ST JOHN
AMBULANCE
AUSTRALIA INC.

FINANCIAL REPORT

FOR HALF YEAR ENDED
30 JUNE 2019
(2018 FULL YEAR COMPARATIVES)

St John

Australian Office

St John Ambulance Australia Inc.
10–12 Campion Street (PO Box 292)
Deakin West ACT 2600
T (02) 6239 9201
E enquiries©stjohn.org.au
www.stjohn.org.au

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From the **Receiver General**

The financial statements contained in this report are the last for the Incorporated Association format that has served us for so long. With our transition to a Company Limited by Guarantee structure effective from 1 July 2019 there are positive changes as we embrace contemporary governance; a new Constitution, a new Board and, in my case, this report will be the last as Receiver General. I pay tribute to my esteemed predecessors affectionately known as 'RG' for over seven decades.

To align with the majority of companies in Australia, a July to June financial year will be adopted which is why this particular report is only for the six month period from January to June 2019.

Total surplus for the June 2019 half year was $627 000 (2018 full year $2 million loss) achieved through a continuing strong performance by the National Product Sourcing Unit and an uplift in the investment portfolio. State and Territory entities' contribution towards Australian Office functions is acknowledged, but withdrawals from investments were still required to offset budget pressures.

During the half year I chaired meetings of both the Risk and Compliance Committee and the Budget Committee as necessary. Coinciding with the end of the Association these committees will now cease, and I sincerely thank all past and present members for their valuable participation and support over so many years.

Despite all the changes mentioned above, for me the constant in St John Ambulance is the wonderful dedication of staff and volunteers throughout the Priory as we pursue our purpose in supporting the community.

Glen Brewer KStJ
Receiver General

The **Auditor's report**

MTJ ManserTierney&Johnston
Chartered Accountants & Wealth Management

ST. JOHN AMBULANCE AUSTRALIA INCORPORATED
ABN 83 373 110 633

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ST. JOHN AMBULANCE AUSTRALIA INCORPORATED

Opinion

We have audited the financial report of St. John Ambulance Australia Incorporated (the association) which comprises the statement of financial position as at 30 June 2019, the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the six months then ended, and notes to the financial statements, including a summary of significant accounting policies, and the declaration by members of the committee.

In our opinion, the accompanying financial report of St. John Ambulance Australia Incorporated has been prepared in accordance with the *Associations Incorporation Act 1991 (ACT)* and Division 60 of the *Australian Charities and Not-for-profits Commission Act 2012*, including:

a) giving a true and fair view of the association's financial position as at 30 June 2019 and of its financial performance for the six months then ended; and

b) complying with Australian Accounting Standards to the extent described in Note 1 to the Financial Statements and Division 60 of the *Australian Charities and Not-for-profits Commission Regulation 2013*.

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 association 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 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.

Emphasis of Matter – Basis of Accounting

We draw attention to Note 1 to the financial report, which describes the basis of accounting. The financial report has been prepared to assist the association to meet the requirements of the *Associations Incorporation Act 1991 (ACT)* and for the purpose of fulfilling the association's financial reporting requirements under the *Australian Charities and Not-for-profits Commission Act 2012*. As a result, the financial report may not be suitable for another purpose. Our opinion is not modified in respect of this matter.

MTJ Audit Pty Ltd ABN 79 612 252 310
Taxation & Business Advice · Self Managed Superannuation
Audit & Assurance · Wealth Management

Level 1, 20 Railway Avenue Wahroonga NSW 2076
PO Box 63 Wahroonga NSW 2076
Tel. 02 9487 2333 Email. mtjadmin@mtj.com.au
Fax. 02 9487 2109 Web. www.mtj.com.au

ManserTierney&Johnston
Chartered Accountants & Wealth Management

ST. JOHN AMBULANCE AUSTRALIA INCORPORATED
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INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ST. JOHN AMBULANCE AUSTRALIA INCORPORATED

Responsibilities of the Committee for the Financial Report

The committee of the association is responsible for the preparation of the financial report that gives a true and fair view and have determined that the basis of preparation described in Note 1 of the Financial Statements is appropriate to meet the requirements of the *Associations Incorporation Act 1991 (ACT)* and the *Australian Charities and Not-for-profits Commission Act 2012*. The committee's responsibility also includes such internal control as the committee determines is necessary to enable the preparation of a financial report that gives true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the committee is responsible for assessing the association's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the committee either intends to liquidate the association 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 this 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 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 to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the association's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the committee.

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The Auditor's report, continued

ManserTierney&Johnston
Chartered Accountants & Wealth Management

ST. JOHN AMBULANCE AUSTRALIA INCORPORATED
ABN 83 373 110 633

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF
ST. JOHN AMBULANCE AUSTRALIA INCORPORATED

- Conclude on the appropriateness of the committee' 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 association'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 association 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 committee 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.

Signed at Wahroonga this 19th day of October 2019.

MTJ AUDIT PTY LTD

DANE TIERNEY
Partner
Registered Company Auditor 443860

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The **Committee's report**

Our Committee members submit the financial statements of St John Ambulance Australia Incorporated for the half year ended 30 June 2019.

