



EVOLVE

KEEPING KIDS ON TRACK



annual report 2009-10

"you don't realise it in the beginning, but the people who run the program will change your life"

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1991

Founder Matt Pfahlert became aware of the Typo Station property in northeast Victoria. Lloyd Hancock sponsored Matt's flight to Victoria to lease the property and help turn Matt's vision into a reality.

Assisted by the Rotary Club of Appin Park in Wangaratta and many local volunteers, Matt lived in a tin shed for two years restoring the 100-year-old homestead back to its original glory.

1993

Evolve first began under the name of Youth Opportunity Program, and the Young Men's Program was established in its first form.

2000

Typo Station loses a historical wool shed in a devastating bushfire.

2003

The Crosscut Furniture business enterprise was established which enabled young men to sell their hand made furniture.

2004

An office space was sub-let in Melbourne's CBD. Youth Opportunity Program began trading as Typo Station.

Look how far we've come ...



2005

Workshops were lost in the fires; these buildings were later reconstructed by a band of committed and dedicated locals.

2006

30 young people participating in Evolve programs.

Paul Stolz appointed as CEO; Narrative and Bush Adventure Therapy approach introduced.

2007

A permanent Head Office was established in Collingwood. Typo Station began trading as Evolve at Typo Station in October.

2008

The leadership program, Evolving Learning, and the Go GIRL programs were established.

2009

New ablution block at Typo Station completed.

The first discussions began in February about the merge between Youth Enterprise Trust (Qld) and Evolve at Typo Station.

Bushfire Recovery Program, a partnership between Evolve, Yea High School and Alexandra Secondary College, commenced.

Benalla Educational Program established, for introduction in 2010.

2010

Two additional accommodation cabins built at Typo Station.

500 young people participating in Evolve programs.

Intention to formally merge Evolve at Typo Station and Youth Enterprise Trust (YET) confirmed.

"without evolve, i don't know where i would be today"

Evolve assists disadvantaged and vulnerable young people to make changes today ... for a positive tomorrow

WHO WE ARE

Evolve is a not-for-profit organisation working with at-risk young people who know there's a better path to be on – they just don't always know how to get there. Together with the community, Evolve assists these young men and women to recognise their value, redefine their sense of self, make positive choices, and aspire to a brighter future ... we know "at-risk" does not mean "inevitable".

OUR VALUES

Evolve's values underpin the way we engage with our work, with one another, our young people and the environment:

Integrity – honest and consistent

Respect – acceptance of diversity, trust, responsible, reliable

Compassion – intrinsic worth of people, supportive, empathetic

Aspiration – create and construct, having expectations, courageous

Wellness – growth, resilience, sustainability

OUR APPROACH

Evolve's programs, their duration, location and methodology are innovative and distinctive.

We apply the philosophies of Narrative and Bush Adventure Therapy to all our programs, believing early intervention, voluntary participation, and a long term commitment are critical for sustainable positive change. Our "hand up, not hand out" approach, combined with deep and enduring support over one to three years, enables young people to discover their strengths and enhance their expectations for future success.

OUR PROPERTY

The location of Typo Station, our rural property at the foothills of Victoria's Alpine National Park, plus the power of the land, add a unique element to Evolve's programs, acting as a catalyst for positive change in young people.

OUR PEOPLE

Number of young men and women participating in Evolve's programs – 500

Number of volunteers – approximately 100 at any given time

Number of staff – 16 full time; 4 part time

Evolve's committed and passionate staff team comprises of qualified social workers, educators, youth workers, outdoor education leaders, marketing, finance and administration professionals.

OUR PROGRAMS

- Young Men's Program
- Evolving Learning Program
- Go GIRL (Get Into Real Learning)
- Benalla Educational Program
- Bushfire Recovery Program

OUR SUCCESS

– EVOLVE'S PROGRAMS WORK!

So why do we do what we do? It works! Around 85% of vulnerable young men and women re-engage with family, community, education, work and/or vocational training subsequent to participating in an Evolve program.

FINANCIAL FACTS

FY09-10 turnover – \$1,547,785

Operating costs – 20% of turnover

Projected growth – \$5 million by 2013

OUR FUTURE

Currently supporting 500 young men and women, our vision is to increase this reach to 2,000 young people in 2013. Through the merge of Evolve at Typo Station with Queensland's Youth Enterprise Trust in 2010, this goal is achievable; our partnership will enable stronger, better funded and more accessible programs.

Evolving Learning Program \$2,500

Bushfire Recovery Program \$4,000

Young Men's Program \$5,000

Juvenile Detention \$100,000

Residential Unit Care \$170,000

Juvenile Supervision \$373,730

COST EFFICIENCY

Average cost per year, per client

■ Evolve programs

■ Government

How you can help

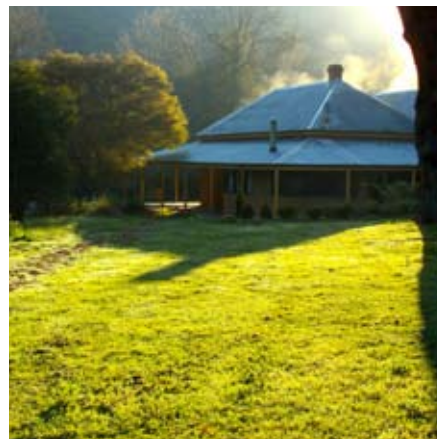
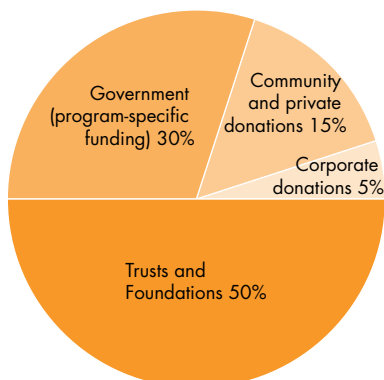


Would you like to know more about Evolve and the support we offer at-risk young people, as they make changes in their lives for a more positive future? Would you like to be a part of the Evolve family? There are a number of ways you can help "keep kids on track":

- Pro bono support
- Sponsorship – both cash and in-kind
- Join the Evolve Family by becoming a member of our Coterie Group
- Workplace giving
- Corporate volunteering
- Community volunteering and fundraising
- STEPS – our corporate giving program, providing bursaries for young people in the Young Men's Program, and to be introduced in 2011, the Young Women's Program
- Events – join us at one of Evolve's events (Gala Dinner, Golf Day, Community Open Day), or nominate Evolve as the 'Charity of Choice' at your next workplace, community or corporate event
- Share gift – A win-win for unwanted small shareholdings
- Classroom to Boardroom – develop a mentor relationship with the young men and women we work with; help them to open vocational doors through your experiences and networks
- Capital leasing – retain ownership of your capital whilst donating the income generated from your private portfolio investment to Evolve
- Evolve Foundation – Evolve's perpetual fund; the gift that keeps giving



FY09-10 FUNDING SOURCES



*"i would probably be in juvenile
detention by now, wasting my life"*



Evolve seeks to provide a supportive environment for disadvantaged young people to evolve into strong, caring and purposeful individuals. Why?

1

Early school leavers aged 15 to 24 are two-and-a-half times more likely to be unemployed and seeking full time work compared with those who completed Year 12.

2

Over half of young people who experience their first introduction to juvenile justice are between 15 and 16 years old.

3

In Victoria, 25% of serious crime is committed by youth aged between 10 and 19. Of those detained, 91% are male.

4

Young people aged 16 to 24 have the highest incidence of mental health issues.

5

The results of our Young Men's Program (85% success rate) indicate that our methodology works and our program structure is delivering the right environment to support young people to make positive changes.

6

One in every 16 boys aged 15 to 19 was arrested, charged or formally cautioned by police in the last year (May 2010).

7

More than one in five crimes are now committed by boys and girls aged 17 or younger, including every second robbery, one in every three home burglaries and one in six assaults.

8

The number of alleged offenders aged 14 years or younger has risen 27% in three years, with a 30% jump in violent crimes.

9

The Victorian State Budget reveals the number of girls and boys aged 14 or younger, in detention on any one day has jumped from an average of 14 in 2008-09 to an expected 19 in 2009-10, and a predicted 25 in 2010-11.

10

Statistics indicate that problems traditionally associated with at-risk young men are now being experienced by young women.

- In one year (from 2007-08 to 2008-09), the rate of alleged robbery offenders who were under 18 and female rose by over 9%. Instances of domestic physical violence perpetrated by girls rose by 30% between 2003 and 2007.
- The number of offences concerning violence, drugs, drink-driving and perpetrated by women all increased in 2008 compared to just four years earlier in 2004.
- The youth death rates for girls have been steadily aligning with those of young men since the 1980s.

While there are many programs designed to manage negative life outcomes for young women, such as substance abuse and teen pregnancy, there is little designed to intervene before these problems occur.

In response to these alarming statistics and the incredible need to provide support for at-risk young women, Evolve is introducing our inaugural Young Women's Program in 2011.

"since evolve i have kept the skills that i learnt there and used them in my life - they truly help"

Chairman's message: 2009-10 has been a year of growth for Evolve on a number of levels

Over the past year, the Evolve programs have proven to be extremely successful in offering young people the opportunity to work through issues in their lives, and to reach their full potential.

Seizing on this strong program foundation, the Evolve Board and Management have set financial and program goals which will result in many more young people being given the opportunity to participate.

A major step in this development has been the move toward a merge with the Queensland based organisation, Youth Enterprise Trust (YET). Evolve at Tyto Station and YET have very similar backgrounds with the founders of both organisations having worked together approximately 20 years ago in order to establish the two organisations. We will pursue this avenue

in 2010-11 and through this relationship, we hope to bring you news of greater efficiencies, enhanced intellectual property and increased fundraising potential in next year's Annual Report.

