

Love Your World & Controlled Entities

ABN 91 158 841 180

Annual Financial Report

For the Financial Year Ended 30 June 2019

Released under FOI Act 1982
Australian Charities and Not-for-profits Commission

**Love Your World & Controlled Entities
Directors' Report**

In respect of the financial year ended 30 June 2019, the directors of Love Your World submit the following report made out in accordance with a resolution of the directors.

Directors

The following persons were Directors of Love Your World during the whole or part of the financial year and up to the date of this report:

Hayley Hayes

Lance Hayes

Rachel Harder

Directors Meetings

The number of director's meetings held in the period each director held office during the financial year, and the number of meetings attended by each director are as follows:

Director	Number of Board Meetings Held	Number of Board Meetings Attended
Hayley Hayes	1	1
Lance Hayes	1	1
Rachel Harder	1	1

Members Guarantee

The entity is a company limited by guarantee. Under the Constitution, in the event of a shortfall of funds upon winding up, the members guarantee the obligations of the Company to the extent of \$1 per member. At balance date as there were 1 members, the amount so guaranteed in total amounted to \$1.

Auditors Independence

The Directors have received a written declaration from the Auditors confirming that to the best of their knowledge and belief there have been no contraventions of the auditors independence requirements or any applicable code of professional conduct.

Dated this the 31st day of January 2020

For and on behalf of the board


.....
Director

Love Your World & Controlled Entities

ABN 91 158 841 180

DIRECTORS' DECLARATION

The directors of the company declare that:

1. The financial statements and notes

(a) comply with the requirements of the Australian Charities and Not for Profits Commission Act 2012 including Accounting Standards - Reduced Disclosure Requirements; and

(b) give a true and fair view of the financial position as at 30th June 2019 and performance for the year ended on that date; and

2. In the directors' opinion there are reasonable grounds to believe that 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 Board of Directors.

Director



Dated this the 31st day of January 2020

AUDITORS INDEPENDENCE DECLARATION

To the Directors

We declare that, to the best of our knowledge and belief, during the year ended 30 June 2019 there have been no contraventions of any applicable code of professional conduct in relation to the audit.

Robert White



Advanced Accountants RTM Pty Ltd
Partner

Dated this the 31st day of January 2020
19 Abney Street, Moorooka 4105

Love Your World & Controlled Entities
 ABN 91 158 841 180
Balance Sheet
 As at 30 June 2019

	Notes	2019 \$	2018 \$
Current Assets			
Cash and Cash Equivalents	7	1,785	2,614
Financial Assets	7	2,657,713	1,822,340
Other Current Assets	4	<u>364,810</u>	<u>514,676</u>
Total Current Assets		<u><u>3,024,307</u></u>	<u><u>2,339,630</u></u>
Non-Current Assets			
Financial Assets	7	2,357,590	2,357,348
Total Non-Current Assets		<u>2,357,590</u>	<u>2,357,348</u>
Total Assets		<u><u>5,381,897</u></u>	<u><u>4,696,978</u></u>
Current Liabilities			
Payables & Borrowings	5	2,709,002	3,125,156
Total Current Liabilities		<u>2,709,002</u>	<u>3,125,156</u>
Non-Current Liabilities			
Total Liabilities		<u>2,709,002</u>	<u>3,125,156</u>
Net Assets		<u><u>2,672,895</u></u>	<u><u>1,571,822</u></u>
Accumulated Funds and Reserves			
Accumulated Funds		2,672,895	1,571,822
Reserves		<u>-</u>	<u>-</u>
		<u><u>2,672,895</u></u>	<u><u>1,571,822</u></u>

The accompanying notes form part of, and are to be read in conjunction with, this financial statement

Love Your World & Controlled Entities

Statement of Comprehensive Income

ABN 91 158 841 180

	Notes	2019 \$	2018 \$
Operating Surplus/(Deficit) for the year		737,048	(71,890)
Other Comprehensive Income			
Net Franking Credit Refund		364,025	457,346
Total Comprehensive Income for the Year		<u>1,101,073</u>	<u>385,456</u>

Statement of Changes in Equity and Accumulated Funds and Reserves

ABN 91 158 841 180

Accumulated Funds

Accumulated funds at the beginning of the year	1,571,822	1,186,366
Total Comprehensive Income for the Year	<u>1,101,073</u>	<u>385,456</u>
Accumulated funds at the end of the year	<u>2,672,895</u>	<u>1,571,822</u>

Reserves

Balance at the beginning of the year	-	-
Balance at the end of the year	<u>-</u>	<u>-</u>

The accompanying notes form part of, and are to be read in conjunction with, this financial statement.