Current directors of St John Ambulance Australia Ltd

Ms Virginia Burke
Mr Glen Brewer
Ms Sally Hasler
Professor Peter Leggat
Mr Sean McGuinness
Mr Cameron Oxley

Committee members

The names of Committee members throughout the year and at the date of this report are:

Ms Virginia Bourke
Mr Glen Brewer
Mr Bill Bunton until 30 June 2019*
Mr Peter Carew until 30 June 2019*
Professor Mark Compton until 24 June 2019
Ms Sally Hasler
Professor Peter Leggatt
Mr Shayne Leslie until 30 June 2019*
Ms Karen Limb until 30 June 2019*
Mr Sean McGuinness
Mr Cameron Oxley
Mr Steve Smith until 30 June 2019*
Ms Shirley Watson until 30 June 2019*

*before cessation of the Incorporated Association.

Principal activities

The principal activity of the Association during the financial year were:

- the national administration and policy-making of St John Ambulance Australia and its charitable first aid and community service work
- the production of learning resources for the teaching of first aid and ancillary subjects to the community; the instruction and accreditation of members of the Organisation; product supply through State and Territory organisations to the general public
- the assembly and supply of first aid kits and associated items to members of St John Ambulance Australia and through State and Territory organisations to the general public.

Significant changes

The Committee resolved to cancel the Association's Incorporation as at 30 June, and for the Association to become a company limited by guarantee.

Operating result

The net surplus of the Association for the financial year amounted to $626 950.

Signed in accordance with a resolution of the members of the Committee.

Mr Cameron Oxley
Chancellor

Mr Glen Brewer
Receiver General

Dated this 19th day of October 2019.

Declaration by members of the Committee

In accordance with a resolution of the Committee of St John Ambulance Australia Incorporated, the members of the Committee declare that:

1. the attached financial statements as set out on pages 7–25 present a true and fair view of the financial position of St John Ambulance Australia Incorporated as at 30 June 2019, and its financial performance, for the half year ended on that date, is in accordance with the accounting policies described in Note 1 to the financial statements, the requirements of the *Associations Incorporation Act 1991* (ACT) and the *Australian Charities and Not-for-profits Commission Act 2012*; and
2. at the date of this statement, there are reasonable grounds to believe that St John Ambulance Australia Incorporated is able to pay all of its debts as and when they become due and payable.

This declaration is signed in accordance with subsection 60.15(2) of the *Australian Charities and Not-for-profits Commission Regulation 2013*.

Signed in accordance with a resolution of the members of the Committee.

Mr Cameron Oxley
Chancellor

Mr Glen Brewer
Receiver General

Dated this 19th day of October 2019.

Statement of comprehensive income

for the half year (HY) ended 30 June 2019

	Note	2019 HY $	2018 FY $
Revenues from ordinary activities	2	7 701 402	11 866 785
Cost of sales of learning resources, first aid kits, components, and uniforms	3a	(4 574 369)	(6 881 722)
Employee benefits expense		(1 040 911)	(2 028 800)
Depreciation and amortisation expenses	3a	(93 413)	(101 236)
Amortisation — right-of-use asset	3a	(21 486)	—
Interest expense — lease liability	3a	(52 278)	—
Other expenses from ordinary activities		(2 190 696)	(3 490 839)
One-off item — write-off website	9	—	(592 460)
Non-operating item — revaluation of financial assets		898 701	(771 531)
Total surplus (deficit) for the year	3d	626 950	(1 999 804)

Statement of financial position

for the half year (HY) ended 30 June 2019

	Note	2019 $	2018 $
Current assets			
Cash assets	4	1 548 342	984 203
Receivables	5	1 916 240	1 747 630
Inventories	6	660 163	656 134
Prepayments	7	147 566	279 131
Right-of-use asset — NPSU lease	7	48 832	—
Total current assets		4 321 142	3 667 098
Non-current assets			
Receivables	5	790 000	850 000
Other financial assets	8	10 101 061	9 749 754
Property, plant and equipment	9	3 021 248	3 020 071
Total non-current assets		13 912 309	13 619 825
Total assets		18 233 451	17 286 923
Current liabilities			
Payables	10	1 497 405	1 245 925
Provisions	11	360 524	310 471
Other	12	7 100	53 214
Lease liability—NPSU lease	10	10 707	—
Total current liabilities		1 875 736	1 609 610
Non-current liabilities			
Lease liability—NPSU Lease	10	53 452	—
Total non-current liabilities		53 452	—
Total liabilities		1 929 188	1 609 610
Net assets		16 304 261	15 677 312
Equity			
Reserves	13	227 389	202 484
Retained surplus	14	16 076 872	15 474 827
Total equity		16 304 261	15 677 312

Statement of cash flows

for the half year (HY) ended 30 June 2019

	Note	2019 HY $	2018 FY $
Cash flow from operating activities			
Receipts from customers		7 489 530	10 700 801
Investment Income		22 919	88 459
Payments to suppliers and employees		(7 480 611)	(11 985 012)
Net cash provided by (used in) operating activities	20b.	31 838	(1 195 752)
Cash flow from investing activities			
Proceeds from sale of property, plant and equipment		9 000	26 364
Payment for property and plant		(101 695)	(254 081)
Transfer from managed portfolio		624 996	1 174 894
Transfer to Bell Reserve			
Net cash provided by (used in) investing activities		532 301	947 177
Cash flow from financing activities		—	—
Net increase (decrease) in cash held		564 139	(248 575)
Cash at beginning of the year		984 203	1 232 778
Cash at end of the year	20a.	1 548 342	984 203

Statement of changes in equity

for the half year (HY) ended 30 June 2019

	Note	2019 HY $	2018 FY $
Reserves	13		
Opening balance 1 January		202 484	240 928
Add: movements to/(from) Reserves		24 905	(38 444)
Closing balance at 30 June		227 389	202 484
Retained profits	14		
Retained profits at 1 January		15 474 826	17 436 187
Add: operating surplus/(deficit) for the year		626 950	(1 999 804)
		16 101 776	15 436 383
Add: transfers (to)/ from Reserves		24 905	(38 444)
Retained profits at 30 June		16 076 872	15 474 827
Total equity		16 304 261	15 677 312

Notes to the financial statements

for the half year (HY) ended 30 June 2019

Note

1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Financial reporting framework

The Committee has prepared the financial statements on the basis that the association is a non-reporting entity because there are no users who are dependent on its general purpose financial statements. These financial statements are therefore special purpose financial statements that have been prepared in order to meet the requirements of the *Associations Incorporation Act 1991* (ACT) and the *Australian Charities and Not-for-profits Commission Act 2012*. The association is a not-for-profit entity for financial reporting purposes under Australian Accounting Standards.

