

Youth Affairs Council of Victoria

ABN: 39 774 045 170

Financial Statements

For the Year Ended 30 June 2021

Youth Affairs Council of Victoria

ABN: 39 774 045 170

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Youth Affairs Council of Victoria

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Auditor's Independence Declaration under Section 60-40 of the Australian Charities and Not-for-profits Commission Act 2012 to the Responsible Persons' of Youth Affairs Council of Victoria

I declare that, to the best of my knowledge and belief, during the year ended 30 June 2021, there have been:

- (i) no contraventions of the auditor independence requirements as set out in section 60-40 of the *Australian Charities and Not-for-profits Commission Act 2012* in relation to the audit; and
- (ii) no contraventions of any applicable code of professional conduct in relation to the audit.

ACCRU MELBOURNE (AUDIT) PTY LTD

G D WINNETT
Director

20 October 2021

50 Camberwell Road
HAWTHORN EAST VIC

Youth Affairs Council of Victoria

ABN: 39 774 045 170

Statement of Comprehensive Income For the Year Ended 30 June 2021

	2021	2020
	\$	\$
Income		
Conferences	-	137,565
Member subscriptions	38,306	26,659
Government grants	4,042,809	3,794,351
Other grants	84,600	36,500
Interest received	2,337	25,328
Other income	264,203	146,487
Covid-19 Government Stimulus	195,100	62,500
	4,627,355	4,229,390
Expenditure		
Depreciation and amortisation expense	234,788	243,880
Finance costs	13,835	20,035
Employee costs	3,407,726	2,857,674
Accommodation expenses	90,534	103,663
Administration expenses	274,666	173,516
Communication expenses	37,802	127,085
Publication and printing	12,691	5,696
Project costs	222,445	387,942
	4,294,487	3,919,491
Other comprehensive income for the year	-	-
Total comprehensive income for the year	332,868	309,899

The accompanying notes form part of these financial statements.

Youth Affairs Council of Victoria

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Statement of Financial Position As At 30 June 2021

	Note	2021 \$	2020 \$
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	2	3,540,657	2,814,485
Trade and other receivables	3	236,842	170,674
Prepayments		62,931	13,111
TOTAL CURRENT ASSETS		3,840,430	2,998,270
NON-CURRENT ASSETS			
Plant and equipment	4	180,051	261,908
Right-of-use assets	5	335,234	497,013
TOTAL NON-CURRENT ASSETS		515,285	758,921
TOTAL ASSETS		4,355,715	3,757,191
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	6	301,716	341,374
Employee benefits	8	286,160	192,672
Other liabilities	7	1,796,262	1,192,154
Lease liabilities	5	149,941	137,510
TOTAL CURRENT LIABILITIES		2,534,079	1,863,710
NON-CURRENT LIABILITIES			
Lease liabilities	5	215,805	376,897
Employee benefits	8	39,399	26,887
TOTAL NON-CURRENT LIABILITIES		255,204	403,784
TOTAL LIABILITIES		2,789,283	2,267,494
NET ASSETS		1,566,432	1,489,697
MEMBERS' FUNDS			
VicSRC retained surplus		-	256,133
Retained surplus		1,566,432	1,233,564
TOTAL MEMBERS' FUNDS		1,566,432	1,489,697

The accompanying notes form part of these financial statements.

Youth Affairs Council of Victoria

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Statement of Changes in Equity For the Year Ended 30 June 2021

2021

	Retained Surplus	VicSRC Retained Surplus	Total
	\$	\$	\$
Balance at 1 July 2020	1,233,564	256,133	1,489,697
Surplus for the year	332,868	-	332,868
Ending of auspice agreement	-	(256,133)	(256,133)
Balance at 30 June 2021	1,566,432	-	1,566,432

2020

	Retained Surplus	VicSRC Retained Surplus	Total
	\$	\$	\$
Balance at 1 July 2019	991,956	187,842	1,179,798
Surplus for the year	241,608	68,291	309,899
Balance at 30 June 2020	1,233,564	256,133	1,489,697

The accompanying notes form part of these financial statements.