One thing that hasn't changed has been the increasing demand for our services. Young people continue to struggle to make sense of the increasing complexity of the society in which they operate. This year Evolve worked with 500 young Victorians across our five programs. This will potentially expand to over 1,000 in the coming financial year.

As a Board, it is imperative for us to drive income growth from sustainable sectors, such as corporate and government. Our goals for the 2010-11 year then focus largely on building relationships and

leveraging networks to spread the word about Evolve and the incredible and innovative work we are doing, engaging individuals and corporations with our message and seeking to build on funding available through those channels.

I would like to acknowledge, both personally and on behalf of the Board, the hard work and passion that our staff demonstrate each and every day, and the commitment and effort put in by the young people we work with. Additionally, I would like to thank my fellow Board members and the Evolve executive staff for their vision, their dedication and their drive.

It is an exciting time for Evolve – we hope you will join us on our journey.

KEVIN LYNCH

Evolve Board Members

KEVIN LYNCH - CHAIRMAN has over 30 years' experience in human resources, most recently as General Manager – Human Resources at Incitec Pivot Pty Ltd. Kevin has an MBA and Bachelor of Social Science (Economics) from Deakin University.

JONATHAN CHAPMAN is a Chartered Accountant who spent nine years with PricewaterhouseCoopers and 14 as Managing Director of an investment firm. Additionally he has held honorary positions with Scots Church Properties Trust, Leadership Victoria Alumni and St John Ambulance Victoria. Jonathan is currently the Chief Executive Officer of Lord Somers' Camp & Powerhouse.

PAUL O'SHEA has worked in management roles within the Victorian Government and in small business. Most recently, Paul was Group General Counsel at Transurban Ltd and has degrees in Economics and Law.

JONATHAN WALTER is the Head of Middle School at Caulfield Grammar School. Jonathan has worked as an outdoor educator and classroom teacher over the past 17 years, undertaking key roles in strategic direction and leadership.

KATE WILLIAMS has over 25 years' experience in marketing, having worked at a senior management level for a number of large corporates in the financial sector, including Aviva Australia, UBS and KPMG. Kate currently works as a marketing consultant and holds a Bachelor of Arts and an MBA.

IAIN FINDLAY is the Business Development Director at BDO Kendalls Chartered Accountants & Advisors. He has been on the AFL Tribunal for over 30 years and had a long career in the military and later the Victoria Police. Iain is also a Board member of the EJ Whitten Foundation.

MARK BARTLEY is an accredited specialist in environmental, planning and local government law and partner at DLA Phillips Fox; additionally, he holds the position of leader of the firms' National Water Group. Mark acts for local government, water authorities and Commonwealth and State government agencies and authorities as well as private corporations in relation to property development, town planning and environmental matters.

Refer to the Financials section, starting page 17, for more information on the Evolve board.

MARK BROWNLEY holds a Bachelor of Engineering and an MBA from Monash, and has worked in a range of management and consultant roles. His engineering and management expertise has been applied in roles with QANTAS Airways Ltd, Crown Ltd and Ansett, while he has been involved in an honorary capacity at Social Ventures Australia and Committee for Melbourne. Mark is also an alumni of the Williamson Community Leadership Program.

SALLY BRUCE has more than 20 years' experience in the financial services industry and has had an extensive senior level career with the Macquarie Group. She has also worked for several significant organisations as an independent consultant with a focus on growth strategies, and currently works at the National Australia Bank as General Manager, Mortgages. Sally holds a Master of Applied Finance and was awarded the Young Executive of the Year in 2004 by the Australian Financial Review's BOSS magazine.

CEO's message: Whilst it may sound like a cliché it is true to say that 2009-10 has been genuinely exciting

The year can be divided into a number of areas to emphasise the progress made:

PROGRAMS

Over the past year we have had a number of new programs start, including the Bushfire Recovery Program and the Benalla Educational Program. Both of these programs have been very innovative for Evolve and have delivered outstanding results in the first year of service delivery. The Bushfire Recovery Program has been picked up by the Department of Education and Early Childhood services and funded by the Bushfire Recovery Committee in the Department of Human Services. This program has been offered to all bushfire affected areas of the state in 2011 and it is anticipated to touch approximately another 400 young people and their families over two years from 2011-12.

Enquiries have also been made from a number of schools to take up our Evolving Learning Program, which has been run so successfully in The Grange P-12 College at Hoppers Crossing for the past three years.

Our other programs have continued to enjoy success with the Young Men's Program still being supported by many funding sources to deliver quality outcomes for the young men we work with.

INFRASTRUCTURE

In the last year we have added a new ablution block to the property courtesy of Shepparton Central Rotary Club and, thanks to funding from the Department of Employment, Education and Workplace Relations and CBUS Property Development, two new accommodation huts, one of which has become the station office. This frees up the Homestead for alternative accommodation options, possibly with a for-profit emphasis to turn back into the not-for-profit arm. The new accommodation makes it possible to sleep up to forty people at any one time at Typo Station.

Added to this is the development of a black water recycling unit that services the new ablution block, and water reticulation from all the large roofs of the property to be

diverted into storage tanks to increase the drinking water capacity on the property.

GOVERNANCE

The Evolve Board has also taken an active part in improving the accountability of all areas of the organisation as well as contributing to the fundraising for the organisation. It is hoped that in the future this will ensure continued compliance of all requirements from funding partners, as well as put Evolve on a more financially sustainable footing.

STRATEGY

In 2009-10 the Board and staff developed a strategic plan to carry the organisation forward for the ensuing three years. This strategy covered all current activities and proposed several new developments, which, in the main have already been met.

MERGE

In May 2010 a formal motion was proposed between Evolve at Typo Station and Youth Enterprise Trust in Queensland to merge both organisations. This motion had been preceded by extensive discussions between both organisations' Boards to ensure a smooth transition to the new entity called Evolve. This is an exciting development that provides Evolve with further opportunity to affect the lives of many more young people across a national landscape.

THANK YOU

Evolve would not exist without our many generous donors including philanthropic trusts and foundations, governments, corporate supporters, service clubs and individuals. We thank you for your confidence in us to deliver valuable programs to help young people to a better future.

I would also like to thank the staff for all their hard work, the Board for a very successful year, and look forward to future growth to provide opportunities for many more young people.

PAUL STOLZ



evolve

is a very unique organisation in the not-for-profit and youth services space – there are multiple facets of our approach, our philosophy and our structure that make us so. All Evolve programming is underpinned by the following five key principles ... the keys to our success:

1. Innovation
2. Early Intervention
3. Voluntary Participation
4. Long term and Enduring Commitment
5. Deep and Intensive Support