Love Your World & Controlled Entities

Statement of Operating Income

ABN 91 158 841 180

	Note	2019 \$	2018 \$
Revenue			
Interest Income		126,511	109,333
Other income		1,131,018	280
Total Revenue		<u>1,257,529</u>	<u>109,614</u>
Expenses			
Bank Fees		1,228	435
Interest Paid		377	3,725
Computer Expenses		16	16
Donations		-	116,806
Fees and Charges		254	249
General Church Expenses		6,440	-
Employment Expenses		281,503	11,044
Superannuation Expenses		1,288	247
Ministry Expenses		229,209	47,825
Other Expenses		167	1,157
Total Expenses		<u>520,482</u>	<u>181,504</u>
Operating Surplus / (Deficit) for the Year	3	<u>737,048</u>	<u>(71,890)</u>

The accompanying notes form part of, and are to be read in conjunction with, this financial statement.

Love Your World & Controlled Entities

Statement of Cash Flows

ABN 91 158 841 180

	Notes	2019 \$	2018 \$
Cash Flows from/(used in) Operating Activities			
Payments to suppliers and employees		(520,105)	(177,779)
Interest, equity and other income		1,276,743	109,614
Net Cash Flows from/(used in) Operating Activities		<u>756,637</u>	<u>(68,165)</u>
Cash Flows from Investing Activities			
Increase/(decrease) in Loans		(835,373)	(101,432)
Sales proceeds from sale of assets			
Payments for property, plant and equipment		0	0
Proceeds from disposal of investments		0	0
Increase/(decrease) in GST Payable/Recoverable		10,546	(316)
Net Cash Flows from Investing Activities		<u>(824,827)</u>	<u>(101,748)</u>
Cash Flows from Financing Activities			
Proceeds/(Repayments) of Borrowings		67,359	170,013
Net Cash Flows from Financing Activities		<u>67,359</u>	<u>170,013</u>
Net increase (decrease) in cash held		(830)	100
Cash at the beginning of the financial year		2,614	2,514
Cash at the end of the financial year		<u>1,785</u>	<u>2,614</u>
Cash at the end of the financial year as shown in the statement of cash flows is reconciled to the related items in the balance sheet as follows:			
Cash at bank and on hand		<u>1,785</u>	<u>2,614</u>

The accompanying notes form part of, and are to be read in conjunction with, this financial statement.

Love Your World & Controlled Entities
Notes to the Financial Statements
ABN 91 158 841 180

1 Significant Accounting Policies

The principal accounting policies adopted by Love Your World are stated to assist in a general understanding of these financial statements. These policies have been consistently applied unless otherwise indicated.

The Financial Statements are general purpose statements that have been prepared in accordance with the requirements of the Australian Charities and Not for Profits Commission Act 2012 including Australian Accounting Standards - Reduced Disclosure Requirements of the Australian Accounting Standards Board (AASB). Australian Accounting Standards set out accounting policies that the AASB has concluded would result in financial statements containing relevant and reliable information about transactions events and conditions. Material accounting policies adopted in the preparation of these financial statements are presented below and have been consistently applied unless otherwise stated.

All amounts in this report are presented in Australian dollars.