The financial statements have been prepared in accordance with the mandatory Australian Accounting Standards applicable to entities reporting under the *Australian Charities and Not-for-profits Commission Act 2012* and the significant accounting policies disclosed below, which the committee has determined are appropriate to meet the needs of members. Such accounting policies are consistent with those of previous periods unless stated otherwise.

Statement of compliance

The financial statements have been prepared in accordance with the mandatory Australian Accounting Standards applicable to entities reporting under the *Australian Charities and Not-for-profits Commission Act 2012*, the basis of accounting specified by all Australian Accounting Standards and Interpretations, and the disclosure requirements of accounting standards AASB 101: *Presentation of Financial Statements*; AASB 107: *Cash Flow Statements*; AASB 108: *Accounting Policies, Changes in Accounting Estimates and Errors*; AASB 1031: *Materiality*; and AASB 1054: *Australian Additional Disclosures*.

Basis of preparation

The financial statements, except for the cash flow information, have been prepared on an accruals basis and are based on historical costs unless otherwise stated in the notes. Material accounting policies adopted in the preparation of these financial statements are presented below and have been consistently applied unless stated otherwise. The amounts presented in the financial statements have been rounded to the nearest dollar.

The financial statements were authorised for issue on 30 November 2019 by the members of the Committee.

ACCOUNTING POLICIES

a REVENUE

Non-reciprocal grant revenue is recognised in the profit or loss when the entity obtains control of the grant and it is probable that the economic benefits gained from the grant will flow to the entity and the amount of the grant can be measured reliably.

If conditions are attached to the grant which must be satisfied before it is eligible to receive the contribution, the recognition of the grant as revenue will be deferred until those conditions are satisfied.

When grant revenue is received whereby the entity incurs an obligation to deliver economic value directly back to the contributor, this is considered a reciprocal transaction and the grant revenue is recognised in the statement of financial position as a liability until the service has been delivered to the contributor, otherwise the grant is recognised as income on receipt.

St John Ambulance Australia Incorporated receives non-reciprocal contributions of assets from the government and other parties for zero or a nominal value. These assets are recognised at fair value on the date of acquisition in the statement of financial position, with a corresponding amount of income recognised in profit or loss.

Donations and bequests are recognised as revenue when received.

1 a Interest revenue is recognised as it accrues using the effective interest method which, for floating rate financial assets, is the rate inherent in the instrument. Dividend revenue is recognised when the right to receive a dividend has been established.

Revenue from the rendering of a service is recognised upon the delivery of the service to the customers.

All revenue is stated net of the amount of goods and services tax.

b INVENTORIES

Inventories are measured at the lower of cost and current replacement cost.

Inventories acquired at no cost, or for nominal consideration, are valued at the current replacement cost as at the date of acquisition.

PROPERTY, PLANT AND EQUIPMENT

Plant and equipment

Plant and equipment are measured on the cost basis less depreciation and any impairment losses.

The carrying amount of plant and equipment is reviewed annually by the Committee to ensure it is not in excess of the recoverable amount from these assets. The recoverable amount is assessed on the basis of the expected net cash flows that will be received from the assets' employment and subsequent disposal. The expected net cash flows have been discounted to their present values in determining recoverable amounts.

In the event the carrying amount of plant and equipment is greater than the recoverable amount, the carrying amount is written down immediately to the estimated recoverable amount. A formal assessment of the recoverable amount is made when impairment indicators are present (refer to Note 1(e) for details of impairment).

Plant and equipment that have been contributed at no cost, or for nominal cost, are valued and recognised at the fair value of the asset at the date it is acquired.

Depreciation

The depreciable amount of all fixed assets, including buildings and capitalised lease assets, but excluding freehold land, is depreciated on a straight line basis over the asset's useful life to the company commencing from the time the asset is available for use.

Leasehold improvements are depreciated over the shorter of either the unexpired period of the lease or the estimated useful lives of the improvements.

The depreciation rates used for each class of depreciable assets are:

Class of fixed asset	Depreciation rate
Buildings	2.5%
Plant and equipment	10% to 30%

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains or losses are recognised in profit or loss in the period in which they arise. When revalued assets are sold, amounts included in the revaluation surplus relating to that asset are transferred to retained earnings.

c LEASES

Leases of fixed assets, where substantially all the risks and benefits incidental to the ownership of the asset (but not the legal ownership) are transferred to entities in the economic entity, are classified as finance leases.

Finance leases are capitalised by recording an asset and a liability at the lower of the amounts equal to the fair value of the leased property or the present value of the minimum lease payments, including any guaranteed residual values. Lease payments are allocated between the reduction of the lease liability and the lease interest expense for the period.

1 **c** Leased assets are depreciated on a straight-line basis over the shorter of their estimated useful lives or the lease term.