Setting Evolve Apart

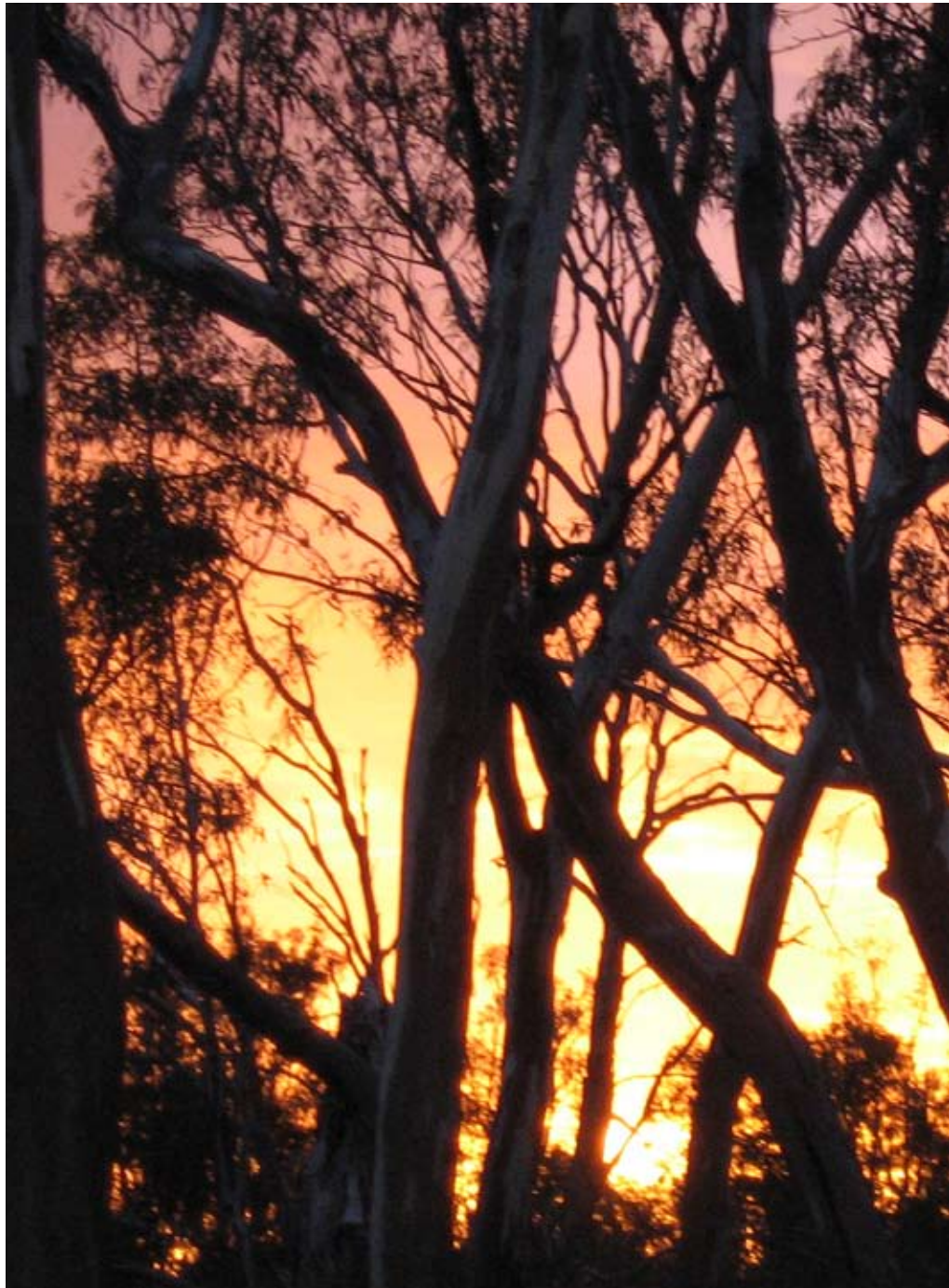
YOUNG MEN'S PROGRAM

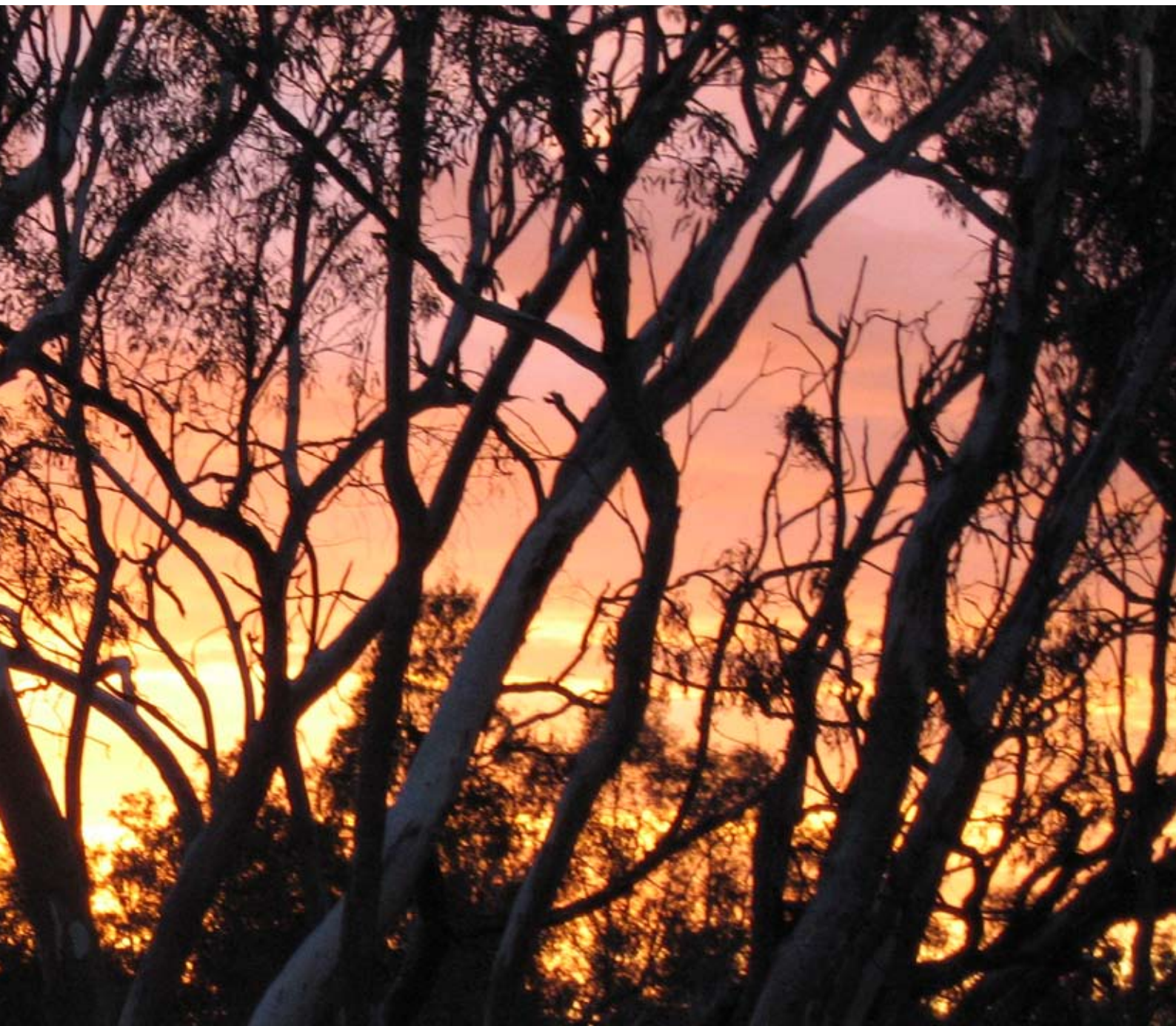
Aimed at helping at-risk young men avoid disadvantage – homelessness, poverty, juvenile detention, violence, unemployment and negative mental health – our Young Men's Program works with 14 to 17 year olds over two years, both at Typo Station and in the lads' local communities. Following an initial 12-day hike in Wyperfeld National Park or in the Alpine region of North East Victoria, the young men spend time at Typo developing their skills, and work with staff in formulating new ideas on what they can do in the future. Over the two years of the program, the young men return to the property several times to reconnect with their positive experience, develop vocational or relationship skills, and enjoy continuing assistance from Evolve's community support workers.

It works! 85% of the lads in the Young Men's Program have achieved their goals, and re-engaged with family, education, work and/or vocational training.

EDUCATIONAL RE-ENGAGEMENT PROGRAMS

Evolve works within educational institutions to keep young people engaged in learning. Incorporating the fundamentals of Evolve's Narrative and Bush Adventure approach, our Evolving Learning Program, Go GIRL, and the Benalla Educational Program are tailored specifically for schools: all three are highly successful in broadening students' horizons and changing the way they learn.





- **BENALLA EDUCATIONAL PROGRAM**

In partnership with the Department of Education and Early Childhood Development (Hume Region), this new Evolve program has been designed to address community disconnectedness and educational disengagement experienced by vulnerable students in Years 5 to 7 from a cluster of schools in Benalla. The program includes innovative, experiential and applied learning approaches, personal, teacher and whole school professional development, family support and community connectedness.

- **EVOLVING LEARNING PROGRAM**

A three year program commencing in Year 9, aimed at providing a positive schooling experience that will keep teens in education and develop their critical life skills. This experiential and applied

learning program incorporates residential components at Typo Station, group projects where the emphasis is on the process not the outcomes, and in-school support on a part time basis from an Evolve Program Coordinator.

It works! ... 90% of participants in Evolving Learning have demonstrated improved school attendance, learning outcomes and mental health.

- **Go GIRL (Get Into Real Learning)**

Evolve's inaugural female-only program at The Pavilion, an alternative educational school, Go GIRL reconnects disengaged young women with their family, peers and community, and enhances vocational skills, their view of themselves, work ethic and their expectations of future success.

BUSHFIRE RECOVERY PROGRAM

Working with 30 young men impacted by the 2009 Victorian bushfires, their families and the local community, this program is unique, taking the therapy to the young people, not waiting for them to access it. The emphasis on narrative therapy allows the focus of the program to be less on the event and more on getting back to what life was like before the fires, plus the young men's hopes for their futures.

It works! ... The young men who have completed the Bushfire Recovery Program, now have significant preventative mental health strategies, strong family, educational and community re-engagement, and a reduction of trauma and stress symptoms.

innovation

Innovation drives what we do at Evolve: our programs, our methodology, our locations

Outside of the Americas, Evolve is the largest provider of programs which combine Narrative and Bush Adventure Therapy, and one of the very few to leverage the benefits of both approaches for young people.

We mix the old and the new to get the best outcomes – taking our approach off the beaten track but using some well-tested tools to help us along the way.

At our heart is the desire to guide young people to create change and renewal in their lives – the very definition of innovation.

For young people, their issues often define them and shape how they think about the future. Using a Narrative Therapy maxim – **the person is not the problem, the problem is the problem** – our approach guides them through a process of redefining themselves and opening doors to new behaviours, options and dreams.

INNOVATION, THE EVOLVING LEARNING PROGRAM AND ASH'S STORY

Ash started with Evolve in 2009 in The Grange P-12 College Evolving Learning Program. This program works with young people and their teachers to improve attitudes towards learning and guide future aspirations. It introduces an innovative way of learning where the young people are able to choose subjects that interest them. In turn this assists them to develop initiative and realise the capacity to develop responsibility.

Ash has taken part in a number of hikes, stayed at our no-frills, pioneer style property, Typo Station, and designed her own study plan for two years. Passionate about homelessness, Ash has dedicated her 'Evolve' time at school toward raising funds and awareness for the cause.

Independent research shows us that the sense of confidence Ash speaks of is common across the students in the Evolving Learning Program.

IN ASH'S WORDS ...

The Evolve program has made me more confident; you need confidence throughout your life, it helps you get places faster. I look at life differently now. I don't take as much for granted. After our time in the bush, I appreciate the good things at home a lot more and feel lucky for what I have. Even my parents can see a change in me. They think I am more positive.

The Evolve program has changed the way I think about school. I want to complete more, and do better. The homeless project made us more confident and it means we are more motivated to get our work done because we are interested. I want to be a nurse or a school teacher. My involvement in the program has had some affect on this decision, I feel more confident in myself to achieve this goal.

I used to think leadership was about one person in charge, with everyone else following. I now think that leadership is about creating an environment where everyone works together and helps each other.

Our Evolve group became a 'family' at school, so we always have someone to support you, to talk to and have fun with.

ASH'S MUM HAS ALSO NOTICED THE DIFFERENCE IN HER DAUGHTER:

She has grown in such a wonderful way and been able to overcome some horrible things. If it weren't for Evolving Learning, I don't know where Ash would be today.



early intervention

Evolve is about making a difference **before** 'at-risk' becomes serious, life-shaping disadvantage

We're about addressing the cause, not the symptoms – helping young people choose a more positive future where they avoid what they often think is 'the inevitable' – homelessness, poverty, unemployment, addiction, poor health, poor relationships and juvenile detention.

