should be read in conjunction with the accompanying notes

Camp Quality Limited
Consolidated statement of cash flows
For the year ended 31 December 2019

	2019	2018
Cash flows from operating activities		
Receipts from supporters	11,167,811	13,670,993
Payments to suppliers and employees	(12,784,307)	(15,728,270)
Dividends and distributions received	263,695	456,296
Interest received	110,622	51,884
	<u>110,622</u>	<u>51,884</u>
Net cash from/(used in) operating activities	<u>(1,242,179)</u>	<u>(1,549,097)</u>
Cash flows from investing activities		
Payments for investments	(11,229,219)	(4,687,416)
Payments for property, plant and equipment	13 (92,011)	(164,049)
Payments for intangibles	15 (306,855)	(180,710)
Payments for security deposit and term deposits	-	(302,391)
Proceeds from disposal of investments	4,307,397	14,135,409
Proceeds from disposal of property, plant and equipment	3,000	711,742
	<u>3,000</u>	<u>711,742</u>
Net cash from/(used in) investing activities	<u>(7,317,688)</u>	<u>9,512,585</u>
Cash flows from financing activities		
Interest paid	(131,292)	-
Principle element of lease liability	(783,932)	-
	<u>(783,932)</u>	<u>-</u>
Net cash from/(used in) financing activities	<u>(915,224)</u>	<u>-</u>
Net increase in cash and cash equivalents	(9,475,091)	7,963,488
Cash and cash equivalents at the beginning of the financial year	<u>10,489,137</u>	<u>2,525,649</u>
Cash and cash equivalents at the end of the financial year	8 <u><u>1,014,046</u></u>	<u><u>10,489,137</u></u>

The above consolidated statement of cash flows should be read in conjunction with the accompanying notes

Camp Quality Limited
Notes to the consolidated financial statements
31 December 2019

Note 1. General information

The financial statements cover Camp Quality Limited as a consolidated entity consisting of Camp Quality Limited (the 'company' or 'parent entity') and the entity it controlled at the end of, or during, the year (The Oranges Toolkit or 'Oranges'). The financial statements are presented in Australian dollars, which is Camp Quality Limited's functional and presentation currency.

Camp Quality Limited is a not-for-profit, unlisted public company limited by guarantee, incorporated and domiciled in Australia. It is registered as a charity with the Australian Charities and Not-for-Profits Commission.

The financial statements were authorised for issue, in accordance with a resolution of Directors, on 25th June 2020.

Note 2. Significant accounting policies

The principal accounting policies adopted in the preparation of the financial statements are set out either in the respective notes or below. These policies have been consistently applied to all the years presented, unless otherwise stated.

Basis of preparation

These general-purpose financial statements have been prepared in accordance with Australian Accounting Standards - Reduced Disclosure Requirements and Interpretations issued by the Australian Accounting Standards Board ('AASB'), the *Australian Charities and Not-for-Profits Commission Act 2012* and New South Wales legislation the Charitable Fundraising Act 1991 and associated regulations.

The Company is a not-for-profit entity for financial report purposes under the Australian Accounting Standards. The subsidiary, Oranges, is a for-profit entity.

As at 31 December 2019, the group had a working capital deficiency of \$300,504. The group had an investment portfolio amounting to \$8,638,886 at balance sheet date. The balance of the investment portfolio is classified as a non-current asset. As noted in note 2 "Financial risk management", the portfolio is invested in both medium and long-term portfolios. The objective of investments in medium-term portfolios is to ensure liquidity to help manage the timing of cash flows and meet operational funding needs as and when needed. Accordingly, the directors have prepared this financial report on a going concern basis.

Historical cost convention

The financial statements have been prepared under the historical cost convention, except for, where applicable, the revaluation of financial assets and liabilities at fair value through profit or loss.

Critical accounting estimates

The preparation of the financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the consolidated entity's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in note 3.

The principal accounting policies adopted in the preparation of the financial statements are set out either in the respective notes or below. These policies have been consistently applied to all the years presented, unless otherwise stated.

New or amended Accounting Standards and Interpretations adopted

The consolidated entity has adopted all the new, or amended, Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period.

Note 2. Significant accounting policies (continued)

The group has applied the following standards and amendments for the first time for their annual reporting period commencing 1 January 2019:

- AASB 16 *Leases*
- AASB 2017-6 *Amendments to Australian Accounting Standards –Prepayment Features with Negative Compensation*
- AASB 2017-7 *Amendments to Australian Accounting Standards –Long-term Interests in Associates and Joint Ventures*
- AASB 2018-1 *Amendments to Australian Accounting Standards –Annual Improvements 2015-2017 Cycle*
- AASB 2018-2 *Amendments to Australian Accounting Standards –Plan Amendment, Curtailment or Settlement*
- Interpretation 23 *Uncertainty over Income Tax Treatments*

The group also elected to adopt the following amendments early:

- AASB 2018-7 *Amendments to Australian Accounting Standards –Definition of Material*

The group had to change its accounting policies as a result of adopting AASB 16. The group elected to adopt the new rules retrospectively but recognised the cumulative effect of initially applying the new standard on 1 January 2019. This is disclosed below. The other amendments listed above did not have any impact on the amounts recognised in prior periods and are not expected to significantly affect the current or future periods.

AASB 16 Leases

The consolidated entity has adopted AASB 16 from 1 January 2019.

The consolidated entity has adopted AASB 16 from 1 January 2019. The adoption of this new Standard has resulted in the consolidated entity recognising a right-of-use asset and related lease liability in connection with all former operating leases except for those identified as low-value or having a remaining lease term of less than 12 months from the date of initial application.