The Group consists of the following entities:

Love Your World (91 158 841 180) operates primarily in the area of Evangelism & Advancing Religion

The Promise Qld Pty Ltd (53 158 275 640) operates primarily as an investment entity to fund the operations of Love Your World.

a Basis of Accounting

The financial statements have been prepared under the historical cost convention and except where stated do not take into account current valuations of non-current assets. Cost is based on the fair values of the consideration given in exchange for assets.

b Property Plant & Equipment

The company does not own any Property Plant and Equipment

c Depreciation and Amortisation of Plant and Equipment

The company does not own any Property Plant and Equipment

Love Your World & Controlled Entities
Notes to the Financial Statements
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Significant Accounting Policies(Continued)

d Financial Instruments

AASB 9 Financial Instruments

AASB 9 Financial Instruments replaces AASB 139 Financial Instruments: Recognition and Measurement. The new standard makes potentially major changes to the previous guidance on the classification and measurement of financial assets and introduces an 'expected credit loss' model for impairment of financial assets. There has been no significant impact arising from the adoption of the new standard.

Recognition, initial measurement and derecognition

Financial assets and financial liabilities are recognised when the Entity becomes a party to the contractual provisions of the financial instrument, and are measured initially at fair value adjusted by transactions costs, except for those carried at fair value through profit or loss, which are measured initially at fair value. Subsequent measurement of financial assets and financial liabilities are described below. Financial assets are derecognised when the contractual rights to the cash flows from the financial asset expire, or when the financial asset and all substantial risks and rewards are transferred. A financial liability is derecognised when it is extinguished, discharged, cancelled or expires.

Classification and subsequent measurement of financial assets

Except for those trade receivables that do not contain a significant financing component and are measured at the transaction price, all financial assets are initially measured at fair value adjusted for transaction costs (where applicable).

For the purpose of subsequent measurement, financial assets other than those designated and effective as hedging instruments are classified into the following categories upon initial recognition:

- amortised cost
- fair value through profit or loss (FVPL)
- equity instruments at fair value through other comprehensive income (FVOCI)

Classifications are determined by both:

- the entity's business model for managing financial assets
- the contractual cash flow characteristics of the financial assets

Love Your World & Controlled Entities
Notes to the Financial Statements
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Significant Accounting Policies(Continued)

d Financial Instruments (continued)

Subsequent measurement financial assets

Financial assets at amortised cost

Financial assets are measured at amortised cost if the assets meet the following conditions (and are not designated as FVPL):

- they are held within a business model whose objective is to hold the financial assets and collect its contractual cash flows
- the contractual terms of the financial assets give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding

After initial recognition, these are measured at amortised cost using the effective interest method. Discounting is omitted where the effect of discounting is immaterial. The Entity's cash and cash equivalents, trade and most other receivables fall into this category of financial instruments as well as long-term deposit that were previously classified as held-to-maturity under AASB 139.

Financial assets at fair value through profit or loss (FVPL)

Financial assets that are held within a different business model other than 'hold to collect' or 'hold to collect and sell' are categorised at fair value through profit and loss. Further, irrespective of business model financial assets whose contractual cash flows are not solely payments of principal and interest are accounted for at FVPL. All derivative financial instruments fall into this category, except for those designated and effective as hedging instruments, for which the hedge accounting requirements apply

Equity instruments at fair value through other comprehensive income (Equity FVOCI)

Investments in equity instruments that are not held for trading are eligible for an irrevocable election at inception to be measured at FVOCI. Under Equity FVOCI, subsequent movements in fair value are recognised in other comprehensive income and are never reclassified to profit or loss. Dividend from these investments continue to be recorded as other income within the profit or loss unless the dividend clearly represents return of capital.

Impairment of Financial assets

AASB 9's impairment requirements use more forward looking information to recognize expected credit losses -the 'expected credit losses (ECL) model'. Instruments within the scope of the new requirements included loans and other debt-type financial assets measured at amortised cost and FVOCI, trade receivables and loan commitments and some financial guarantee contracts (for the issuer) that are not measured at fair value through profit or loss.

Love Your World & Controlled Entities
Notes to the Financial Statements
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Significant Accounting Policies(Continued)

d Financial Instruments (continued)

The Entity considers a broader range of information when assessing credit risk and measuring expected credit losses, including past events, current conditions, reasonable and supportable forecasts that affect the expected collectability of the future cash flows of the instrument. Measurement of the expected credit losses is determined by a probability-weighted estimate of credit losses over the expected life of the financial instrument.