Not just for the individual but for our communities – for every young person experiencing disadvantage and negative life outcomes, there are hundreds more who are impacted by the effects these have.

EARLY INTERVENTION, THE YOUNG MEN'S PROGRAM AND TIM'S STORY ...

Tim's a young man who has experienced a remarkable journey during his time with Evolve. Tim started the Young Men's Program in 2008 after experiencing hardship at a pivotal point in his life. His Mum, Uta, took him to many counsellors, none of whom helped, before she turned to Evolve.

Over the last two years, with Evolve's support, Tim made the transition from someone who was disengaged from school, to someone who made the decision to re-enrol. Tim himself acknowledges that Evolve's early intervention approach and long term support have assisted him to strengthen family bonds, and improve communication.

IN TIM'S WORDS ...

Evolve helped me with my life. My problem was that I had anger issues, but I was also hurt inside. Mum took me to fifteen counsellors to help but they did nothing for me, it was still there and still taking over my life.

Evolve changed me and pushed me to my limits. On the second day of the hike I just wanted to quit, I got sick and tired of being there. It was like I was never going to finish but Shane (the Leader) talked to me and helped me so much that I continued with the hike.

By day eight I went through my mind so much and realised what I was doing to myself. I was thinking, this is not what my dad would want for me, this is not what he taught me.

Then I had a break down, a lot of guilt came to me and I just felt more hurt and angry but I was closing the door to that anger, it was hard, but it worked. I felt more relieved and more alive, like a new Tim was born.

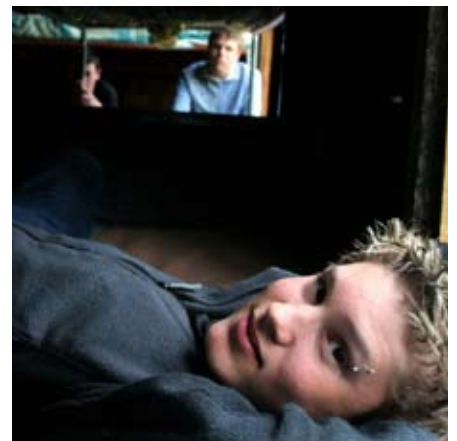
When I got back to camp I was like 'Wow I did it!' I completed the hike and I was proud of what I had achieved. I couldn't have changed without Evolve.

TIM'S MUM, UTA, TALKS ABOUT THE FAMILY'S JOURNEY WITH EVOLVE:

Tim's anger level is much better than before. That was a major problem. He's thinking ahead. He's focused on his future now. Having been at Evolve, he discovered that he loves working with his hands. He's learnt to take pride in his achievements which includes the hikes, the chores, and the workshops. He probably would have ended up in juvenile detention if he hadn't have gone through the Young Men's Program. Tim sees that himself too.

Through the two year commitment with Evolve he has been able to re-process his thoughts and feelings. It's been a consistent commitment. In the past with counselling he has only received a limited time frame. They can't be as focused or committed as Evolve has been.

Tim's future seems to be getting brighter and brighter, and he is now giving back to Evolve by volunteering to speak at a number of events about his inspiring journey towards tomorrow.



voluntary participation

Respecting free-will is an important component of what we do at Evolve, and all of the young people are part of the Evolve journey by choice



All of our young people join the Evolve journey knowing that there's something – somewhere – someone – they don't want to be anymore.

It's not about us – it's about the young people: a hands-off approach gives them a hand up, not a hand out. It works!

Long-lasting change can only come from active choice. Evolve's Go GIRL (Get Into Real Learning) Program epitomises this approach, and the successful outcomes which are subsequently achieved through voluntary participation.

Throughout the Go GIRL program, I have seen Jenna grow in confidence and she is now willing to share more personal information and discuss issues and conflicts that she is experiencing. Jenna has slowly started demonstrating new self-belief and is making more decisions of her own. Her response to uncertainty recently changed when she was involved in work experience at a beauty salon. She was confident in herself and was able to clearly express her thoughts; this included sharing with her employee what she wanted out of the experience. Jenna blossomed.

"it has helped me in ways that i never ever thought possible i gather strength from this everyday"



VOLUNTARY PARTICIPATION, GO GIRL AND JENNA'S STORY ...

Jenna's story, as told by an Evolve staff member...

Jenna has been involved with Go GIRL since it commenced at The Pavilion's Preston East campus in 2008. She is now at the Mill Park campus and voluntarily attends the Go GIRL elective on a regular basis. Jenna has participated in almost every Go GIRL activity; her attendance has only been disrupted through illness.

When I first met Jenna, she wasn't terribly shy, but she did look to others for ideas. Her answer to, "What would you like to do in this group?", was often met by her looking around and waiting for others. Jenna is generally a chatty person and friendly to all; she will shy away from any conflict and just go quiet - you know something is up with Jenna if she is quiet!

Over the past year, we have talked about the girls' friendships and what they value in their friends. This has helped Jenna get over losing her best friend in a fight, and has also increased her ability to express her feelings.

Jenna has enjoyed her time at Go GIRL and has left her mark quite significantly, and literally, with the odd splatter of paint left around the room after we decorated photo frames - fun loving, but a bit clumsy!

Like all Evolve programs, voluntary participation is one of the keys to success. Jenna happily and willingly participated in Go GIRL, and has welcomed all other participants to the program. Her peers and school duly acknowledged Jenna by recently presenting her with the Cultural Award. This award recognises a student who contributes positively to all aspects of school life, and strongly influences the school culture – this is Jenna, and we congratulate her on this wonderful achievement.



long term and enduring commitment

None of the young people we work with are with us for less than twelve months – some are part of the Evolve family for three years

Quick fixes don't work. We're in it for the long haul.

Rivers don't carve a new course in a day – it takes time and a little guidance for a new tributary to form. Young lives are no different – it requires commitment to redirect a life course that often seems to them to be set in stone.

Short term programs for disadvantaged young people have the potential to be more detrimental than no intervention at all. After being built up through immediate success, the fall that often comes when sent back to their regular environment can be harder to take for the young person – and be another example of being 'let down' by the world. Like the rivers carving a new course, Evolve's Benalla Educational Program is in it for the long haul.

LONG TERM AND ENDURING COMMITMENT, BENALLA EDUCATION PROGRAM AND DYLAN'S STORY ...

Transition between primary and secondary school has become an issue of concern, and hence, one of Evolve's areas of concentrated time and effort this year. In partnership with local primary schools, Benalla College and the broader Benalla community, the Benalla Educational Program was introduced to address this issue, and ensure the move to secondary school for young people is a positive experience. Evolve is working with children in Years 5, 6 and 7 to strengthen their engagement with education through a cluster approach, and to achieve increased school retention, enhanced vocational opportunities and a positive connection with family, peers, teachers and the local community.

"MORE FACES" – DYLAN'S STORY...

Like any other Year 6 kid, Dylan was a little anxious at the prospect of moving from his primary school of seven years to the "big" school that is Benalla College; Evolve's Benalla Educational Program changed all that. "I now know more people, I've got someone to talk to, I'm less nervous, I know heaps of kids now from Grade 5 and the other schools and the College ... I just know more faces."

Throughout the year Dylan has participated in activities designed to enhance students' decision making capacity, foster collaborative projects, and develop their leadership, negotiation, communication and social competencies. Together with students from Years 5, 6 and 7, Dylan has enjoyed mountain bike riding ("my favourite"), a woodwork program, lunchtime activities, tent making with a hint of help from Evolve staff ("there weren't enough pieces!"), canoeing, peer support sessions and Transition and Discovery Days. In a spirit of mutual support and companionship, teachers and parents have also been involved with a number of these activities.

Dylan and his mates are also working on a community project, which the students have researched, selected, planned and are in the process of delivering. As well as giving the students an appreciation of their local community, this project facilitates a 'cross culture' approach, encouraging a greater alignment between teaching and learning strategies across the Benalla education sector. The benefits are already evident and will continue well into next year and beyond; Evolve will be there for this "long haul".

And for Dylan moving into Year 7 in 2011 ... "I want to help the other kids."



deep and intensive support

Evolve becomes a part of the young people's ongoing stories to make sure they have the best chance at a 'happily ever after' of their own

It's the depth and breadth of commitment to each young person that allows them to take chances and make the hard decisions.

They know that there will be someone to support them when they turn their back on the 'old lifestyle' or start making decisions about their future careers.

Young people are the experts in their own lives... but sometimes they need a little help telling a good story about themselves, and about their future. Our highly trained staff ensure that through Narrative Therapy that help is always there.

DEEP AND INTENSIVE SUPPORT AND THE BUSHFIRE RECOVERY STORY...

The Bushfire Recovery Program combines Narrative and Therapeutic approaches in a bush setting. It works to respond to the needs of young people who are showing signs of social and developmental challenge following the 2009 Victorian bushfires.

The program is aimed at being a positive influence, not orientated to 'fixing' or 'changing'. It works towards strengthening mental health protective factors such as resilience, social networks and re-engagement with community, place, hopes, dreams and goals.

The Bushfire Recovery Program also works towards restoring and acknowledging life 'outside' the effects of the fires, in a way that has helped to create space and room for exploration of the fires and its effects in a manageable and comfortable way.

A CHAT BETWEEN AN EVOLVE STAFF MEMBER AND ONE OF THE YOUNG PARTICIPANTS IN THE BUSHFIRE RECOVERY PROGRAM...

"If 'the fires stuff' had its way with you," I asked him, "what's your guess about how much of you it would be taking up now?"

He shades the whole figure in (far left).