Youth Affairs Council of Victoria

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Statement of Cash Flows For the Year Ended 30 June 2021

	2021	2020
Note	\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES:		
Receipts from government and members	5,963,477	4,399,027
Payments to suppliers and employees	(4,829,862)	(3,948,726)
Interest received	2,337	25,328
Interest paid on lease liabilities	(13,835)	(20,035)
Net cash provided by/(used in) operating activities	<u>1,122,117</u>	<u>455,594</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchase of property, plant and equipment	(9,258)	(16,553)
Payment to VICSRC for ending auspice arrangement	(256,133)	-
Net cash provided by/(used in) investing activities	<u>(265,391)</u>	<u>(16,553)</u>
CASH FLOWS FROM FINANCING ACTIVITIES:		
Payment of lease liabilities	(130,554)	(128,073)
Net cash provided by/(used in) financing activities	<u>(130,554)</u>	<u>(128,073)</u>
Net increase/(decrease) in cash and cash equivalents held	726,172	310,968
Cash and cash equivalents at beginning of year	<u>2,814,485</u>	<u>2,503,517</u>
Cash and cash equivalents at end of financial year	2 <u><u>3,540,657</u></u>	<u><u>2,814,485</u></u>

The accompanying notes form part of these financial statements.

Notes to the Financial Statements

For the Year Ended 30 June 2021

The financial statements cover Youth Affairs Council of Victoria as an individual entity. Youth Affairs Council of Victoria is a not-for-profit Association incorporated in Victoria under the *Associations Incorporation Reform Act 2012*.

Basis of Preparation

In the opinion of the Board Members, the Association is not a reporting entity since there are unlikely to exist users of the financial statements who are not able to command the preparation of reports tailored so as to satisfy specifically all of their information needs. These special purpose financial statements have been prepared to meet the reporting requirements of the ACNC Act 2012.

Youth Affairs Council of Victoria special purpose financial statements comply with all the recognition and measurement requirements in Australian Accounting Standards.

The following significant accounting policies, which are consistent with the previous period unless stated otherwise, have been adopted in the preparation of these financial statements.

1 Summary of Significant Accounting Policies

(a) Revenue

Revenue is recognised on the following basis:

- Revenue from the rendering of a service is recognised upon the delivery of the service to the clients.
- Interest revenue is recognised on a proportional basis taking into account the interest rates applicable to the financial assets.
- Membership revenue is recognised progressively over the period to which the membership relates.
- When the Association receives government grants, it performs an assessment to determine if the funding agreement is enforceable and contains sufficiently specific performance obligations. In cases where there is an enforceable contract with a customer with sufficiently specific performance obligations, the transaction is accounted for under AASB 15 where income is recognised when (or as) the performance obligations are satisfied. In all other cases the transaction is accounted for under AASB 1058 where the income is recognised upon receipt.

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

The core principle of AASB 15 is that revenue is recognised on a basis that reflects the transfer of promised goods or services to customers at an amount that reflects the consideration the Association expects to receive in exchange for those goods or services. Revenue is recognised by applying a five-step model as follows:

1. Identify the contract with the client
2. Identify the performance obligations
3. Determine the transaction price
4. Allocate the transaction price to the performance obligations
5. Recognise revenue as and when control of the performance obligations is transferred

Notes to the Financial Statements

For the Year Ended 30 June 2021

1 Summary of Significant Accounting Policies

(b) Income Tax

The Association is exempt from income tax under Division 50 of the *Income Tax Assessment Act 1997*.

(c) Goods and services tax (GST)

Revenue, expenses and assets are recognised net of the amount of goods and services tax (GST), except where the amount of GST incurred is not recoverable from the Australian Taxation Office (ATO).

Receivables and payable are stated inclusive of GST.

Cash flows in the statement of cash flows are included on a gross basis and the GST component of cash flows arising from investing and financing activities which is recoverable from, or payable to, the taxation authority is classified as operating cash flows.