Lease payments for operating leases, where substantially all the risks and benefits remain with the lessor, are charged as expenses on a straight-line basis over the lease term.

d FINANCIAL INSTRUMENTS

Initial recognition and measurement

Financial assets and financial liabilities are recognised when the entity becomes a party to the contractual provisions to the instrument. For financial assets, this is equivalent to the date that the association commits itself to either purchase or sell the asset (ie trade date accounting is adopted).

Financial instruments are initially measured at fair value plus transaction costs except where the instrument is classified "at fair value through profit or loss", in which case transaction costs are expensed to profit or loss immediately.

Classification and subsequent measurement

Financial instruments are subsequently measured at fair value, amortised cost using the effective interest method, or cost. Where available, quoted prices in an active market are used to determine fair value. In other circumstances, valuation techniques are adopted.

Amortised cost is calculated as the amount at which the financial asset or financial liability is measured at initial recognition less principal repayments and any reduction for impairment, and adjusted for any cumulative amortisation of the difference between that initial amount and the maturity amount calculated using the effective interest method.

The effective interest method is used to allocate interest income or interest expense over the relevant period and is equivalent to the rate that exactly discounts estimated future cash payments or receipts (including fees, transaction costs and other premiums or discounts) through the expected life (or when this cannot be reliably predicted, the contractual term) of the financial instrument to the net carrying amount of the financial asset or financial liability. Revisions to expected future net cash flows will necessitate an adjustment to the carrying value with a consequential recognition of an income or expense item in profit or loss.

Fair value is determined based on current bid prices for all quoted investments. Valuation techniques are applied to determine the fair value for all unlisted securities, including recent arm's length transactions, reference to similar instruments and option pricing models.

i. Financial assets at fair value through profit or loss

Financial assets are classified at "fair value through profit or loss" when they are either held for trading for the purpose of short-term profit taking, derivatives not held for hedging purposes, or when they are designated as such to avoid an accounting mismatch or to enable performance evaluation where a group of financial assets is managed by key management personnel on a fair value basis in accordance with a documented risk management or investment strategy. Such assets are subsequently measured at fair value with changes in carrying value being included in profit or loss.

ii. Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and are subsequently measured at amortised cost. Gains or losses are recognised in profit or loss through the amortisation process and when the financial asset is derecognised.

iii. Held-to-maturity investments

Held-to-maturity investments are non-derivative financial assets that have fixed maturities and fixed or determinable payments, and it is the association's intention to hold these investments to maturity. They are subsequently measured at amortised cost. Gains or losses are recognised in profit or loss through the amortisation process and when the financial asset is derecognised.

1 d iv. Available-for-sale financial assets

Available-for-sale investments are non-derivative financial assets that are either not capable of being classified into other categories of financial assets due to their nature or they are designated as such by management. They comprise investments in the equity of other entities where there is neither a fixed maturity nor fixed or determinable payments.

They are subsequently measured at fair value with any remeasurements other than impairment losses and foreign exchange gains and losses recognised in other comprehensive income. When the financial asset is derecognised, the cumulative gain or loss pertaining to that asset previously recognised in other comprehensive income is reclassified into profit or loss.

Available-for-sale financial assets are classified as non-current assets when they are expected to be sold within 12 months after the end of the reporting period. All other available-for-sale financial assets are classified as current assets.

v. Financial liabilities

Non-derivative financial liabilities other than financial guarantees are subsequently measured at amortised cost. Gains or losses are recognised in profit or loss through the amortisation process and when the financial liability is derecognised.

IMPAIRMENT

At the end of each reporting period, the association assesses whether there is objective evidence that a financial asset has been impaired. A financial asset or a group of financial assets is deemed to be impaired if, and only if, there is objective evidence of impairment as a result of one or more events (a "loss event") that has occurred, which has an impact on the estimated future cash flows of the financial asset(s).

In the case of available-for-sale financial assets, a significant or prolonged decline in the market value of the instrument is considered to constitute a loss event. Impairment losses are recognised in profit or loss immediately. Also, any cumulative decline in fair value previously recognised in other comprehensive income is reclassified to profit or loss at this point.

In the case of financial assets carried at amortised cost, loss events may include indications that the debtors or a group of debtors is experiencing significant financial difficulty, default or delinquency in interest or principal payments, indications that they will enter bankruptcy or other financial reorganisation and changes in arrears or economic conditions that correlate with defaults.

For financial assets carried at amortised cost (including loans and receivables), a separate allowance account is used to reduce the carrying amount of financial assets impaired by credit losses. After having taken all possible measures of recovery, if the management establishes that the carrying amount cannot be recovered by any means, at that point the writing off amounts are charged to the allowance account or the carrying amount of impaired financial assets is reduced directly if no impairment amount was previously recognised in the allowance account.

When the terms of financial assets that would otherwise have been past due or impaired have been renegotiated, the association recognises the impairment for such financial assets by taking into account the original terms as if the terms have not been renegotiated so that the loss events that have occurred are duly considered.

DERECOGNITION

Financial assets are derecognised where the contractual rights to receipt of cash flows expire or the asset is transferred to another party whereby the entity no longer has any significant continuing involvement in the risks and benefits associated with the asset. Financial liabilities are derecognised where the related obligations are discharged, cancelled or expired. The difference between the carrying amount of the financial liability, which is extinguished or transferred to another party, and the fair value of consideration paid, including the transfer of non-cash assets or liabilities assumed, is recognised in profit or loss.