The consolidated entity has applied the modified transition approach where no restatement of comparative information is required, as permitted under the specific transition provisions in the standard. The consolidated entity has elected not to include initial direct costs in the measurement of the right-of-use asset for operating leases in existence at the date of initial application of AASB 16, being 1 January 2019. At this date, the consolidated entity has also elected to measure the right-of-use assets at an amount equal to the lease liability adjusted for any prepaid or accrued lease payments that existed at the date of transition. Instead of performing an impairment review on the right-of-use assets at the date of initial application, the consolidated entity has relied on its historic assessment as to whether leases were onerous immediately before the date of initial application of IFRS 16. There were no onerous contracts as at 1 January 2019.

On adoption of AASB 16, the consolidated entity recognised lease liabilities in relation to leases which had previously been classified as 'operating leases' under the principles of AASB 117 *Leases*. These liabilities were measured at the present value of the remaining lease payments, discounted using the lessee's incremental borrowing rate as of 1 January 2019. As a lessee, the weighted average incremental borrowing rate applied to the lease liabilities on 1 January 2019 was 4.5%.

Impact of adoption

AASB 16 was adopted using the modified approach and as such comparatives have not been restated. The change in accounting policy affected the following items in the balance sheet as at 1 January 2019.

- right-of-use assets – \$2,919,164 (2018: \$0)
- lease liabilities – \$2,917,614 (2018: \$0)

The following is a reconciliation of total operating lease commitments at 31 December 2018 (as disclosed in the financial statements to 31 December 2018) to the lease liabilities recognised at 1 January 2019:

Note 2. Significant accounting policies (continued)

Total operating lease commitments disclosed at 31 December 2018	\$ \$3,162,187
Recognition exemptions:	
(Less): Leases of low value assets	(2,822)
(Less): Leases with remaining lease term of less than 12 months	(17,928)
Add: Victoria Office lease payments not disclosed	144,616
(Less): Adjustment relating to lease modifications	(33,771)
Add: Adjustment relating to changes in the index or rate affecting lease payment	2,271
(Less): Discounted using incremental borrowing rate	(336,939)
Lease liability recognised as at 1 January 2019	\$2,917,614

Parent entity information

In accordance with the *Corporations Act 2001*, these financial statements present the results of the consolidated entity only. Supplementary information about the parent entity is disclosed in note 29.

Principles of consolidation

The consolidated financial statements incorporate the assets and liabilities of Camp Quality Limited ('company' or 'parent entity') as at 31 December 2019 and the results of its subsidiary The Oranges Toolkit PTY Ltd ('Oranges') for the year then ended.

Camp Quality Limited and its subsidiary together are referred to in these financial statements as the 'consolidated entity' or the 'group.'

Subsidiaries are all those entities over which the consolidated entity has control. The consolidated entity controls an entity when the consolidated entity is exposed to, or has rights to, variable returns from its involvement with the entity and can affect those returns through its power to direct the activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the consolidated entity. They are de-consolidated from the date that control ceases.

Intercompany transactions, balances and unrealised gains on transactions between entities in the consolidated entity are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of the impairment of the asset transferred. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the consolidated entity.

Income tax

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

The Oranges incurred net operating loss of \$7,418 in CY2019 so no income tax is provided in the accounts.

Current and non-current classification

Assets and liabilities are presented in the statement of financial position based on current and non-current classification.

An asset is classified as current when: it is either expected to be realised or intended to be sold or consumed in the consolidated entity's normal operating cycle; it is held primarily for the purpose of trading; it is expected to be realised within 12 months after the reporting period; or the asset is cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least 12 months after the reporting period. All other assets are classified as non-current.

A liability is classified as current when: it is either expected to be settled in the consolidated entity's normal operating cycle; it is held primarily for the purpose of trading; it is due to be settled within 12 months after the reporting period; or there is no unconditional right to defer the settlement of the liability for at least 12 months after the reporting period. All other liabilities are classified as non-current.

Note 2. Significant accounting policies (continued)

Leases

A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the group assesses whether:

- the contract involves the use of an identified asset – this may be specified explicitly or implicitly and should be physically distinct or represent substantially all of the capacity of a physically distinct asset. If the supplier has a substantive substitution right, then the asset is not identified;
- the group has the right to obtain substantially all of the economic benefits from use of the asset throughout the period of use; and
- the group has the right to direct the use of the asset. The group has this right when it has the decision-making rights that are most relevant to changing how and for what purpose the asset is used.

As a lessee

The group recognised a right-of-use asset and related lease liability in connection with all former operating leases except for those identified as low-value or having a remaining lease term of less than 12 months from the date of initial application. The right-of use assets were measured at the amount equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payments or estimated costs to restore the underlying asset relating to that lease recognised in the balance sheet as at 31 December 2018.

The right-of-use asset is subsequently depreciated using the straight-line method over its remaining lease term from the date of initial application. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The lease liability is initially measured at the present value of the remaining lease payments, discounted using the group's incremental borrowing rate as of 1 January 2019. The weighted average incremental borrowing rate applied to the lease liabilities on 1 January 2019 was 4.5%.

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate or if the Group changes its assessment of whether it will exercise a purchase, extension or termination option.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

Short-term leases and leases of low-value assets

The group has elected not to recognise right-of-use assets and lease liabilities for short-term leases that have a lease term of 12 months or less and leases of low-value assets. The group recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

Impairment of non-financial assets

Non-financial assets are reviewed for impairment whenever events or changes in circumstances indicate 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 of disposal 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. In respect of the group, value in use is depreciated replacement cost of an asset when the future economic benefits of the asset are not primarily dependent on the asset's ability to generate net cash inflows and where the entity would, if deprived of the asset, replace its remaining future economic benefits.