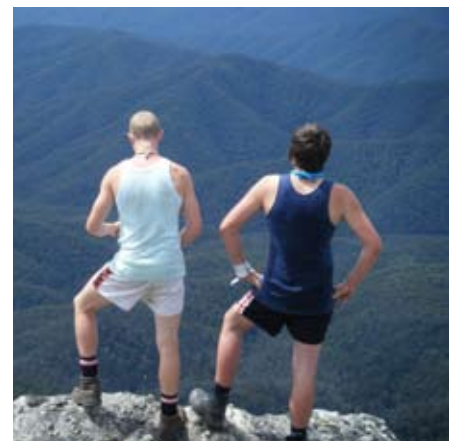
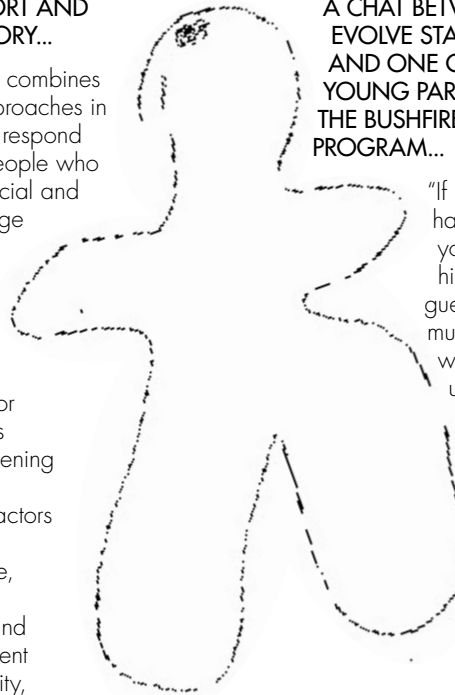
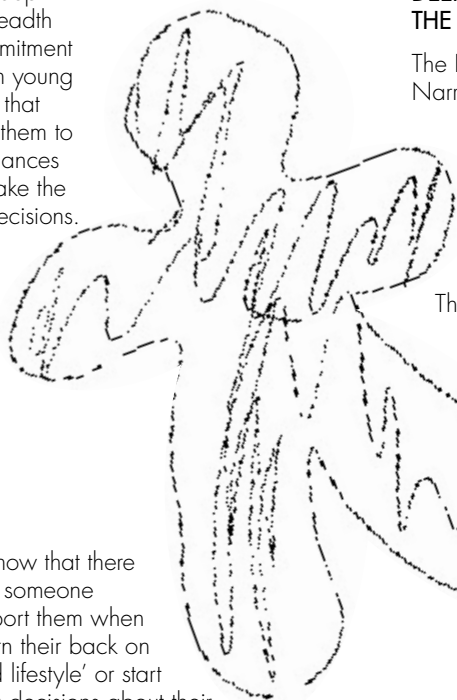
"How much is it taking up now?"

He shades in a little bit at the back of the head (left).

"It's still in there, but its right up the back. I'm in control of it now", he said.

"What can you do when you are in control of it?" I asked.

He looked up and replied simply, "I can do anything I want to."





Directors' report and declaration

Your Directors present this report on the results of Typo Station Ltd (the company) for the financial year ended 30 June 2010 and the state of affairs of the company at that date.

The names of the Directors in office at any time during, or since the end of, the year are:

INFORMATION ON DIRECTORS	QUALIFICATIONS	EXPERIENCE	INTEREST IN SHARES	ATTENDANCE AT DIRECTORS MEETINGS
JONATHAN CHAPMAN Chairman until 11 November 2009	Chartered Accountant	Financial advice Community sector background Director since 6 September 2002	One share	7 out of 9
KEVIN LYNCH Chairman from 11 November 2009	BSc, MBA	HR, organisational change and business advice Director since 2 February 2008	One share	9 out of 9
KATE WILLIAMS	BA, MBA	Marketing Director since 8 July 2004	One share	6 out of 9
PAUL O'SHEA Secretary	BEd, LLB	Legal, risk management and governance Director since 2 February 2008	One share	8 out of 9
IAIN FINDLAY Appointed 8 July 2009		Business development, over 20 years with the Victorian Police	One share	5 out of 8
MARK BARTLEY Appointed 10 September 2009	BA, LLB (Hons), MUP	Legal advice Town planning Project management	One share	4 out of 6
SALLY BRUCE Appointed 10 September 2009	BCom, MAFP	Business advisory Strategy advice	One share	3 out of 6
MARK BROWNLEY Appointed 21 October 2009	BE (Chem), MBA, MIEAust	Engineering and business management	One share	5 out of 6
JONATHAN WALTER Resigned on 12 May 2010	BA, DipEd, MA	Education advice Director since 2 February 2008	One share	6 out of 9
ADRIAN FINLAYSON Resigned on 9 September 2009	MBA, MSc	Consultant in e-commerce and merchant banking Director since 8 December 2005	One share	2 out of 3
MEENA THURASINGHAM Resigned on 7 July 2009	BPsych (Hons)	Succession planning, leadership, talent development and diversity Director since 8 December 2005	One share	1 out of 1

PRINCIPAL ACTIVITIES

The company's principal activities are providing services to disadvantaged and at-risk young people on a non-profit basis. No significant change in the nature of these activities occurred during the year.

OPERATING RESULT

The operating profit of the company for the year was \$100,932.

DIVIDENDS

The company did not declare a dividend during the year and the Directors do not recommend the declaration of a dividend.

REVIEW OF OPERATIONS

The company continues to provide services to disadvantaged and at-risk young people.

SIGNIFICANT CHANGES IN THE STATE OF AFFAIRS

There were no significant changes in the state of affairs of the company during the financial year.

MATTERS SUBSEQUENT TO THE END OF THE FINANCIAL YEAR

On 17th May 2010, the Chairman of the Board of Directors signed a Heads of Agreement document with Youth Enterprise Trust (YET). This document outlines the intention to formally merge the two organisations, including the leasing of YET's property and buildings to the company and the transferring of all other assets, staff and contracts held by YET to the company. It is anticipated that this merger will be completed within the 2010-11 financial year.

LIKELY DEVELOPMENTS AND EXPECTED RESULTS

There were no additional developments within the company that will have a material impact on the results of the operations of the company following the end of the 30 June 2010 financial year.

ENVIRONMENTAL REGULATION

The company is not subject to any significant environmental regulation.

INSURANCE OF OFFICERS

The company in the ordinary course of business has taken out Directors' and Officers' Liability Insurance.

INDEMNITY OF AUDITORS

The company has not, during or since the financial year, in respect of any person who is or has been an officer or auditor of the company or a related body corporate:

- Indemnified or made any relevant agreement for indemnifying against a liability incurred as an officer, including costs and expenses in successfully defending legal proceedings; or
- Paid or agreed to pay a premium in respect of a contract insuring against a liability incurred as an officer for the costs or expenses to defend legal proceedings.

PROCEEDINGS ON BEHALF OF THE COMPANY

No person has applied to the Court under section 237 of the *Corporations Act 2001* for leave to bring proceedings on behalf of the company, or to intervene in any proceedings to which the company is a party, for the purpose of taking responsibility on behalf of the company for all or part of those proceedings.

No proceedings have been brought or intervened in on behalf of the company with leave of the Court under section 237 of the *Corporations Act 2001*.

DIRECTORS' BENEFITS

No Director has received, or become entitled to receive, during or since the financial year, a benefit because of a contract made by the company with a Director, a firm of which the Director is a member or an entity in which a Director has a substantial financial interest.

AUDITOR'S INDEPENDENCE DECLARATION

A copy of the auditor's independence declaration as required under section 307C of the *Corporations Act 2001*, is set out on page 20.

DIRECTORS' DECLARATION

Typo Station Ltd ACN 064 707 017

The Directors of the company declare that:

1. the financial statements and notes thereto, as set out on pages 17 to 34 of this report, together with the additional disclosures included in the Directors' Report, are in accordance with the *Corporations Act 2001* and:
 - (a) comply with Australian Accounting Standards and the *Corporations Regulations 2001* and any other mandatory professional reporting requirement; and
 - (b) give a true and fair view of the company's financial position as at 30 June 2010, and of the company's financial performance for the year ended on that date.
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.



K Lynch
Chairman



JP Chapman
Director

At Melbourne, Victoria
Dated this 8th day of December 2010

PricewaterhouseCoopers
ABN 52 780 433 757

Freshwater Place
2 Southbank Boulevard
SOUTHBANK VIC 3006
GPO Box 1331
MELBOURNE VIC 3001
DX 77
Telephone 61 3 8603 1000
Facsimile 61 3 8603 1999

Auditor's Independence Declaration

As lead auditor for the audit of Typo Station Ltd for the year ended 30 June 2010, I declare that to the best of my knowledge and belief, there have been:

- a) no contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and
- b) no contraventions of any applicable code of professional conduct in relation to the audit.

This declaration is in respect of Typo Station Ltd during the year.