1 e IMPAIRMENT OF ASSETS

At the end of each reporting period, the entity reviews the carrying values of its tangible and intangible assets to determine whether there is any indication that those assets have been impaired. If such an indication exists, the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use, is compared to the asset's carrying value. Any excess of the asset's carrying value over its recoverable amount is recognised immediately in profit or loss.

Where the future economic benefits of the asset are not primarily dependent upon on the asset's ability to generate net cash inflows and when the entity would, if deprived of the asset, replace its remaining future economic benefits, value in use is determined as the depreciated replacement cost of an asset.

Where it is not possible to estimate the recoverable amount of a class of asset, the entity estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Where an impairment loss on a revalued asset is identified, this is debited against the revaluation surplus in respect of the same class of asset to the extent that the impairment loss does not exceed the amount in the revaluation surplus for that same class of asset.

f EMPLOYEE PROVISIONS

Short-term employee benefits

Provision is made for the association's obligation for short-term employee benefits. Short-term employee benefits are benefits (other than termination benefits) that are expected to be settled wholly before 12 months after the end of the annual reporting period in which the employees render the related service, including wages, salaries and sick leave. Short-term employee benefits are measured at the (undiscounted) amounts expected to be paid when the obligation is settled.

The association's obligations for short-term benefits such as wages, salaries and sick leave are recognised as a part of accounts payable and other payables in the statement of financial position.

Contributions are made by the entity to an employee superannuation fund and are charged as expenses when incurred.

g CASH AND CASH EQUIVALENTS

Cash and cash equivalents includes cash on hand, deposits held at-call with banks, other short-term highly liquid investments with original maturities of three months or less.

Bank overdrafts are shown within short-term borrowings in current liabilities on the statement of financial position.

h ACCOUNTS RECEIVABLE AND OTHER DEBTORS

Accounts receivable and other debtors include amounts due from donors and any outstanding grants receipts. Receivables expected to be collected within 12 months of the end of the reporting period are classified as current assets. All other receivables are classified as non-current assets.

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 Australian Taxation Office (ATO).

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 ATO is included with other receivables or 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 ATO are presented as operating cash flows included in receipts from customers or payments to suppliers.

1 j INCOME TAX

No provision for income tax has been raised as the entity is exempt from income tax under Div 50 of the Income Tax Assessment Act 1997.

k INTANGIBLES

Software

Software is recorded at cost. Software has a finite life and is carried at cost less accumulated amortisation and any impairment losses. It has an estimated useful life of between one and three years. It is assessed annually for impairment.

l PROVISIONS

Provisions are recognised when the entity has a legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will result and that outflow can be reliably measured. Provisions recognised represent the best estimate of the amounts required to settle the obligation at the end of the reporting period.

m COMPARATIVE FIGURES

These financial statements are for the period January – June 2019. They are the final accounts of the Incorporated Association (2018 full year comparatives).

Where required by Accounting Standards, comparative figures have been adjusted to conform with changes in presentation for the current financial year.

When an entity applies an accounting policy retrospectively; makes a retrospective restatement; or reclassifies items in its financial statements, a statement of financial position as at the beginning of the earliest comparative period must be disclosed.

1. AASB 16: Leases (applicable to annual reporting periods beginning on or after 1 Jan. 2019)

Impact on the statement of financial position

	Total assets $	Total liabilities $	Total equity $
As originally presented	17 286 923	1 609 610	15 677 313
Amendments as a result of adopting AASB 16	60 552	68 074	7522
Restated	17 347 475	1 677 684	15 669 791

Impact on the statement of comprehensive income

	Revenue	Other expenses	Surplus (deficit for the year)
As originally presented	11 866 785	(3 490 839)	1 999 804
Amendments as a result of adopting AASB 16	—	(7522)	(7522)
Restated	11 866 785	(3 498 361)	2 007 326

n ACCOUNTS PAYABLE AND OTHER PAYABLES

Accounts payable and other payables represent the liability outstanding at the end of the reporting period for goods and services received by the Association during the reporting period which remain unpaid. The balance is recognised as a current liability with the amount being normally paid within 30 days of recognition of the liability.

o CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS

The Committee evaluates estimates and judgments incorporated into the financial statements based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and within the Association.

1 **o** KEY ESTIMATES

i. Impairment

The Association assesses impairment at the end of each reporting period by evaluating conditions and events specific to the Association that may be indicative of impairment triggers.

ii. Inventories

Inventory is carried at $660 163 at the end of the reporting period and are recognised at replacement cost.

KEY JUDGMENTS

i. Available-for-sale investments

The Association maintains a portfolio of securities with a carrying amount of $10 101 061 at the end of the reporting period.

To recognise that individual investments fluctuate in value from time to time, the portfolio is included at the market valuation as at 30 June 2019.

ii. Employee benefits

For the purpose of measurement, AASB 119: *Employee benefits* defines obligations for short-term employee benefits as obligations expected to be wholly settled before 12 months after the end of the annual reporting period in which the employees render the related services. The Association expects that most employees will not use all of their annual leave entitlements in the same year in which they are earned or during the 12 month period that follows (despite an informal company policy that requires annual leave to be used within 18 months). The directors believe that obligations for annual leave entitlements satisfy the definition of other long-term employee benefits and, therefore, are required to be measured at the present value of the expected future payments to be made to employees.

p **ECONOMIC DEPENDENCE**

St John Ambulance Australia Incorporated is dependent on the State and Territory entities for revenue used to operate the business. At the date of this report the Committee has no reason to believe States and Territories will not continue to support St John Ambulance Australia Incorporated.

q **MEMBER'S LIABILITY**

Members are liable for the amounts each member owes the Association in respect of their membership i.e. fees or subscriptions due to the Association.