Goods and Services Tax ('GST') and other similar taxes

Revenues, expenses and assets are recognised net of the amount of associated GST, unless the GST incurred is not recoverable from the tax authority. In this case it is recognised as part of the cost of the acquisition of the asset or as part of the expense.

Note 2. Significant accounting policies (continued)

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the tax authority is included in other receivables or other payables in the statement of financial position.

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to the tax authority, are presented as operating cash flows.

Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the tax authority.

Financial risk management

Camp Quality's principal financial instruments comprise cash and short-term deposits, receivables, payables, and investments.

Risk exposures and responses

Camp Quality (Company) manages its exposure to key financial risks, including interest rate and liquidity risk in accordance with the Camp Quality's financial risk management policy. The objective of the policy is to support the delivery of the Camp Quality's budget while protecting future financial security. The main risks arising from Camp Quality's financial instruments are: interest rate risk, credit risk, price risk and liquidity risk. The Company uses different methods to measure and manage different types of risks to which it is exposed. These include: monitoring levels of exposure to interest rate, equity price risk and assessments of market forecasts for interest as well as prices of shares in equity. Liquidity risk is monitored through the development of future rolling budget and cash flow forecasts.

The Board reviews and agrees policies for managing each of these risks as summarised below.

Primary responsibility for identification and control of financial risks rests with the Audit and Compliance Committee under the authority of the Board.

(a) Interest rate risk

The exposure to market interest rates relates primarily to company's cash deposits. The company maintains a cash balance to manage the monthly fluctuation in realisation of revenue and commitment to expenses, thus limiting the interest rate risk exposure. All other cash deposits remain in the company's medium-term investment portfolio to be withdrawn as needed.

(b) Investment risk

The company classifies its investments in defensive and growth assets and reviews the benchmark and ranges of investment under each of these assets. The funds are invested in both medium and long-term portfolios. The objective of investments in medium-term portfolios is to ensure liquidity to help manage the timing of cash flows and meet operational funding needs as and when needed. The primary objective of the long-term portfolio is to produce capital growth and income to grow the underlying capital base of the portfolio over the long-term.

(c) Liquidity risk

Liquidity risk arises from the financial liabilities of the company's subsequent ability to meet its obligation to repay these liabilities as and when they fall due. The company manages its liquidity risk by monitoring the total cash inflows and outflows expected monthly. In addition, the company maintains enough cash to meet services and programs' normal operating requirements.

(d) Financial Sustainability

The company aims to maintain an Investment Capital Ratio (ICR) in which the investment portfolio value equals 12 months of current budgeted expenditure. The investment portfolio cannot fall below 6 months of current budgeted expenditure after considering extraordinary items approved by the Board such as investment in specific strategic initiatives and funds restricted for specific use. This cap ratio is reviewed by the Audit & Compliance Committee on bimonthly basis.

(e) Price risk

The company's investment in securities is subject to price risk. To limit this risk the company has a policy to diversify its portfolio ensuring the majority of the equity investments are of a high quality and are publicly traded.

Note 2. Significant accounting policies (continued)

(f) Credit risk

Credit risk represents the risk the counter party to the financial instrument will fail to discharge an obligation and cause the company to incur financial loss. The company's exposure to credit risk arises from default of the counter party, with the current maximum exposure at the reporting date equal to the fair value of these instruments as disclosed in the Statement of financial position. This does not represent the maximum risk exposure that could arise in the future as a result of changes in values. Most of the company receivables are trade receivables and are not material. Historically the company is not exposed to normal trading risk. There are no financial assets that are past due or impaired and the company holds no collateral as security or any other credit enhancements.

Note 3. Critical accounting judgements, estimates and assumptions

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts in the financial statements. Management continually evaluates its judgements and estimates in relation to assets, liabilities, contingent liabilities, revenue and expenses. Management bases its judgements, estimates and assumptions on historical experience and on other various factors, including expectations of future events management believes to be reasonable under the circumstances. The resulting accounting judgements and estimates will seldom equal the related actual results. The judgements, estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities (refer to the respective notes) within the next financial year, are discussed below.

Employee benefits provision

The liability for employee benefits expected to be settled more than 12 months from the reporting date are recognised and measured at the present value of the estimated future cash flows to be made in respect of all employees at the reporting date. In determining the present value of the liability, estimates of attrition rates and pay increases through promotion and inflation have been considered.

Revenue determination

The company receives grants from various corporate partners and trust and foundations, and also raises revenue through various fundraising campaigns and events. Revenue from community fundraising events is not recognised until the scheduled event is completed. The grants may be tied to a specific performance obligation or untied and available for general purposes each year. The grants which contain specific performance obligations are recorded as a contract liability and are recognised as revenue upon completion of performance obligations.

Volunteers contribution

Volunteers contribution is estimated by using the hourly rate that would be payable to staff performing similar functions.

Note 4. Revenue

	Consolidated	
	2019	2018
	\$	\$
Events & community fundraising	3,904,712	4,045,840
Corporate income	3,415,557	2,881,128
General donations	2,235,709	2,709,048
Bequests	499,813	3,455,640
Private & Government grants	1,000,769	995,376
Oranges Toolkit revenue	555,924	421,233
Other income	13,490	22,145
Volunteer contributions	2,548,026	3,032,144
Revenue	<u>14,174,000</u>	<u>17,562,554</u>

Note 4. Revenue (continued)

Accounting policy for revenue recognition

The group recognises revenue as follows:

The group first assesses whether the transaction relates to a revenue transaction which is within the scope of AASB 15 *Revenue from Contracts with Customers*. This is the case when: the group has an enforceable contract with a 'customer' (the party that promises consideration in exchange for goods or services that are an output of the group's ordinary activities); the obligations the group has to complete are sufficiently specific; and the group has determined performance obligations exist within the contract and the group does not retain the good and services specified in the contract for its own benefit.