Classification and measurement of financial liabilities

As the accounting for financial liabilities remains largely unchanged from AASB 139, the Entity's financial liabilities were not impacted by the adoption of AASB 9. However, for completeness, the accounting policy is disclosed below.

The Entity's financial liabilities include borrowings and trade and other payables.

Financial liabilities are initially measured at fair value, and, where applicable, adjusted for transaction costs unless the Entity designated a financial liability at fair value through profit or loss.

Subsequently, financial liabilities are measured at amortised cost using the effective interest method except for derivatives and financial liabilities designated at FVPL, which are carried subsequently at fair value with gains or losses recognised in profit or loss (other than derivative financial instruments that are designated and effective as hedging instruments).

All interest-related charges and, if applicable, changes in an instrument's fair value that are reported in profit or loss are included within finance costs or finance income.

e Employee Entitlements

No provisions were made for employee entitlements.

f Cash Flows

For the purpose of the statement of cash flows, cash includes cash on hand, cash at bank, and financial instruments immediately convertible into cash.

g Revenue Recognition

Operating revenue includes interest revenue. Interest revenue is recognised as income as it accrues. Dividend income from investments is recognised upon receipt. Dividend income and trust distributions are recognised as other income.

Significant Accounting Policies(Continued)

h Comparative Figures

Where the presentation of figures has been changed since last year the comparative figures have also been adjusted to facilitate comparison.

i Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Tax Office. In these circumstances, the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expenses. Receivables and payables in the balance sheet are shown inclusive of GST.

j Impairment of Assets

At each reporting date the board reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists then the board estimates the recoverable amount of the cash-generating unit to which the asset belongs, being the higher of fair value less costs to sell and value in use.

k Income Tax

The Company is a company limited by guarantee which is a tax concession charity registered with the Australian Charities and Not for Profits Commission. Love Your World is income tax exempt.

l Critical Accounting Estimates and Judgements

The directors evaluate estimates and judgements incorporated into the financial statements based on historical knowledge and best available current information. Estimates assume as reasonable expectation of future events and are based on current trends and economic data, obtained both externally and within the company.

m Key Judgements

The company holds managed funds as shown in Note 7 the carrying value of which is based on cost. The directors are of the view that no provision for impairment is required at this time.

n Accounting standards issued but not yet effective

The following standards and interpretations have been issued by the AASB but are not yet effective: AASB 16 Leases - effective 1 January 2019 requires all lessees to recognise assets and liabilities for all leases with a term of more than 12 months and also includes disclosure requirements for lessees. AASB 2016-2 Recoverable amount of non-cash generating specialised assets of NFP Entities removes the need to consider AASB 136 but requires NFP's holding such assets to determine recoverable amounts using current replacement cost in AASB 13.

Love Your World & Controlled Entities
Notes to the financial Statements
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	2019	2018
	\$	\$
2 Revenue		
Operating Revenue		
Interest	126,511	109,333
Other Investment Income	1,131,018	280
	<u>2,388,548</u>	<u>109,895</u>
3 Operating Surplus/(Deficit)		
The operating result has been determined after:		
Crediting:		
* Interest income	<u>126,511</u>	<u>109,333</u>
Charging as expense:		
* Auditors Remuneration - Auditing Services	<u>5,500</u>	<u>-</u>
* Employee Benefits Expense	<u>282,791</u>	<u>11,290</u>
4 Other Current Assets		
Other Receivables	<u>364,810</u>	<u>514,676</u>
	<u>364,810</u>	<u>514,676</u>

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Love Your World & Controlled Entities

Notes to the Financial Statements
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	2019 \$	2018 \$
5 Payables & Borrowings		
GST Payable/(Recoverable)	10,231	(316)
Loans Payable	2,590,672	2,523,313
Other Creditors	108,099	602,158
	<u>2,709,002</u>	<u>3,125,156</u>
6 Members' Guarantees		
The Company is a Company limited by guarantee.		
Pursuant to the Constitution of the Company every member has undertaken, in the event of winding up, to contribute an amount not exceeding \$1 for the payment of the Company's debts and liabilities and the expenses of the winding up.		
7 Financial Assets		
Current		
Loans receivable	2,657,713	1,822,340
Total current assets	<u>2,657,713</u>	<u>1,822,340</u>
Non-current		
Shares - Australia	2,357,580	2,357,338
Other equity investments	10	10
Total Financial Assets	<u>2,357,590</u>	<u>2,357,348</u>
Cash and cash equivalents		
Cash at Bank	1,685	2,514
Cash on Hand	100	100
	<u>1,785</u>	<u>2,614</u>

Love Your World & Controlled Entities

Notes to the financial Statements

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8 Segment Reporting

Love Your World operates primarily in the Brisbane area.