Peter Buchholz
Partner
PricewaterhouseCoopers

Melbourne
8 December 2010

financial reports

Income statement

	2010 (\$)	2009 (\$)	NOTE
Revenue	1,547,785	1,279,038	4
Other income	9,418	1,229	5
Employee benefits expense	(1,114,066)	(955,888)	
Depreciation expense	(84,980)	(72,768)	
Program expenses	(71,662)	(44,372)	
Consultancy fees	(5,714)	(30,830)	
Administration costs	(88,727)	(87,078)	
Marketing and fundraising expenses	(15,831)	(20,870)	
Finance costs (interest associated with motor vehicle leasing)	(2,853)	(3,058)	6
OTHER EXPENSES	(72,438)	(59,952)	6
Surplus before income tax	100,932	5,451	
INCOME TAX	0	0	
Surplus for the year	100,932	5,451	
Other comprehensive income	0.00	0.00	
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	100,932	5,451	

Statement of financial position

	2010 (\$)	2009 (\$)	NOTE
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	789,531	739,279	7
Trade and other receivables	192,665	54,664	8
Other current assets	4,183	4,230	9
TOTAL CURRENT ASSETS	986,379	798,173	
NON-CURRENT ASSETS			
Property, plant and equipment	1,335,132	1,029,322	10
TOTAL NON-CURRENT ASSETS	1,335,132	1,029,322	
TOTAL ASSETS	2,321,511	1,827,495	
CURRENT LIABILITIES			
Trade and other payables	754,582	373,183	11
Lease liability	10,683	35,430	12
Short term provisions	48,334	30,241	13
TOTAL CURRENT LIABILITIES	813,599	438,854	
NON-CURRENT LIABILITIES			
Lease liability	17,844	0	12
Long term provisions	1,102	607	13
TOTAL NON-CURRENT LIABILITIES	18,946	607	
TOTAL LIABILITIES	832,545	439,461	
NET ASSETS	1,488,966	1,388,034	
EQUITY			
Reserves	666,166	666,166	15a
Retained profits	822,800	721,868	15b
TOTAL EQUITY	1,488,966	1,388,034	

Statement of changes in equity

	RETAINED EARNINGS (\$)	ASSET REVALUATION RESERVE (\$)	TOTAL (\$)
Balance at 1 July 2008	716,417	666,166	1,382,583
Total comprehensive income for the year	5,451	0	5,451
BALANCE 30 JUNE 2009	721,868	666,166	1,388,034
Balance at 1 July 2009	721,868	666,166	1,388,034
Total comprehensive income for the year	100,932	0	100,932
BALANCE AT 30 JUNE 2010	822,800	666,166	1,488,966

Cash flow statement

	2010 (\$)	2009 (\$)	NOTE
CASH FLOW FROM OPERATING ACTIVITIES			
Receipts from donors and fundraising	1,772,718	1,330,708	
Payments to suppliers and employees	(1,374,956)	(1,195,901)	
Interest paid	(2,853)	0	
Interest received	15,056	38,572	
NET CASH INFLOW FROM OPERATING ACTIVITIES	409,965	173,379	19
CASH FLOW FROM INVESTING ACTIVITIES			
Proceeds from sale of Plant & Equipment	68,045	19,900	
Payments for Plant & Equipment	(174,435)	(83,591)	
Payment for buildings	(245,068)	0	
NET CASH OUTFLOW FROM INVESTING ACTIVITIES	(351,458)	(63,691)	
CASH FLOW FROM FINANCING ACTIVITIES			
Proceeds from borrowings	35,865	0	
Repayment of obligations under lease agreements	(44,120)	(18,390)	
NET CASH OUTFLOW FROM FINANCING ACTIVITIES	(8,255)	(18,390)	
NET INCREASE IN CASH AND CASH EQUIVALENTS	50,252	91,298	
CASH AT THE BEGINNING OF THE YEAR	739,279	647,981	
CASH AT THE END OF THE YEAR	789,531	739,279	

notes to the financial statements

1

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

BASIS OF PREPARATION

The financial report covers Typo Station Ltd as an individual entity. Typo Station Ltd is a company limited by guarantee, incorporated and domiciled in Australia.

In the Directors' opinion, the company is not a reporting entity because there are no users dependent on general purpose financial reports.

This is a special purpose financial report that has been prepared for the sole purpose of complying with the *Corporations Act 2001* requirements to prepare and distribute a financial report to the members, and must not be used for any other purpose. The Directors have determined that the accounting policies adopted are appropriate.

The financial report has been prepared in accordance with *AASB 101 Presentation of Financial Statements* (except as stated below), *AASB 107 Cash Flow Statements*, *AASB 108 Accounting Policies, Changes in Accounting Estimates and Errors*, *AASB 1031 Materiality* and *AASB 1048 Interpretation and Application of Standards*, which apply to all entities required to prepare financial reports under the *Corporations Act 2001*. The financial report also complies with other applicable Accounting Standards and Urgent Issues Group Interpretations with the exception of the disclosure requirements in the following:

- *AASB 7 – Financial Instruments: Disclosures*
- *AASB 124 – Related Party Disclosures*
- *AASB 132 – Financial Instruments: Presentation*
- *AASB 137 – Provisions, Contingent Liabilities and Contingent Assets*

- *AASB 139 – Financial Instruments: Recognition and Measurement*

CONTINUED FUNDING

The majority of the company's income is received on a discretionary basis through grants, donations and gifts from a variety of sources. Should the income from these sources decline significantly this could impact the ability of the company to continue as a going concern.

This is a situation which has prevailed for a number of years and the company continues to actively and successfully seek grants, donations and gifts from a range of organisations. Plans are also in place to develop more sustainable income streams. For the year ended 30 June 2010 the company generated a surplus of \$100,932 and with working capital of \$172,780 has sufficient current assets to cover its current liabilities.

The Directors have considered these factors and believe it is appropriate to prepare the financial statements on a going concern basis and believe that the company will derive enough income into the future to sustain its business.

HISTORICAL COST CONVENTION

These financial statements have been prepared under the historical cost convention, as modified by the revaluation of selected non-current assets, financial assets and financial liabilities for which the fair value basis of accounting has been applied.

CRITICAL ACCOUNTING ESTIMATES

The preparation of financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the company'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.

FINANCIAL STATEMENT PRESENTATION

The company has applied the revised *AASB 101 Presentation of Financial Statements* which became effective on 1 January 2009. The revised standard requires the separate presentation of a statement of comprehensive income and a statement of changes in equity. Comparative information has been represented so that it is also in conformity with the revised standard.

COMPLIANCE WITH IFRS

Australian Accounting Standards include Australian equivalents to International Financial Reporting Standards (AIFRS). Compliance with AIFRS ensures that the financial statements and notes comply with International Financial Reporting Standards (IFRS). A statement of full compliance with IFRS cannot be made due to the company applying the not-for-profit sector requirements contained in AIFRS.

SIGNIFICANT ACCOUNTING POLICIES

• Presentation currency

Amounts in the Directors' Report and Financial Report are presented in Australian dollars.

• Revenue recognition

GOVERNMENT GRANTS

Income from government grants is recognised at the time it is received. When grants are to be spread over several accounting periods, income is deferred until the accounting period in which it is expended, whether applicable to a particular program or against general running costs of the organisation.

Grants from government are recognised at their fair value where there is a reasonable assurance that the grant will be received and the company will comply with all attached conditions. Government grants relating to costs are deferred and recognised in profit or loss over the period necessary to match them with the costs that they are intended to compensate. Government grants relating to the purchase of property, plant and

equipment are included in non-current liabilities as deferred income and are credited to the income statement when all conditions have been satisfied.

OTHER GRANTS AND DONATIONS

Income from grants and donations is recognised when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the company and where applicable specific criteria have been met. When grants are to be spread over several accounting periods, income is deferred until the accounting period in which it is expended, whether applicable to a particular program or against general running costs of the organisation.

In the event that a grant is provided and not expended in the time frame specified in a contract, the company will enter into discussions with the grant provider to negotiate an appropriate extension of time or reach agreement on the use of remaining monies. In the worst case scenario, monies will be returned to the grant provider and appropriate adjustments made in the accounts to reflect this.

INTEREST INCOME

Interest income is recognised using the effective interest method.

- **Leases**

Leases of property, plant and equipment where the company, as lessee, has substantially all the risks and rewards of ownership are classified as finance leases. Finance leases are capitalised at the lease's inception at the fair value of the leased property or, if lower, the present value of the minimum lease payments. The corresponding rental obligations, net of finance charges, are included in other short term and long term payables. Each lease payment is allocated between the liability and finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period. The property, plant and equipment acquired under

finance leases is depreciated over the asset's useful life, or over the shorter of the asset's useful life and the lease term if there is no reasonable certainty that the entity will obtain ownership at the end of the lease term.

Leases in which a significant portion of the risks and rewards of ownership are not transferred to the company as lessee are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to profit or loss on a straight-line basis over the period of the lease.

- **Income tax**

The company has not provided for income tax as it is recognised by the Australian Taxation Office as a public benevolent institution, which is exempt from the payment of income tax.

- **Property, plant and equipment**

Each class of property, plant and equipment is carried at cost or fair value, less, where applicable, any accumulated depreciation and impairment losses.

FREEHOLD LAND AND BUILDINGS AND ASSET REVALUATION

Freehold land and buildings are shown at their fair value, being the amount for which an asset could be exchanged between knowledgeable willing parties in an arm's length transaction, based on periodic, but at least five (5) yearly, valuations by external independent valuers, less subsequent depreciation for buildings. Any accumulated depreciation at the date of revaluation is eliminated against the gross carrying amount of the asset and the net amount is restated to the revalued amount of the asset.

Increase in the carrying amounts arising on revaluation of freehold land and buildings are recognised in other comprehensive income and credited to the Asset Revaluation Reserve. To the extent that the increase reverses a decrease previously recognised in profit or loss, the increase is first recognised in profit or loss. Decreases that reverse previous increases of the same asset are first charged against

the Asset Revaluation Reserve directly in equity to the extent of the remaining attributable to the asset; all other decreases are charged to profit and loss.

PLANT AND EQUIPMENT

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

The carrying amount of plant and equipment is reviewed annually by Directors 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.

MOTOR VEHICLES

Motor vehicles includes assets that were purchased at market value as well as those donated at no cost to the company. The company received donations of motor vehicles (in year 2000) which are valued at market value in the financial statements. The vehicles were being depreciated over their expected useful life and are now fully depreciated.

DEPRECIATION

The depreciable amount of all fixed assets including buildings, but excluding freehold land, is depreciated on a straight line/diminishing value basis over their useful lives to the company commencing from the time the asset is held ready for use.

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

CLASS OF FIXED ASSET	DEPRECIATION RATE
Buildings	2.5% - 5%
Plant and equipment	5% - 40%
Motor vehicles	10% - 25%

DISPOSALS

Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in

profit or loss. When revalued assets are sold, it is company policy to transfer any amounts included in the Asset Revaluation Reserve in respect of those assets to retained earnings.

IMPAIRMENT

The carrying values of assets are reviewed for impairment when events or changes in circumstances indicates the carrying value may not be recoverable. 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 in profit or loss.