If a transaction is outside the scope of AASB 15 as discussed above, the recognition and measurement of income arising from the transaction is generally accounted for under AASB 1058 *Income of Not-for-Profit Entities*.

Revenue from contracts with customers

Revenue is recognised at an amount that reflects the consideration to which the group is expected to be entitled in exchange for transferring goods or services to a customer. For each contract with a customer, the group:

- identifies the contract with a customer;
- identifies the performance obligations in the contract;
- determines the transaction price;
- allocates the transaction price to the separate performance obligations; and
- recognises revenue when, or as, each performance obligation is satisfied in a manner that depicts the transfer to the customer of the goods or services promised.

A customer may enter into a contract with the group with a dual purpose of obtaining goods or services and to help the group achieve its objectives. In allocating the transaction price to each performance obligation, unless the transaction price is partially refundable, there is a presumption the transaction price is treated as wholly related to the transfer of promised goods or services.

Donations, bequests and fundraising income

Most of the revenue from donations, bequests and general fundraising is brought to account as income upon the receipt of cash, unless tied to specific performance obligations in which case, the funds are deferred until those performance obligations have been met.

Funds received from major fundraising events are recorded on receipt of cash and the revenue from these events is brought to account as income on the completion of the event which normally occurs within the same financial period as the receipt of cash.

Funds that are received in advance of the events, and that contain specific performance obligations, are recorded as a contract liability and are recognised as income at the point in time when the event performance is occurring.

Grant revenue

Grants are usually received to enable the group to further its objectives and are therefore recognised as income, and as a financial asset receivable, when the group: has entered into a non-cancellable contract; has a legal right to receive cash; and does not need to provide any consideration in exchange for that cash.

Some grants relate to cash received under enforceable agreements that require the group to use that cash to acquire or construct a non-current asset which will become the property of the group. In such situations, income is recognised in profit or loss when the group has acquired, or constructed the asset, or over time, or as the group constructs the asset.

Volunteers contribution

The hours spent by professionally skilled and administrative volunteers in the provision of core services, fundraising and normal operational support are recorded and valued using the hourly rate which would normally be paid by the company to staff for the completion of similar tasks. Broadly, volunteering for valuation purposes means unpaid work or service undertaken in lieu of paid jobs, the estimated value of which is \$2,548,026 (2018: 3,032,144) and is included in the income statement as a contribution and an expense.

Note 5. Investment income

	Consolidated	
	2019	2018
	\$	\$
Distribution, dividend and franking credits	289,014	456,296
Interest income	116,526	51,884
	<u>405,540</u>	<u>508,180</u>

Accounting policy for investment income

Interest and dividend income

Interest revenue is recognised as interest accrues using the effective interest method. This is a method of calculating the amortised cost of a financial asset and allocating the interest income over the relevant period using the effective interest rate, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the net carrying amount of the financial asset. Dividend and trust distributions revenue are recognised when the right to receive that dividend or distribution has been established.

Note 6. Other gains/(losses) - net

	Consolidated	
	2019	2018
	\$	\$
Profit/(losses) on sale of property, plant & equipment	(1,257)	510,987
Net fair value gains/(losses) on financial assets at fair value through profit or loss	555,188	(50,564)
Realised gains/(losses) on sale of financial assets	66,613	(227,517)
	<u>620,544</u>	<u>232,906</u>

Note 7. Expenses

	Consolidated	
	2019	2018
	\$	\$
Surplus/(deficit) before income tax includes the following specific expenses:		
<i>Rental expense relating to operating leases</i>		
Total rental expense relating to operating leases	<u>40,926</u>	<u>939,898</u>
<i>Superannuation expense</i>		
Defined contribution superannuation expense	<u>525,071</u>	<u>621,053</u>
<i>Employee benefits</i>		
Employee benefits expense (excluding superannuation expense)	<u>5,889,547</u>	<u>7,262,334</u>
<i>Depreciation and amortisation expense</i>		
Depreciation and amortisation expense – PPE & Intangible asset	<u>275,931</u>	<u>218,259</u>
Depreciation and amortisation expense – Right-of-use-asset	<u>879,003</u>	<u>-</u>

Note 8. Current assets - cash and cash equivalents

	Consolidated	
	2019	2018
	\$	\$
Cash on hand	717	15,868
Cash at bank	1,013,329	10,473,269
	<u>1,014,046</u>	<u>10,489,137</u>

Accounting policy for cash and cash equivalents

Cash, and cash equivalents, includes: cash on hand; deposits held at call with financial institutions; and other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

Cash at bank as at 31 December 2018 included \$9,332,405 funds received from disposal of investments by outgoing fund manager which were invested by incoming fund manager in January 2019.

Note 9. Current assets - trade and other receivables

	Consolidated	
	2019	2018
	\$	\$
Other receivables	259,000	218,650
GST receivable	36,506	49,228
Advance to employees for events & travel	13,637	9,258
	<u>309,143</u>	<u>277,136</u>

Accounting policy for trade and other receivables

Other receivables are recognised at amortised cost, less any allowance for expected credit losses.

Note 10. Current assets - financial assets at fair value through profit or loss

	Consolidated	
	2019	2018
	\$	\$
Investment in managed investment fund	50,000	1,145,515

Note 11. Current assets - Other financial assets

	Consolidated	
	2019	2018
	\$	\$
Term deposits	527,529	526,862
	<u>527,529</u>	<u>526,862</u>

Accounting policy for financial assets:

Investments and other financial assets are initially measured at fair value. Transaction costs are included as part of the initial measurement, except for financial assets at fair value through profit or loss. Such assets are subsequently measured at either amortised cost, or fair value, depending on their classification. Classification is determined based on both the business model within which such assets are held and the contractual cash flow characteristics of the financial asset unless, an accounting mismatch is being avoided.