(d) Leases

The Association assesses whether a contract is or contains a lease, at inception of the contract. The Association recognises a right-of-use asset and a corresponding lease liability with respect to all lease arrangements in which it is the lessee, except for short-term leases (defined as leases with a lease term of 12 months or less) and leases of low value assets. For these leases, the Association recognises the lease payments on a straight-line basis over the term of the lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased assets are consumed. The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the rate implicit in the lease. If this rate cannot be readily determined, the Association uses its incremental borrowing rate.

Lease payments included in the measurement of the lease liability comprise:

- Fixed lease payments (including in-substance fixed payments), less any lease incentives receivable.
- Variable lease payments that depend on an index or rate, initially measured using the index or rate at the commencement date.
- The amount expected to be payable by the lessee under residual value guarantees.
- The exercise price of purchase options, if the lessee is reasonably certain to exercise the options.
- Payments of penalties for terminating the lease, if the lease term reflects the exercise of an option to terminate the lease.

The lease liability is presented as a separate line in the statement of financial position.

The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability (using the effective interest method) and by reducing the carrying amount to reflect the lease payments made.

Whenever the Association incurs an obligation for costs to dismantle and remove a leased asset, restore the site on which it is located or restore the underlying asset to the condition required by the terms and conditions of the lease, a provision is recognised and measured under AASB 137. To the extent that the costs relate to a right-of-use asset, the costs are included in the related right-of-use asset.

Notes to the Financial Statements For the Year Ended 30 June 2021

1 Summary of Significant Accounting Policies

(d) Leases

Right-of-use assets are depreciated over the shorter period of lease term and useful life of the underlying asset. The depreciation starts at the commencement date of the lease.

The right-of-use assets are presented as a separate line in statement of financial position.

The Association applies AASB 136 Impairment of Assets to determine whether a right-of-use asset is impaired and accounts for any identified impairment loss as described in the 'Property, plant and equipment' policy.

(e) Property, plant and equipment

Leasehold improvements and office equipment are carried at cost less, where applicable, any accumulated amortisation.

Property, plant and equipment, Office Equipment, Leasehold Improvements and Computer Software is depreciated on a straight-line basis over the assets useful life to the Association, commencing when the asset is ready for use.

Leased assets and leasehold improvements are amortised over the shorter of either the unexpired period of the lease or their estimated useful life.

The estimated useful lives used for each class of depreciable asset are shown below:

Fixed asset class	Useful life
Furniture, Fixtures and Fittings	4-10 years
Office Equipment	3-5 years
Leasehold improvements	5 years
Website	5 years

At the end of each annual reporting period, the depreciation method, useful life and residual value of each asset is reviewed. Any revisions are accounted for prospectively as a change in estimate.

(f) Cash and cash equivalents

Cash and cash equivalents comprises cash on hand, demand deposits and short-term investments which are readily convertible to known amounts of cash and which are subject to an insignificant risk of change in value.

(g) Employee benefits

Provision is made for the Association's liability for employee benefits arising from services rendered by employees to the end of the reporting period. Employee benefits that are expected to be wholly settled within one year have been measured at the amounts expected to be paid when the liability is settled plus on-costs. Employee benefits payable later than one year have been measured at present value of the estimated future cash outflows to be made for those benefits. In determining the liability, consideration is given to employee wage increases and the probability that the employee may satisfy vesting requirements. Those cashflows are discounted using market yields on national government bonds with terms to maturity that match the expected timing of cashflows.

Notes to the Financial Statements For the Year Ended 30 June 2021

1 Summary of Significant Accounting Policies

(h) Adoption of new and revised accounting standards

During the current year, the Association adopted the new and revised Australian Accounting Standards applicable to its operations which became mandatory. The adoption of these Standards has not had a significant impact the recognition, measurement and disclosure of transactions.

(i) New Accounting Standards and Interpretations

The AASB has issued new and amended Accounting Standards and Interpretations that have mandatory application dates for future reporting periods. The Association has decided not to early adopt these Standards.