• Employee benefits

SHORT TERM OBLIGATIONS

Liabilities for wages and salaries, including non-monetary benefits and annual leave expected to be settled within 12 months after the end of the period in which the employees render the related service, are recognised in respect of employees' services up to the end of the reporting period, and are measured at the amounts expected to be paid when the liabilities are settled. The liability for annual leave is recognised in the provision for employee benefits. All other short term employee benefit obligations are presented as payables.

OTHER LONG TERM EMPLOYEE BENEFIT OBLIGATIONS

The liability for long service leave and annual leave which is not expected to be settled within 12 months after the end of the period in which the employees render the related service, is recognised in the provision for employee benefits and measured as the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using interest rates on national government bonds with

New accounting standards and interpretations

REFERENCE	TITLE	SUMMARY	APPLICATION DATE OF STANDARD	IMPACT ON THE FINANCIAL STATEMENTS	APPLICATION DATE
AASB 2009-5	Further Amendments to Australian Accounting Standards arising from the Annual Improvements Project [AASB 5, 8, 101, 107, 117, 118, 136, 139]	In May 2009 the AASB issued a number of improvements to existing Australian Accounting Standards	Annual period beginning on or after 1 January 2010	The company does not expect that any adjustments will be necessary as the result of applying the revised rules.	Year ended 30 June 2011
AASB 124 AND AASB 2009-12	AASB 124 Related Party Disclosures AASB 2010-2 Amendments to Australian Accounting Standards [AASBs 5, 8, 108, 110, 112, 119, 133, 137, 139, 1023 & 1031 and Interpretations 2, 4, 16, 1039 & 1052]	The amendment clarifies and simplifies the definition of a related party	Annual period beginning on or after 1 January 2011	It is not expected to have any effect on the company's related party disclosures.	Year ended 30 June 2012
AASB 2010-3	Amendments to Australian Accounting Standards arising from the Annual Improvements Project [AASBs 3, 7, 121, 128, 131, 132 & 139]	In June 2010 AASB made a number of amendments to Australian Accounting Standards, as a result of the IASB's annual improvement project	Annual period beginning on or after 1 July 2010	The company does not expect that any adjustments will be necessary as the result of applying the revised rules.	Year ended 30 June 2012
AASB 2010-4	Further Amendments to Australian Accounting Standards arising from the Annual Improvements Project [AASBs 1, 7, 101 & 134 and Interpretation 13]	In June 2010 AASB made a number of amendments to Australian Accounting Standards, as a result of the IASB's annual improvement project	Annual period beginning on or after 1 January 2011	The company does not expect that any adjustments will be necessary as the result of applying the revised rules.	Year ended 30 June 2012

terms to maturity and currency that match, as closely as possible, the estimated future cash outflows.

Contributions are made by the company to employee superannuation funds and are charged as expenses when incurred.

- **Cash and cash equivalents**

For the purpose of presentation in the statement of cash flows, cash and cash equivalents include cash on hand, deposits held at call with banks and other short term deposits with an original maturity of three months or less that are readily convertible to known amounts of cash, and which are subject to an insignificant risk of change in value.

- **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 ATO. 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 expense.

Receivables and payables in the balance sheet are shown inclusive of GST and cash flows are presented on a gross basis.

- **Trade and other receivables**

Trade receivables, which generally have 30-day terms, are recognised and carried at the original invoice amount less a provision for any uncollectable debts. Collectability of trade receivables is reviewed on an ongoing basis. An allowance amount (provision for impairment of trade receivables) is used when there is objective evidence that the company will not be able to collect all amounts due according to the original terms of the receivables.

Bad debts are formally written off on an annual basis via consultation with the CEO at the end of each financial year.

- **Trade and other payables**

Trade and other payables represents liabilities for goods and services provided to the company prior to the end of the financial year that are unpaid and arise

when the company becomes obliged to make future payments in respect of the purchase of these goods and services. The amounts are unsecured and are usually paid within 30 days of recognition.

- **Comparative figures**

Comparative figures, where appropriate, are reclassified so as to enhance comparability with the figures presented in the current reporting period.

- **Rounding of amounts**

Amounts in the financial reports have been rounded off to the nearest dollar.

- **New accounting standards and interpretations**

Certain new accounting standards and interpretations have been published that are not mandatory for 30 June 2010 reporting periods. The company's assessment of the impact of these new standards and interpretations is set out on the previous page.

2

FINANCIAL RISK MANAGEMENT

	2010 (\$)	2009 (\$)
FINANCIAL ASSETS		
Cash	789,531	739,279
Trade and other receivables	192,665	54,664
Other current assets	4,183	4,230
TOTAL	986,379	798,173
FINANCIAL LIABILITIES		
Trade payables	91,666	53,084
Other payables	28,527	35,430
TOTAL	120,193	88,514

FINANCIAL RISK MANAGEMENT

The Company's activities expose it to a variety of financial risks at varying degrees of exposure.

- **Market risk**

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Exposure to interest rate risk impacts interest income earned on financial assets. If interest rates had changed by +/- 200 basis points from the year end rates with all other variables held constant, surplus and equity for the year would have been \$15,272 lower/higher (2009: \$13,872 lower/higher).

- **Credit risk**

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in a financial loss. The company is a not-for-profit entity and is therefore funded by external sources

where the pricing is determined by the clients abilities to pay for services provided. The maximum exposures to credit risk are the carrying amounts of the financial assets comprising cash and cash equivalents and other receivables.

- **Liquidity risk**

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities. Prudent liquidity risk management implies maintaining sufficient cash and other liquid financial assets to meet the ongoing operational requirements of the business. Based on the assets held by the company liquidity risk is rated as being low.

- **Fair value estimation**

The carrying values less impairment provisions of trade receivables and payables are assumed to approximate their fair values due to their short term nature.

3

CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

The Directors evaluate estimates and judgements incorporated into the financial report 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 conditions and other factors, including expectations of future events that may have a financial impact on the company and that are believed to be reasonable under the circumstance.

• Critical accounting estimates - impairment

The company assesses impairment at each reporting date by evaluating conditions specific to the company that may lead to impairment of assets. Where an impairment trigger exists, the recoverable amount of the asset is determined. Value-in-use calculations performed in assessing recoverable amounts incorporate a number of key estimates.

No impairment has been recognised for the year ended 30 June 2010.

• Critical judgement - revenue recognition

Donations given to the company towards specific programs are generally expected to help cover costs over a period of time. Donations received during the year with a specified timeframe attached to the donation, are recognised on a straightline basis over that specified timeframe. Significant donations, \$10,000 or more, with no specified timeframe attached are recognised on a straightline basis over a 12 month period.

4

REVENUE

	2010 (\$)	2009 (\$)
Donations	1,005,971	704,905
Fundraising	8,500	17,310
Program contributions	180,896	400,670
Interest received	15,056	38,572
Government funding	300,000	109,691
Sundry income	37,362	7,890
TOTAL OPERATING REVENUE	1,547,785	1,279,038

• Government grants

Government grants of \$300,000 (2009: \$109,691) were recognised as government funding during the financial year. There are no unfulfilled conditions or other contingencies attaching to these grants. A further \$140,000 is held in deferred income until all conditions of the funding are fulfilled under the government grant for the building of the Eco Huts.

5

OTHER INCOME

	2010 (\$)	2009 (\$)
Net gain on disposal of property, plant and equipment	9,418	1,229

6

EXPENSES

Surplus before income tax includes the following specific expenses:

	2010 (\$)	2009 (\$)
Finance costs	2,853	3,058
Defined contribution superannuation expenses	79,929	71,284
Impairment losses - Trade receivables**	11,220	7,273

** A provision for impairment of trade receivables of \$11,220 was recognised at the end of the financial year. It represents the program contributions unpaid by participants and/or their families during the year that are not expected to be recovered.

7

CASH AND CASH EQUIVALENTS

	2010 (\$)	2009 (\$)
Cash on hand	963	688
Cash at bank	788,568	738,591
TOTAL	789,531	739,279

8

TRADE AND OTHER RECEIVABLES

	2010 (\$)	2009 (\$)
Trade debtors	174,319	56,560
Provision for impairment of trade receivables	(11,220)	(11,463)
SUBTOTAL	163,099	45,097
Deposits	29,567	9,567
TOTAL	192,665	54,664

- Fair value and risk exposures

Due to the short term nature of these receivables, their carrying amount is assumed to approximate their full value. Refer to Note 2 for more information on the risk management policy of the company.