Note 11. Current assets - Other financial assets (continued)

Purchases and sales of financial assets are recognised on trade-date: the date on which the Company commits to purchase or sell the asset. Financial assets are derecognised when the rights to receive cash flows have expired or have been transferred and the consolidated entity has transferred substantially all the risks and rewards of ownership. When there is no reasonable expectation of recovering part or all a financial asset, the carrying value is written off.

Financial assets at amortised cost

A financial asset is measured at amortised cost only if both of the following conditions are met:

- i) it is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- ii) the contractual terms of the financial asset represent contractual cash flows that are solely payments of principal and interest.

Financial assets at fair value through profit or loss

Financial assets not measured at amortised cost, or at fair value, through other comprehensive income are classified as financial assets at fair value through profit or loss. Investments are made in both medium and long-term portfolios by the Fund Manager in accordance within the benchmarks and range approved by the Audit & Compliance Committee. The Audit & Compliance Committee has also approved various types of defensive and growth assets which includes cash, fixed interest-domestic and global, properties, Australian equities and global equities. The range of tactical assets allocation is reviewed from regularly and changes are made in accordance with the advice of the Fund Manager. Fair value movements in these assets are recognised in profit or loss.

Note 12. Non-current assets - other financial assets

	Consolidated	
	2019	2018
	\$	\$
Investments in managed investment fund	8,638,886	-
	<u>8,638,886</u>	<u>-</u>

Accounting policy for financial assets – refer to Note 11

Cash at bank as at 31 December 2018 includes \$9,332,405 funds received from disposal of investments by outgoing fund manager which were invested by incoming fund manager in January 2019.

Note 13. Non-current assets - property, plant and equipment

	Consolidated	
	2019	2018
	\$	\$
Land and buildings - at cost	375,931	341,937
Less: Accumulated depreciation	<u>(110,288)</u>	<u>(137,617)</u>
	265,643	204,320
Plant and equipment - at cost	725,948	706,038
Less: Accumulated depreciation	<u>(641,121)</u>	<u>(611,547)</u>
	84,827	94,491
Motor vehicles - at cost	125,522	125,522
Less: Accumulated depreciation	<u>(96,722)</u>	<u>(75,033)</u>
	28,800	50,489
Leasehold improvements - at cost	224,666	95,848
Less: Accumulated depreciation	<u>(96,558)</u>	<u>(57,937)</u>
	128,108	37,911
	<u>507,378</u>	<u>387,211</u>

Note 13. Non-current assets - property, plant and equipment (continued)

Reconciliations

Reconciliations of the written down values at the beginning and end of the current financial year are set out below:

Consolidated	Land and buildings \$	Plant and equipment \$	Motor vehicles \$	Leasehold improvements \$	Total \$
Balance at 1 January 2019	204,320	94,491	50,489	37,911	387,211
Additions – donated assets at fair value	65,553	7,981	5,000	68,818	147,352
Additions	-	32,011	-	60,000	92,011
Disposals	-	(1,257)	(5,000)	-	(6,257)
Depreciation expense	(4,230)	(48,399)	(21,689)	(38,621)	(112,939)
Balance at 31 December 2019	<u>265,643</u>	<u>84,827</u>	<u>28,800</u>	<u>128,108</u>	<u>507,378</u>

Accounting policy for property, plant and equipment

Plant and equipment are stated at historical cost less accumulated depreciation and impairment. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Depreciation is calculated on a straight-line basis to write off the net cost of each item of property, plant and equipment (excluding land) over their expected useful lives as follows:

Buildings	1.5%
Leasehold improvements	20%
Plant and equipment	14 - 33.3%
Motor vehicles	10%

The residual values, useful lives and depreciation methods are reviewed, and adjusted if appropriate, at each reporting date.

Leasehold improvements, and plant and equipment under lease, are depreciated over the unexpired period of the lease or the estimated useful life of the assets, whichever is shorter.

An item of property, plant and equipment is derecognised upon disposal or when there is no future economic benefit to the consolidated entity. Gains and losses between the carrying amount and the disposal proceeds are taken to profit or loss. Any revaluation surplus reserve relating to the item disposed of is transferred directly to retained profits.

Camp Quality Limited
Notes to the consolidated financial statements
31 December 2019

Note 14. Leases

The balance sheet shows the following amounts relating to leases:

	Consolidated	
	2019	2018
	\$	\$
Right-of-use-assets		
Buildings	1,991,907	-
IT Equipment	2,647	-
Vehicle	45,607	-
	<u>2,040,161</u>	<u>-</u>

	Consolidated	
	2019	2018
	\$	\$
Lease Liabilities		
Current	713,420	-
Non-Current	1,420,262	-
	<u>2,133,682</u>	<u>-</u>

The Group has leases for office building, vehicles and some IT equipment. With the exception of short-term leases and leases of low-value underlying assets, each lease is reflected on the balance sheet as a right-of-use asset and a lease liability.