The following table summarises those future requirements, and their impact on the Association where the standard is relevant:

Standard Name	Effective date for entity	Impact
AASB 2020-8: Amendments to Australian Accounting Standards - Interest Rate Benchmark Reform - Phase 2	1 January 2021	Adoption of this standard is not expected to have a material impact.
AASB 2020-3: Amendments to Australian Accounting Standards - Annual Improvements 2018-2020 and Other Amendments	1 January 2022	Adoption of this standard is not expected to have a material impact.
AASB 2020-1: Amendments to Australian Accounting Standards - Classification of Liabilities as Current or Non-Current	1 January 2022	Adoption of this standard is not expected to have a material impact.

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Notes to the Financial Statements For the Year Ended 30 June 2021

2 Cash and Cash Equivalents

	2021	2020
	\$	\$
Cash on hand	1,100	1,100
Bank balances	640,967	676,753
Short-term deposits	2,898,590	2,136,632
	<u>3,540,657</u>	<u>2,814,485</u>

3 Trade and Other Receivables

CURRENT		
Accounts receivables	171,734	94,011
Other accrued income	65,108	76,663
	<u>236,842</u>	<u>170,674</u>

4 Property, plant and equipment

PLANT AND EQUIPMENT		
Office equipment		
At cost	122,819	117,888
Accumulated depreciation	(99,950)	(84,870)
Total office equipment	<u>22,869</u>	<u>33,018</u>
Computer software		
At cost	70,851	70,851
Accumulated depreciation	(52,720)	(38,550)
Total computer software	<u>18,131</u>	<u>32,301</u>
Leasehold Improvements		
At cost	287,692	287,692
Accumulated amortisation	(148,641)	(91,103)
Total leasehold improvements	<u>139,051</u>	<u>196,589</u>
Total property, plant and equipment	<u>180,051</u>	<u>261,908</u>

Notes to the Financial Statements For the Year Ended 30 June 2021

5 Leases

Right-of-use assets

	Buildings
	\$
Year ended 30 June 2021	
Balance at the beginning of the year	497,013
Amortisation charge	(143,672)
Reductions in right-of-use assets due to changes in lease liability	<u>(18,107)</u>
Balance at end of year	<u><u>335,234</u></u>

	Buildings
	\$
Year ended 30 June 2020	
Opening balances	642,480
Depreciation charge	<u>(145,467)</u>
Balance at end of year	<u><u>497,013</u></u>

Lease liabilities

The maturity analysis of lease liabilities based on contractual cash flows is shown in the table below:

	< 1 year	1 - 5 years	Total lease liabilities
	\$	\$	\$
2021			
Lease liabilities	149,941	215,805	365,746
2020			
Lease liabilities	137,510	376,897	514,407

Statement of Financial Performance

The amounts recognised in the statement of financial performance relating to leases where the Association is a lessee are shown below:

	2021	2020
	\$	\$
Interest expense on lease liabilities	13,835	20,035
Depreciation of right-of-use assets	143,672	145,467
	<u><u>157,507</u></u>	<u><u>165,502</u></u>

Notes to the Financial Statements For the Year Ended 30 June 2021

6 Trade and Other Payables

	2021	2020
Note	\$	\$
Current		
Trade payables	65,988	197,143
GST payable	2,931	109,122
Sundry payables and accrued expenses	232,797	35,109
	<u>301,716</u>	<u>341,374</u>

7 Other Liabilities

CURRENT		
Government grants received in advance	1,679,540	1,186,205
Deferred income conferences	116,722	-
Deferred membership and registration fees	-	5,949
Total	<u>1,796,262</u>	<u>1,192,154</u>

8 Employee Benefits

Current liabilities		
Long service leave	-	33,521
Annual leave	242,342	159,151
Staff training	43,818	-
	<u>286,160</u>	<u>192,672</u>
Non-current liabilities		
Long service leave	39,399	26,887
	<u>39,399</u>	<u>26,887</u>

9 Commitments

Operating Leases

Minimum lease payments under non-cancellable operating leases:

- not later than one year	2,917	10,380
- between one year and five years	1,702	3,160
	<u>4,619</u>	<u>13,540</u>

Following the adoption of AASB 16 (refer note 1(h)) from 1 July 2019, all operating leases have been accounted for as right to use assets and lease liabilities (refer note 5) with the exception of low value photocopier leases and short term motor vehicle leases.