9

OTHER CURRENT ASSETS

	2010 (\$)	2009 (\$)
Prepayments	4,183	4,230
TOTAL	4,183	4,230

10

PROPERTY, PLANT AND EQUIPMENT

	2010 (\$)	2009 (\$)
LAND AND BUILDING		
Freehold land at independent valuation 2006	60,000	60,000
TOTAL LAND	60,000	60,000
Buildings at independent valuation 2006	813,304	813,304
Buildings at cost	101,264	48,365
TOTAL BUILDINGS	914,568	861,669
Less accumulated depreciation	(82,587)	(61,218)
SUBTOTAL	831,981	800,451
CONSTRUCTION IN PROGRESS		
Cost	273,958	0
TOTAL LAND AND BUILDINGS	1,165,939	860,451
PLANT AND EQUIPMENT		
At cost	199,583	182,571
Less accumulated depreciation	(126,329)	(105,770)
TOTAL PLANT AND EQUIPMENT	73,254	76,801
MOTOR VEHICLES		
At cost	120,058	107,062
Less accumulated depreciation	(24,119)	(38,149)
SUBTOTAL	95,939	68,913
Motor vehicles (donation) at valuation	120,000	120,000
Less accumulated depreciation	(120,000)	(96,843)
SUBTOTAL	0	23,157
TOTAL MOTOR VEHICLES	95,939	92,070
TOTAL PROPERTY, PLANT AND EQUIPMENT	1,335,132	1,029,322

• **Movements in carrying amounts**

Movements in the carrying amounts for each class of property, plant and equipment and motor vehicles are as follows:

\$	CONSTRUCTION IN PROGRESS	FREEHOLD LAND	BUILDINGS	PLANT AND EQUIPMENT	MOTOR VEHICLES	TOTAL
1 JULY 2008						
Cost or fair value	0	60,000	820,871	47,742	108,582	1,037,195
Additions at cost	0	0	0	51,661	33,996	85,657
Disposals	0	0	0	0	(18,671)	(18,671)
Revaluation increments (decrements)	0	0	0	(2,091)	0	(2,091)
Depreciation expense	0	0	(20,420)	(20,511)	(31,837)	(72,768)
BALANCE AT 30 JUNE 2009	0	60,000	800,451	76,801	92,070	1,029,322
YEAR ENDED 30 JUNE 2010						
Opening net book amount	0	60,000	800,451	76,801	92,070	1,029,322
Additions	273,958	0	52,899	17,011	104,525	448,393
Disposals	0	0	0	0	(57,603)	(57,603)
Revaluation increments (decrements)	0	0	0	0	0	0
Depreciation expenses	0	0	(21,369)	(20,558)	(43,053)	(84,980)
CARRYING AMOUNT AT 30 JUNE 2010	273,958	60,000	831,981	73,254	95,939	1,335,132

(A) Leased assets

Motor vehicles includes the following amounts where the company is a lessee under a finance lease:

MOTOR VEHICLES	2010 (\$)	2009 (\$)
Cost	35,500	56,658
Accumulated depreciation	(3,328)	(21,385)
NET BOOK VALUE	32,172	35,273

(B) Non-current assets pledged as security

Refer to Note 12 for information on non-current assets pledged as security.

11

**TRADE AND
OTHER PAYABLES**

CURRENT	2010 (\$)	2009 (\$)
Trade creditors	91,666	53,083
Deferred income	662,916	320,100
TOTAL TRADE AND OTHER PAYABLES	754,582	373,183

(A) Risk exposure

Details of the company's exposure to risks arising from current and non-current lease liabilities are set out in Note 2.

12

LEASE LIABILITY

	2010 (\$)	2009 (\$)
SECURED		
Current lease liability	10,683	35,430
Non-current lease liability	17,844	-
TOTAL	28,527	35,430

**(A) AMOUNTS PLEDGED AS SECURITY
UNDER LEASE AGREEMENT**

Subaru Liberty	0	14,569
Volkswagen Golf Diesel	32,172	20,704
TOTAL	32,172	35,273

13

PROVISIONS

	2010 (\$)	2009 (\$)
CURRENT		
Provision for annual leave	48,334	30,241
NON-CURRENT		
Provision for long service leave	1,102	606

14

COMMITMENTS

	2010 (\$)	2009 (\$)
LEASE COMMITMENTS		
FINANCE LEASE		
No later than 1 year	10,683	35,430
Later than 1 year but no later than 5 years	17,844	0
Later than 5 years	0	0
TOTAL	28,527	35,430
OPERATING LEASE		
No later than 1 year	0	19,818
Later than 1 year but no later than 5 years	0	0
Later than 5 years	0	0
TOTAL	0	19,818

15

RESERVES AND RETAINED EARNINGS

(A) Reserves	2010 (\$)	2009 (\$)
Asset Revaluation Reserve	666,166	666,166

No movement in reserves during the current year.

Movements in retained earnings were as follows:

(B) Retained earnings	2010 (\$)	2009 (\$)
Balance at 1 July	721,868	716,417
Net surplus for the year	100,932	5,451
BALANCE AT 30 JUNE	822,800	721,868

(C) Nature and purpose of reserves

The Asset Revaluation Reserve is used to record increments and decrements on the revaluation of non-current assets, as described in Note 1 (Property, plant and equipment).

16

CONTINGENT LIABILITIES

There are no contingent assets or liabilities at 30 June 2010 (2009: nil).

17

REMUNERATION OF DIRECTORS

Amount received or due and receivable by the Directors of Typo Station Limited from that company and related entities: nil.

18

REMUNERATION OF AUDITORS

Amounts received or due and receivable by the auditors (PricewaterhouseCoopers) of the entity for auditing services: nil. Other services: nil.

19

STATEMENT OF CASH FLOWS

Reconciliation of cash flow from operations with profit from ordinary activities.

	2010 (\$)	2009 (\$)
SURPLUS FOR THE YEAR	100,932	5,451
PLUS/(MINUS) NON-CASH ITEMS		
Depreciation	84,980	72,768
Gain on disposal of motor vehicle	(9,418)	(1,229)
Interest on finance leases	0	3,566
Provision for impairment of trade receivables	11,220	0
CHANGES IN ASSETS AND LIABILITIES		
Decrease/(increase) in trade receivables and other debtors	(149,221)	80,329
(Decrease)/increase in trade creditors and accruals	352,837	21,630
(Increase)/decrease in prepayments	47	296
(Decrease)/increase in provisions	18,588	(9,433)
NET CASH INFLOW FROM OPERATING ACTIVITIES	409,965	173,379

The company has no bank bill or overdraft facilities.

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RELATED PARTY TRANSACTIONS

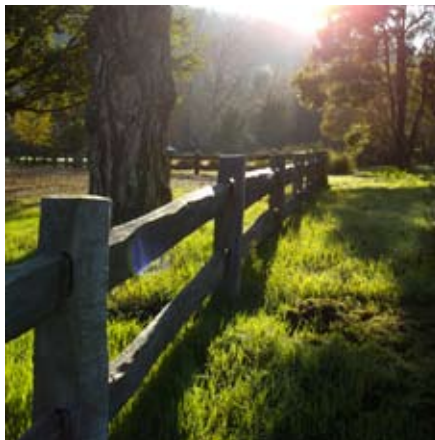
There were no related party transactions during the 30 June 2010 financial year (2009: nil).

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EVENTS OCCURRING AFTER BALANCE SHEET DATE

On 17 May 2010, the Chairman of the Board of Directors signed a Heads of Agreement document with Youth Enterprise Trust (YET). This document outlines the intention to formally merge the two organisations, including the leasing of YET's property and buildings to the company and the transferring of all other assets, staff and contracts held by YET to the company. It is anticipated that this merger will be completed within the 2010-11 financial year.

Except for the merger activity discussed above, no other matter or circumstance has arisen since 30 June 2010 that has significantly affected, or may significantly affect, the operations of the company, the results of those operations, or the state of affairs of the company in subsequent financial years.



Independent auditor's report to the members of Typo Station Ltd

Report on the financial report

We have audited the accompanying financial report, being a special purpose financial report, of Typo Station Ltd (the company), which comprises the statement of financial position as at 30 June 2010, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year ended on that date, a summary of significant accounting policies, other explanatory notes and the directors' declaration.

Directors' responsibility for the financial report

The directors of the company are responsible for the preparation and fair presentation of the financial report and have determined that the accounting policies described in Note 1 to the financial statements, which form part of the financial report, are appropriate to meet the requirements of the *Corporations Act 2001* and are appropriate to meet the needs of the members. The directors' responsibility also includes establishing and maintaining internal control relevant to the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's responsibility

Our responsibility is to express an opinion on the financial report based on our audit. No opinion is expressed as to whether the accounting policies used, as described in Note 1, are appropriate to meet the needs of the members. We conducted our audit in accordance with Australian Auditing Standards. These Auditing Standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement.

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 judgement, 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 company'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 company's internal control. An audit also includes evaluating the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial report.

The financial report has been prepared for distribution to members for the purpose of fulfilling the financial reporting obligations of the directors' under the *Corporations Act 2001*. We disclaim any assumption of responsibility for any reliance on this audit report or on the financial report to which it relates to any person other than the members, or for any purpose other than that for which they were prepared.

**Independent auditor's report to the members of
Typo Station Ltd (continued)**

Our procedures include reading the other information in the Annual Report to determine whether it contains any material inconsistent with the financial report.

Our audit did not involve an analysis of the prudence of business decisions made by directors or management.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Independence

In conducting our audit, we have complied with the independence requirements of the *Corporations Act 2001*.

Auditor's opinion

In our opinion, the financial report of Typo Station Ltd is in accordance with the *Corporations Act 2001*, including:

- (a) giving a true and fair view of the company's financial position as at 30 June 2010 and of its performance for the year ended on that date in accordance with the accounting policies described in Note 1, and
- (b) complying with Australian Accounting Standards to the extent described in Note 1 and complying with the *Corporations Regulations 2001*.

Matters relating to the electronic presentation of the audited financial report

This auditor's report relates to the financial report of Typo Station Ltd (the company) for the year ended included on the company's web site. The company's directors are responsible for the integrity of the company's web site. We have not been engaged to report on the integrity of this web site. The auditor's report refers only to the financial report named above. It does not provide an opinion on any other information which may have been hyperlinked to/from the financial report. If users of this report are concerned with the inherent risks arising from electronic data communications they are advised to refer to the hard copy of the audited financial report to confirm the information included in the audited financial report presented on this web site.



PricewaterhouseCoopers



Peter Buchholz
Partner

Melbourne
8 December 2010

thanks to our wonderful supporters

Evolve would like to acknowledge the generosity and commitment of all our donors, supporters, volunteers and friends

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GOVERNMENT DEPARTMENTS

City of Wangaratta
Department of Education and Early Childhood Development (Hume Region)
Rubicon Outdoor Education Centre
Victoria Police

VOLUNTEERS

Ray Martin
Susan Pitchford
John van Tiggelen
Michael Warnock
Young Men's Program back up drivers
All Evolve's volunteers – your support enables us to assist more young people than we otherwise could

We would like to acknowledge all the young people who have participated in Evolve's programs this year. Seeing you work so hard at making a better life for yourselves inspires us all.

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