Note 15. Non-current assets - intangibles

	Consolidated	
	2019	2018
	\$	\$
Computer software & website - at cost	1,010,771	944,414
Less: Accumulated amortisation	<u>(599,973)</u>	<u>(826,524)</u>
	410,798	117,890
CRM software work in progress - at cost	<u>-</u>	<u>109,045</u>
	<u>410,798</u>	<u>226,935</u>

Reconciliations

Reconciliations of the written down values at the beginning and end of the current financial year are set out below:

Consolidated	Computer software & website \$	Total \$
Balance at 1 January 2019	226,935	226,935
Additions	346,855	346,855
Amortisation expense	<u>(162,992)</u>	<u>(162,992)</u>
Balance at 31 December 2019	<u>410,798</u>	<u>410,798</u>

Note 15. Non-current assets - intangibles (continued)

Accounting policy for intangible assets

Intangible assets, with finite life, are subsequently measured at cost, less amortisation and any impairment. The gains or losses recognised in profit or loss arising from the derecognition of intangible assets are measured as the difference between net disposal proceeds and the carrying amount of the intangible asset. The method and useful lives of finite life, intangible assets are reviewed annually. Changes in the expected pattern of consumption, or useful life, are accounted for prospectively by changing the amortisation method or period.

Amortisation of intangible assets is included in fundraising, program, media & communications and admin expenses.

Software & website

Significant costs associated with software and website are deferred and amortised on a straight-line basis over the period of their expected benefit, being their finite life of 3 years.

CRM software work in progress

The CRM software cost were transferred to intangibles upon completion of installation in 2019.

Note 16. Current liabilities - trade and other payables

	Consolidated	
	2019	2018
	\$	\$
Trade payables	354,492	272,637
Other payables and accruals	559,951	1,261,475
	<u>914,443</u>	<u>1,534,112</u>

Accounting policy for trade and other payables

These amounts represent liabilities for goods and services provided to the consolidated 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. The amounts are unsecured and are usually paid within 30 days of recognition.

Note 17. Current liabilities - contract liabilities

	Consolidated	
	2019	2018
	\$	\$
Contract liabilities	449,278	365,543
	<u>449,278</u>	<u>365,543</u>

Accounting policy for contract liabilities

Contract liabilities represent the consolidated entity's obligation to transfer goods or services to a customer and are recognised when a customer pays consideration, or when the consolidated entity recognises a receivable to reflect its unconditional right to consideration (whichever is earlier) before the consolidated entity has transferred the goods or services to the customer.

Note 18. Current liabilities - employee benefits

	Consolidated	
	2019	2018
	\$	\$
Annual leave	209,847	317,186
Long service leave	53,176	62,730
	<u>263,023</u>	<u>379,916</u>

Accounting policy for employee benefits

Short-term employee benefits

Liabilities for wages and salaries, including non-monetary benefits, annual leave and long-service leave expected to be settled wholly within 12 months of the reporting date are measured at the amounts expected to be paid when the liabilities are settled.

Defined contribution superannuation expense

Contributions to defined contribution superannuation plans are expensed in the period in which they are incurred.

Note 19. Non-current liabilities - employee benefits

	Consolidated	
	2019	2018
	\$	\$
Long service leave	<u>54,791</u>	<u>57,306</u>

Accounting policy for other long-term employee benefits

The liability for annual leave and long-service leave, not expected to be settled within 12 months of the reporting date, are measured at the present value of expected future payments to be made in respect of services provided by employees up to the reporting date using the projected unit credit method. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using market yields at the reporting date on national government bonds with terms to maturity and currency that match, as closely as possible, the estimated future cash outflows.

Note 20. Equity - retained surpluses

	Consolidated	
	2019	2018
	\$	\$
Retained surpluses at the beginning of the financial year	10,929,875	11,662,208
Reclassification of investments from available for sale to fair value through profit or loss	-	703,761
Reclassification from profit or loss to intangibles	120,000	-
Retained surpluses at the beginning of the financial year - restated	11,049,875	12,365,969
Surplus/(deficit) after income tax expense for the year	<u>(1,283,649)</u>	<u>(1,436,094)</u>
Retained surpluses at the end of the financial year	<u>9,766,226</u>	<u>10,929,875</u>

Note 20. Equity - retained surpluses (continued)

Note 21. Financial assets and financial liabilities

The consolidated entity holds the following financial instruments

	Consolidated	
	2019	2018
	\$	\$
Financial assets:		
Financial assets at amortised cost:		
- Trade and other receivables (Note 9)	309,143	277,136
- Security deposits	24,560	32,955
- Other financial assets at amortised cost (Note 11)	527,529	526,862
- Cash and cash equivalents (Note 8)	1,014,046	10,489,137
Financial assets at fair value through profit or loss (FVPL) (Note 10 & 12)	<u>8,688,886</u>	<u>1,145,515</u>
Total financial assets	<u>10,539,604</u>	<u>12,438,650</u>

	Consolidated	
	2019	2018
Financial liabilities		
Liabilities at amortised cost:		
- Trade and other payables (Note 16)	914,443	1,534,112
- Lease liabilities (Note 14)	<u>2,133,682</u>	<u>-</u>

Note 22. Key management personnel disclosures

Compensation

The aggregate compensation made to key management personnel of the consolidated entity is set out below:

	Consolidated	
	2019	2018
	\$	\$
Total key management personnel remuneration	<u>1,195,744</u>	<u>1,354,947</u>

Note 23. Contingent liabilities

In the opinion of the Directors, the consolidated entity did not have any material contingent liabilities as at 31 December 2019 (31 December 2018: None).

Guarantees

The Group have provided the following guarantees as at 31st December:

- bank guarantees to a total amount of \$399,351 (2018: \$399,351)

Note 24. Commitments

At 31 December 2019 the Group was committed to a short-term lease and the total commitment at that date was \$53,928. The lease commitments include contracted amounts for lease of printers under non-cancellable operating leases expiring within 18 months.

Note 25. Related party transactions

Subsidiaries

Interests in subsidiaries are set out in note 30.

Camp Quality Limited
Notes to the financial statements
31 December 2019

Note 25. Related party transactions (continued)

Key management personnel

Disclosures relating to key management personnel are set out in note 22.