Members of the Management Committee of the Association also have limited liability for the debts of the Association, as long as they have followed accepted business and community standards.

r **NEW ACCOUNTING STANDARDS FOR APPLICATION IN FUTURE PERIODS**

Accounting standards issued by the AASB that are not yet mandated applicable to the Corporation, together with an assessment or the potential impact or such pronouncements on the Corporation when adopted in future periods, are given below.

AASB 16: *Leases*
(applicable to annual reporting periods beginning on or after 1 January 2019)

When effective, this AASB 16: *Leases* will replace the current accounting requirements applicable to leases in AASB 117: *Leases and related interpretations*. AASB 16 introduces a single lessee accounting model that eliminates the requirement for leases to be classified as operating or finance leases.

The main changes introduced by the new standard AASB 16, are:

- recognition of a right-of-use asset and liability for all leases (excluding short-term leases with less than 12 months of tenure and leases relating to low-value assets);
- depreciation of right-of-use assets in line with AASB 116: *Property, plant and equipment* in profit or loss and unwinding of the liability in principal and interest components;

1 r

- inclusion of variable lease payments that depend on an index or a rate in the initial measurement of the lease liability using the index or rate at the commencement date;
- application of a practical expedient to permit a lessee to elect not to separate non-lease components and instead account for all components as a lease; and inclusion of additional disclosure requirements.

The transitional provisions of AASB 16 allow a lessee to either retrospectively apply the Standard to comparatives in line with AASB 108: *Accounting Policies, Changes in Accounting Estimates and Errors*, or recognise the cumulative effect of retrospective application as an adjustment to opening equity on the date of initial application. AASB 9 also introduces a new model for hedge accounting that will allow greater flexibility in the ability to hedge risk, particularly with respect to the hedging of non-financial items. Should the entity elect to change its hedge policies in line with the new hedge accounting requirements of the Standard, the application of such accounting would be largely prospective.

The Corporation has performed a preliminary impact assessment and has estimated that on 1 July 2019, it expects to recognise right-of-use assets ($48 832) and lease liabilities of ($64 159).

AASB 1058: Income of not-for-profit entities
(applicable to annual reporting periods beginning on or after 1 January 2019)

This Standard is applicable to transactions that do not arise from enforceable contracts with customers involving performance obligations.

The AASB 1058 are as follows significant accounting requirements of:

- income arising from an excess of the initial carrying amount of an asset over the related contributions by owners, increases in liabilities, decreases in assets and revenue should be immediately recognised in profit or loss. For this purpose the assets, liabilities and revenue are to be measured in accordance with other applicable Standards
- liabilities should be recognised for the excess of the initial carrying amount of a financial asset (received in a transfer to enable the entity to acquire or construct a recognisable non-financial asset that is lo be controlled by the entity) over any related amounts recognised in accordance with the applicable Standards. The liabilities must be amortised to profit or loss as income when the entity satisfies its obligations under the transfer.

An entity may elect to recognise volunteer services or a class of volunteer services as an accounting policy choice if the fair value of those services can be measured reliably, whether or not the services would have been purchased if they had not been donated. Recognised volunteer services should be measured at fair value and any excess over the related amounts (such as contributions by owners or revenue) immediately recognised as income in profit or loss.

The transitional provisions of AASB 1058 permit an entity to either:

- restate the contracts that existed in each prior period presented in accordance with AASB 108 (subject to certain practical expedients); or
- recognise the cumulative effect of retrospective application to incomplete contracts on the date of initial application.

For this purpose, a completed contract is a contract or transaction for which the entity has recognised all of the income in accordance with AASB 1004 Contributions.

The Corporation has performed a preliminary impact assessment. It anticipate sthat AASB 1058 *income of not-for-profit-entities* will not have a significant impact on the financial statements.

1 **r** AASB 15 Revenue from contracts with customers
(applicable to annual reporting periods beginning on or after 1 January 2018, as deferred by AASB 2015–8: *Amendments to Australian Accounting Standards*—effective date of AASB 15)

When effective, AASB 15 will replace the current accounting requirements applicable to revenue with a single, principles-based model. Apart from a limited number of exceptions, including leases, the new revenue model in AASB 15 will apply to all contracts with customers as well as non-monetary exchanges between entities in the same line of business, to facilitate sales to customers and potential customers. The core principle of the Standard is that an entity will recognise revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for the goods or services.

To achieve this objective, AASB 15 provides the following five-step process.

1. Identify the contract(s) with a customer.
2. Identify the performance obligations in the contract(s).
3. Determine the transaction price.
4. Allocate the transaction price to the performance obligations in the contract(s).
5. Recognise revenue when (or as) the performance obligations are satisfied.

The transitional provisions of AASB 15 permit an entity to either:

- restate the contracts that existed in each prior period presented per AASB 108: *accounting policies, changes in accounting estimates and errors* (subject to certain practical expedients in AASB 15) or
- recognise the cumulative effect of retrospective application to incomplete contracts on the date of initial application.

There are also enhanced disclosure requirements.

The Corporation has performed a preliminary impact assessment and does anticipate that AASB 15 will not have a significant impact on the financial statements. Our obligation to a tenant is discharged as rental revenue of $40,080 is received.