It is based in Brisbane QLD.

9 Related Party Information

Name of the related party	Relationship	Nature of transaction	Amount
			\$
Privium Pty Ltd	Entity related to members	Revenue	850,000

10 Key Management Personnel Compensation

	2019	2018
	\$	\$
Key Management Personnel (KMP) Compensation	210,153	8,448

The totals represent the remuneration paid to key management personnel (KMP). Some of the leadership roles were filled only for part of the year.

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Love Your World & Controlled Entities

Notes to the financial Statements

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11 Commitment and Contingencies

The company does not have any commitments and contingencies

12 Events after the Reporting Period

The Directors are not aware of any significant events since the end of the reporting period.

13 Parent Entity

Information relating to Love Your World ('the parent entity')

Statement of Financial Position

	2019	2018
	\$	\$
Current assets	2,908,293	1,714,568
Non-current assets	312	70
Total assets	<u>2,908,605</u>	<u>1,714,638</u>
Current liabilities	396366.27	176,763
Non-current liabilities	<u>0</u>	<u>0</u>
Total liabilities	<u>396,366</u>	<u>176,763</u>
Net Assets	<u>2,512,239</u>	<u>1,537,875</u>
Equity		
Retained earnings	2,512,239	1,537,875
Reserves		
Total Equity	<u>2,512,239</u>	<u>1,537,875</u>

Love Your World & Controlled Entities

Notes to the financial Statements

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14 Parent entity (continued)	2019	2018
	\$	\$
Statement of Financial Performance		
Operating surplus/(deficit) for the period (excluding dividends received from controlled entities)	(239,922)	(176,466)
Franking Credit Refund	364,286	514,341
Dividends received from controlled entities	850,000	1,200,000
Surplus for the period	974,364	1,537,875

15 Subsidiaries

Details of the Company's controlled entities at 30 June 2019 are as follows:

Name of subsidiary	Principal activity	Place of incorporation and operation	Proportion of ownership interest and voting power held
			30 June 2019
The Promise Qld Pty Ltd	Investments	Australia	100%



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INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF
LOVE YOUR WORLD LTD

ACN 158 841 180

REPORT on the Audit of the Financial Report

Opinion

We have audited the financial report of Love Your World Ltd (the company), which comprises the Statement of Financial Position as at 30 June 2019, Statement of Comprehensive Income, Statement of Changes in Equity and Statement of Cash Flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information, and the certification by members of the Board on the annual statements giving a true and fair view of the financial position and performance of the company.

In our opinion, the accompanying financial report presents fairly, in all material respects, the financial position of the company as at 30 June 2019 and of its financial performance for the year then ended in accordance with the accounting policies described in Note 1 to the financial statements and the requirements of the Australian Charities and Not for Profits Commission Act 2012.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Report section of our report. We are independent of the company in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110: Code of Ethics for Professional Accountants (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of the Board for the Financial Report

The Board is responsible for the preparation and fair presentation of the financial report in accordance with the financial reporting requirements of the constitution Australian Charities and Not for Profits Commission Act 2012 and for such internal control as the Board determines is necessary to enable the preparation and fair presentation of a financial report that is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the Board is responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless the Board either intends to liquidate the company or to cease operations, or has 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 this financial report.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial report.

As part of an audit in accordance with Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board.
- Conclude on the appropriateness of the Board's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the Board regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Auditor's name and signature:



Robert White

Registered Company Auditor (# 5902)

Registered SMSF Auditor (# 100211005)

Public Accountant (MIPA # 222132)

Name of firm:

Advanced Accountants RTM Pty Ltd

Dated:

31 January 2020