Transactions with related parties

The following transactions occurred with related parties:

	Consolidated	
	2019	2018
	\$	\$
Donations:		
Higgins Coatings Pty Ltd - Cash	5,970	6,619
Higgins Coatings Pty Ltd – In kind	68,818	-
Camel Foundation	25,000	50,000
Local Measure	850	-
Western Sydney Leadership Dialogue	500	-
Donations received from Directors	181,321	145,886
Fundraising income:		
Higgins Coatings Pty Ltd	-	-
John C Higgins	50,190	43,061
Payment for services:		
Higgins Coatings Pty Ltd	66,000	-

Receivable from and payable to related parties

There were no trade receivables from, or trade payables to, related parties at the current and previous reporting date.

Loans to/from related parties

There were no loans to, or from, related parties at the current and previous reporting date.

Terms and conditions

All transactions were made on normal commercial terms and conditions and at market rates.

Camp Quality Limited
Notes to the consolidated financial statements
31 December 2019

Note 26. Sources of Fundraising Income received by the Company for Charitable Purposes

	2019 \$	2018 \$
Events & Community Fundraising	3,904,712	4,045,839
Corporate income	3,415,557	2,881,128
General donations	2,151,730	2,709,048
Grants	607,984	822,620
Volunteer contribution	2,548,026	3,032,144
Gross Income from Fundraising [A]	<u>12,628,009</u>	<u>13,490,779</u>
Events & Community Fundraising	1,279,973	1,243,734
Corporate Income	183,856	347,705
General Donations	504,093	353,929
Grants	9,319	4,146
Total Direct costs of Fundraising* [B]	<u>1,977,241</u>	<u>1,949,514</u>
Surplus from Fundraising [A-B]	10,650,768	11, 541,265
Staff and other indirect costs	(3,909,179)	(4,308,872)
Net Surplus from Fundraising	<u>6,741,589</u>	<u>7,232,393</u>
Total direct cost of fundraising* / Gross income from fundraising	16%	15%
Surplus from fundraising / Gross income from fundraising	84%	85%

* Total direct cost of fundraising includes in kind support valued at \$54,006 (2018: \$430,437).

Total cost of fundraising including staff and indirect costs is 47% (2018: 47%) of gross income from fundraising.

Camp Quality Limited
Notes to the financial statements
31 December 2018

Note 26. Sources of Fundraising Income received by the Company for Charitable Purposes (continued)

Note 27. Sources & Applications of Funding for Charitable Purposes

	2019 \$	2018 \$
Revenue and other income:		
Revenue from operating activities	13,618,076	17,141,321
Investment income	421,982	539,209
Realised gains/(losses) on sale of financial assets	66,613	(227,517)
Fair value gains/(losses) on financial assets at fair value through profit or loss	555,188	(50,564)
Profit/(losses) on sale of property, plant and equipment	(1,257)	510,987
	<u>14,660,602</u>	<u>17,913,436</u>
Revenue received was applied as follows:		
	\$	\$
Fundraising expenses	5,886,420	6,285,386
Administration expenses	1,238,554	1,464,473
Marketing and Communications	445,255	971,361
Direct Services cost:		
- Recreational program	5,539,590	6,492,261
- Family support program	762,065	1,019,234
- Education program	878,591	1,041,525
- Hospital program	677,722	992,025
- Other programs	508,636	983,269
	<u>15,936,833</u>	<u>19,249,534</u>
Total expenditure		
	<u>14,660,602</u>	<u>17,913,436</u>
	<u>(15,936,833)</u>	<u>(19,249,534)</u>
	<u>(1,276,231)</u>	<u>(1,336,098)</u>
Results of operation from charitable activities:		
Total Revenue & Other Income	14,660,602	17,913,436
Total Expenditure	<u>(15,936,833)</u>	<u>(19,249,534)</u>
Surplus/ (Deficit) transferred to retained earnings	<u>(1,276,231)</u>	<u>(1,336,098)</u>
Total cost of services / Total expenditure	52%	55%
Total cost of administration / Total income	8%	8%
Total cost of services / Total income	57%	59%
Note: Fundraising expenses for 2019 include \$85,996 (2018: \$284,085) of volunteer time. Recreational program cost for 2019 includes volunteer contribution of \$2,459,305 (2018: \$2,748,059) (see Note 2).		

Note 28. Members' guarantee

The Company is incorporated under the *Corporations Act 2001* and is a company limited by guarantee. If the Company is wound up, the constitution states that each Member is required to contribute a maximum of \$10 each towards meeting any out-standing obligations of the Company. At 31 December 2019 the number of Members was 24 (2018: 44).

Camp Quality Limited
Notes to the consolidated financial statements
31 December 2019

Note 29. Parent entity information

Set out below is the supplementary information about the parent entity.

Statement of profit or loss and other comprehensive income

	Parent	
	2019	2018
	\$	\$
Surplus/(deficit) after income tax	(1,276,231)	(1,336,098)
Total comprehensive income	(1,276,231)	(1,336,098)

Statement of financial position

	Parent	
	2019	2018
	\$	\$
Total current assets	1,911,556	12,822,881
Total assets	13,804,690	13,456,346
Total current liabilities	2,251,035	2,244,207
Total liabilities	3,806,089	2,301,514
Equity		
Financial assets at fair value through other comprehensive income reserve	-	-
Retained surpluses	9,998,601	11,154,832
Total equity	9,998,601	11,154,832

Guarantees entered by the parent entity in relation to the debts of its subsidiaries

The parent entity had no guarantees in relation to the debts of its subsidiaries as at 31 December 2019 and 31 December 2018.

Contingent liabilities

The parent entity had no material contingent liabilities as at 31 December 2019 and 31 December 2018.