Notes to the financial statements

for the half year (HY) ended 30 June 2019

Note		2019 HY $	2018 FY $
2	**REVENUE**		
	Operating activities		
	State and territory contributions	989 837	1 967 674
	Sale of first aid kits, components and uniforms	6 117 682	9 068 417
	Donations	46 563	41 481
	Other	185 873	71 205
		7 339 955	11 148 776
	Non-operating activities		
	Interest receivable	990	2205
	Return on managed investments	320 377	625 644
	Sponsorship	—	10 000
	Rental income	40 080	80 160
		361 447	718 009
	Total revenue from ordinary activities	7 701 402	11 866 785
	Unrealised gain on investments	898 701	—
	Total revenue	8 600 103	—
3	**SURPLUS FROM ORDINARY ACTIVITIES** Surplus from ordinary activities has been determined after:		
	a. Expenses		
	Cost of first aid kits, components and uniforms	4 574 369	6 881 722
	Depreciation of property, plant and equipment	93 413	101 236
	Amortisation re. right-of-use Asset	21 486	—
	Interest expense re. lease liability	52 278	—
	Net loss on disposal of plant and equipment	(1 896)	333
	Stock write-offs	—	7798
	Remuneration of the auditor— audit or review	16 000	15 500
	c. Significant revenues and expenses The following revenue and expense items are relevant in explaining the financial performance		
	Contributions receivable from States and Territories	989 837	1 967 673
	d. Surplus (deficit) by function		
	National Office	532 596	(2 050 222)
	National Product Sourcing Unit	94 354	50 418
		626 950	(1 999 804)
4	**CASH ASSETS**		
	Cash on hand	1 100	1 100
	Cash at bank	1 547 242	983 103
		1 548 342	984 203

Note		2019 HY $	2018 FY $
5	**RECEIVABLES—CURRENT AND NON-CURRENT**		
	Trade receivables	—	—
	Other receivables	—	—
	Related entities—current	1 916 240	1 747 630
	Related entities—non-current	790 000	850 000
		2 706 240	2 597 630
6	**INVENTORIES**		
	Raw materials and component stores at cost	556 357	435 914
	Printed learning resources, merchandise and memorabilia	103 806	220 220
		660 163	656 134
7	**Other assets**		
	Prepayments	147 566	279 031
	Deposits	—	100
	Right-to-use asset—NPSU Lease	48 832	—
	Reclassified due to adoption of AASB 16	—	—
		196 398	279 131
8	**OTHER FINANCIAL ASSETS**		
	Managed investments—at market value	10 101 061	9 749 754
		10 101 061	9 749 754
9	**PROPERTY, PLANT AND EQUIPMENT**		
	Plant and equipment		
	Plant and equipment—at cost	623 172	580 780
	Less accumulated depreciation	(460 599)	(432 750)
		162 573	148 030
	Software and website development		
	Software and website development—at cost	740 097	740 097
	Less accumulated depreciation	(46 256)	—
		693 841	740 097
	Land and buildings—at cost	1 932 426	1 932 426
	Less accumulated depreciation	(63 602)	(57 824)
		1 868 824	1 874 602
	Leasehold improvements	373 730	324 651
	Less accumulated depreciation	(77 720)	(67 309)
		296 010	257 342
	Total property, plant and equipment	3 021 248	3 020 071

Note		2019 HY $	2018 FY $
9	**PROPERTY, PLANT AND EQUIPMENT**		
	Movement in carrying amounts		
	Plant and equipment		
	Balance at beginning of year	148 030	167 689
	Additions	56 401	92 018
	Disposals	(9 000)	(40 705)
	Depreciation expense	(30 962)	(70 972)
	Profit/(loss) on disposals	(1 896)	—
	Carrying amount at end of year	162 573	148 030
	Software and website development		
	Balance at beginning of year	740 097	2 104 733
	Additions	—	187 824
	Disposals	—	(1 552 460)
	Depreciation expense	(46 256)	—
	Profit/(loss) on disposals	—	—
	Carrying amount at end of year	693 841	740 097
	Land and buildings		
	Balance at beginning of year	1 874 606	1 886 170
	Additions	—	—
	Disposals	—	—
	Depreciation expense	(5 783)	(11 565)
	Profit/(Loss) on disposals	—	—
	Carrying amount at end of year	1 868 824	1 874 606
	Leasehold improvements		
	Balance at beginning of year	257 343	276 039
	Additions	49 079	—
	Disposals	—	—
	Depreciation expense	(10 412)	(18 696)
	Profit/(Loss) on disposals	—	—
	Carrying amount at end of year	296 010	257 343
10	**PAYABLES**		
	Trade creditors	1 433 522	1 136 588
	Accrued expenses	63 883	109 337
	Lease liability—NPSU Lease	10 707	
	New liability due to adoption of AASB 16		
		1 508 112	1 245 925

Note		2019 HY $	2018 FY $
11	**PROVISIONS AND EMPLOYEE ENTITLEMENTS**		
	Current		
	Employee entitlements (long service)	154911	141166
	Employee entitlements (annual leave)	205612	169306
		360 524	310471
	Non-current		
	Lease liability—NPSU lease	53452	—
	New liability due to adoption of AASB 16	—	—
		53452	—
		Number	Number
	Number of employees at year end	20	19
12	**RESTRICTED FUNDS**		
	Current		
	Papua New Guinea	7100	53214
		7100	53214
13	**RESERVES**		
	Norma Bell Youth Reserve—movements during the year (This Reserve records the funding available for youth initiatives)		
	Opening balance	202484	240928
	Annual program increase in investments and market value	24905	—
	Annual program funding received	—	(10000)
	Annual program decrements	—	(28444)
	Closing balance	227389	202484
14	**RETAINED SURPLUS**		
	Accumulated surplus at the beginning of the financial year	15474827	17436186
	Net surplus (deficit) attributable to the Association	626950	(1999804)
	Transfer (to) Norma Bell Youth Reserve	(24905)	38444
	Transfers to reserves	—	—
	Accumulated surplus at the end of the financial year	16076872	15474827

15 CAPITAL COMMITMENTS

As at 30 June, amounted to nil.