10 Contingencies

In the opinion of the Board Members, the Association did not have any contingencies at 30 June 2021 (30 June 2020:None).

Notes to the Financial Statements

For the Year Ended 30 June 2021

11 Events after the end of the Reporting Period

The outbreak of COVID-19 and the subsequent quarantine measures imposed by the Australian and State governments as well as other restrictions imposed by Australia have caused significant disruption. In response to COVID-19, both the Federal Government and the State Government of Victoria have implemented policies and measures with the aim of containing the virus. In an effort to contain the spread of the virus, the Victorian Government, implemented restrictions in Melbourne with quarantine restrictions, travel restrictions, closure of businesses and other restrictive movement measures. There has not been any material financial impact as a result of COVID-19 and the Board have considered and do not expect any material impact as a result of the above measures to the reported assets and liabilities as at 30 June 2021.

12 Statutory Information

The registered office and principal place of business of the Association is:

Youth Affairs Council of Victoria
Level 2
235 Queen Street
Melbourne VIC 3000

Youth Affairs Council of Victoria

ABN: 39 774 045 170

Responsible Persons' Declaration

The Board Members are the Responsible Persons. The Board Members have determined that the Association is not a reporting entity and that this special purpose financial report should be prepared in accordance with the accounting policies outlined in Note 1 to the financial statements.

The Board Members of the Association declare that:

1. The financial report, as set out on pages 2 to 13, are in accordance with the *Australian Charities and Not-for-profits Commission Act 2012*, the *Australian Charities and Not-for-profits Commission Regulation 2013* and:
 - (a) comply with Australian Accounting Standards as stated in Note 1; and
 - (b) give a true and fair view of the financial position as at 30 June 2021 and of its financial performance for the year then ended in accordance with the accounting policy described in Note 1 of the financial statements.
2. In the Board Members' opinion, there are reasonable grounds to believe that Youth Affairs Council of Victoria will be able to pay its debts as and when they become due and payable.

This statement is made in accordance with a resolution of the board and is signed for and on behalf of the board by:

Chair

Kerrie Loveless

Treasurer

Peter Glynn

Dated 20 October 2021

Independent Audit Report to the members of Youth Affairs Council of Victoria

Report on the Audit of the Financial Report

Opinion

We have audited the accompanying financial report, being a special purpose financial report of Youth Affairs Council of Victoria (the Association), which comprises the statement of financial position as at 30 June 2021, the statement of financial performance, the statement of changes in equity and the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and the responsible persons' declaration.

In our opinion, the accompanying financial report of the Association is in accordance with the *Australian Charities and Not-for-profits Commission Act 2012*, including:

(i) giving a true and fair view of the Association's financial position as at 30 June 2021 and of its financial performance for the year then ended; and

(ii) complying with Australian Accounting Standards to the extent described in Note 1 and 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 auditor independence requirements of the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

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

Emphasis of Matter - Basis of Accounting

We draw attention to Note 1 of the financial report, which describes the basis of accounting. The financial report is prepared to assist the Association in meeting its 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 report is intended solely for the Association and should not be distributed to or used by parties other than the Association. Our opinion is not modified in respect of this matter.

Responsibilities of Board and Those Charged with Governance

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

In preparing the financial report, the board 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 board either intends to liquidate the Association or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Association's financial reporting process.

Independent Audit Report to the members of Youth Affairs Council of Victoria

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 the Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Association's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the committee.
- Conclude on the appropriateness of the committee's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the 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 reporter, 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.

ACCRU MELBOURNE (AUDIT) PTY LTD

G D WINNETT
Director

20 October 2021