Capital commitments - Property, plant and equipment

The parent entity had no contractual commitment to purchase property, plant and equipment as at 31 December 2019 is \$0 (2018: \$70,956).

Significant accounting policies

The accounting policies of the parent entity are consistent with those of the consolidated entity, as disclosed in note 2, except for the following:

- Investments in subsidiaries are accounted at cost in the parent entity.

Note 30. Interests in subsidiaries

The consolidated financial statements incorporate the assets, liabilities and results of the following subsidiary in accordance with the accounting policy described in note 2:

Name	Principal place of business / Country of incorporation	Ownership interest	
		2019 %	2018 %
The Oranges Toolkit Pty Ltd	Australia	100.00%	100.00%

Note 31. Events after the reporting period

Subsequent to end of the 2019 financial year, the COVID-19 outbreak was declared a pandemic by the World Health Organization in March 2020.

We have seen a significant impact on our business to date. The outbreak and the response of Federal and State Governments in dealing with the pandemic is guiding and influencing the general activity levels within the community, the economy and the operations of our business. The scale and duration of these developments remain uncertain and as at the date of this report, are having a negative impact on our earnings, cash flow and financial condition.

It is not possible to estimate the impact of the outbreak's near-term and longer-term effects or Governments' varying requirements and efforts to combat the outbreak and support businesses. We do not consider it practicable to provide a quantitative or qualitative estimate of the potential impact of this outbreak at this time.

The financial statements have been prepared based upon conditions existing at 31 December 2019 and considers only those events occurring prior to that date, with evidence of conditions that existed at the end of the reporting period provided herewith. As the outbreak of COVID-19 occurred after 31 December 2019, its impact is considered an event that is indicative of conditions after the reporting period and accordingly, no adjustments have been made to financial statements as at 31 December 2019 for the impacts of COVID-19.

Camp Quality Limited
Directors' declaration
31 December 2019

In the Directors' opinion:

- the attached financial statements and notes (pages 9-33) comply with the Australian Accounting Standards - Reduced Disclosure Requirements, the *Australian Charities and Not-for-Profits Commission Act 2012* and New South Wales legislation the Charitable Fundraising Act 1991 and associated regulations and other mandatory professional reporting requirements;
- the attached financial statements and notes give a true and fair view of the consolidated entity's financial position as at 31 December 2019 and of its performance for the financial year ended on that date; and
- there are reasonable grounds to believe the company will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the Directors.

On behalf of the Directors



Kim L. Jacobs
Director



David N Ridehalgh
Director

22nd June 2020



Independent auditor's report

To the members of Camp Quality Limited

Report on the audit of the financial report

Our qualified opinion

In our opinion, except for the possible effects of the matter described in the *Basis for qualified opinion* section of our report, the accompanying financial report of Camp Quality Limited (the Company) and its controlled entities (together the Group) is in accordance with Division 60 of the *Australian Charities and Not-for-profits Commission (ACNC) Act 2012*, including:

- (a) giving a true and fair view of the Group's financial position as at 31 December 2019 and of its financial performance for the year then ended
- (b) complying with Australian Accounting Standards - Reduced Disclosure Requirements and Division 60 of the *Australian Charities and Not-for-profits Commission Regulation 2013*.

What we have audited

The Group financial report comprises:

- the consolidated statement of financial position as at 31 December 2019
- the consolidated statement of profit or loss and other comprehensive income for the year then ended
- the consolidated statement of changes in equity for the year then ended
- the consolidated statement of cash flows for the year then ended
- the notes to the consolidated financial statements, which include a summary of significant accounting policies
- the directors' declaration.

Basis for qualified opinion

Cash from donations and other fundraising activities are a significant source of revenue for the Group. The directors have determined that it is impracticable to establish control over the collection of revenue from these sources prior to entry into its financial records. Accordingly, as the evidence available to us regarding revenue from cash donations and other fundraising activities was limited, our audit procedures with respect to revenue from these sources had to be restricted to the amounts recorded in the Group's financial records. As a result, we are unable to express an opinion as to whether revenue from cash donations and other fundraising activities is 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 believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified opinion.

PricewaterhouseCoopers, ABN 52 780 433 757

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Independence

We are independent of the Group in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (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.

Other information

The directors are responsible for the other information. The other information comprises the information included in the annual report for the year ended 31 December 2019, but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information that we obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the directors for the financial report

The directors of the Company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards - Reduced Disclosure Requirements and the *Australian Charities and Not-for-profits Commission (ACNC) Act 2012* and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

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 the financial report.



A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website at:

http://www.auasb.gov.au/auditors_responsibilities/ar3.pdf. This description forms part of our auditor's report.

Report on the Requirements of the Charitable Fundraising Act 1991 and the Charitable Fundraising Regulation 2015

We have audited the financial report of Camp Quality Limited as required by Section 24 of the Charitable Fundraising Act 1991. The directors of the company are responsible for the preparation and presentation of the financial report in accordance with the Charitable Fundraising Act 1991 and the Charitable Fundraising Regulation 2015. Our responsibility is to express an opinion on the financial report based on our audit.

In our opinion:

- (a) the financial report and associated records have been properly kept, during the financial year ended 30 June 2019, in accordance with Sections 20 (1) and 22 (1-2) of the Charitable Fundraising Act 1991 and sections 10 (6) and 11 of the Charitable Fundraising Regulation 2015.
- (b) Money received as a result of fundraising appeals conducted during the financial year ended 30 June 2019 has been properly accounted for and applied in accordance with the above-mentioned Act and Regulation.

A handwritten signature in blue ink that reads 'PricewaterhouseCoopers'.

PricewaterhouseCoopers

A handwritten signature in blue ink that reads 'Marc Upcroft'.

Marc Upcroft
Partner

Sydney
22 June 2020