16 CONTINGENT LIABILITIES

The Directors are not aware of any contingent liabilities.

Note		2019 HY $	2018 FY $
17	**SUBSEQUENT EVENTS**		

The directors are not aware of any matters or circumstances that may significantly affect the operation of the Association, the results of the operation or the state of affairs in the accounts in subsequent financial years. Other than members of the Order having resolved in an extraordinary general meeting, to convert the entity to a company limited by guarantee effective 1 July 2019.

18 ECONOMIC DEPENDENCE

The Association is economically dependent on the operating entities of St John Ambulance in each State and Territory of Australia. Details of the funding contributions and sales to those entities are detailed in Note 3c.

19 RELATED ENTITIES

St John Ambulance Australia Inc. (the Association) is the incorporated operating body of the Priory in Australia of the Most Venerable Order of the Hospital of St John of Jerusalem (the Order). The Order is incorporated by Royal Charter.

Internationally, the Association is related to the Grand Council of the Order as the governing body of the Order. During the year, the Association contributed amounts totalling $116 387 towards the operating costs of the Grand Council.

Within Australia, the Association is related to operating and trustee entities in each state and territory of Australia through the authority of the Association's Constitution and the Royal Charter, which is recognised in the constitutional documents of each state and territory entity.

Directors of the Association received no remuneration in respect of their position.

20 SEGMENT REPORTING

The Association operates in a single geographical segment—Australia—through its state and territory operational entities. The Association works in the promotion of humanitarian causes, charitable first aid and community service work. This is achieved by the provision of learning resources for the teaching of first aid and ancillary subjects to the community. The work includes the instruction and accreditation of members of the Association; the supply of first aid kits and associated items to the general public via the state and territory entities; and the provision of health care and first aid at public events; ambulance and patient transport services.

Cash flow information

a. Reconciliation of cash

Cash at end of the financial year as shown in the statements of cash flows is reconciled to the related items in the statement of financial position as follows:

	2019 HY $	2018 FY $
Cash on hand	1100	1100
Cash at bank	1 547 242	983 103
	1 548 342	984 203

Note		2019 HY $	2018 FY $
20	b. Reconciliation of cash flow from operations with profit from ordinary activities after tax		
	Surplus (deficit) from ordinary activities	626 950	(1 999 803)
	Non-cash flows in surplus (deficit) from ordinary activities		
	Amortisation	21 486	–
	Depreciation	93 413	101 569
	Loss on write-back of website		592 460
	Decrease (increase)in market value of investments	(898 701)	771 531
	Return on investments	(298 145)	(506 321)
	Changes in assets and liabilities		
	Decrease (increase) in receivables	109 495	(508 664)
	Decrease (increase) in other assets	61 246	(120 390)
	Decrease (increase) in inventories	(4 029)	31 215
	(Decrease) increase in payables	252 025	367 522
	(Decrease) increase in other payables	114 212	24 803
	(Decrease) increase in provisions	(46 114)	50 326
	Cash flows from operations	31 838	(1 195 752)

21 ASSOCIATION DETAILS

The registered office of the Association is:
10-12 Campion Street, Deakin West ACT 2600

The principal place of business of the Association is:
10-12 Campion Street, Deakin West ACT 2600

St John

St John Ambulance Australia

Australian Capital Territory
St John Ambulance Australia (ACT)
14 Thesiger Court (PO Box 72)
Deakin West ACT 2600
T (02) 6282 2399
E reception@stjohnact.com.au
www.stjohnact.com.au

New South Wales
St John New South Wales
St John House
9 Deane Street
Burwood NSW 2134
T 1300 ST JOHN (360 455)
E customer_service@stjohnnsw.com.au
www.stjohnnsw.com.au

Northern Territory
St John Ambulance (NT) Inc.
50 Dripstone Road (PO Box 40221)
Casuarina NT 0811
T (08) 8922 6200
E feedback@stjohnnt.asn.au
www.stjohnnt.org.au/

Queensland
St John Ambulance Queensland
Level 4/451 St Paul's Terrace (PO Box 1645)
Fortitude Valley Qld 4006
T 1300 ST JOHN (78 5646)
E enquiries@stjohnqld.com.au
www.stjohnqld.com.au

South Australia
St John Ambulance SA Inc.
85 Edmund Avenue
Unley SA 5061
T (08) 8306 6999
E stjohn@stjohnsa.com.au
www.stjohnsa.com.au

Tasmania
St John Ambulance Australia (Tas.)
177 Main Road (PO Box 414)
Moonah Tas 7009
T (03) 6271 0333
E tasmania@stjohntas.org.au
www.stjohntas.org.au

Victoria
St John Ambulance Australia (Vic) Inc.
170 Forster Road (PO Box 573)
Mount Waverley Vic 3149
T (03) 8588 8588
E info@stjohnvic.com.au
www.stjohnvic.com.au

Western Australia
St John Ambulance WA
209 Great Eastern Highway (PO Box 183)
Belmont WA 6984
T (08) 9334 1222
E info@stjohnambulance.com.au
www.stjohnambulance.com.au