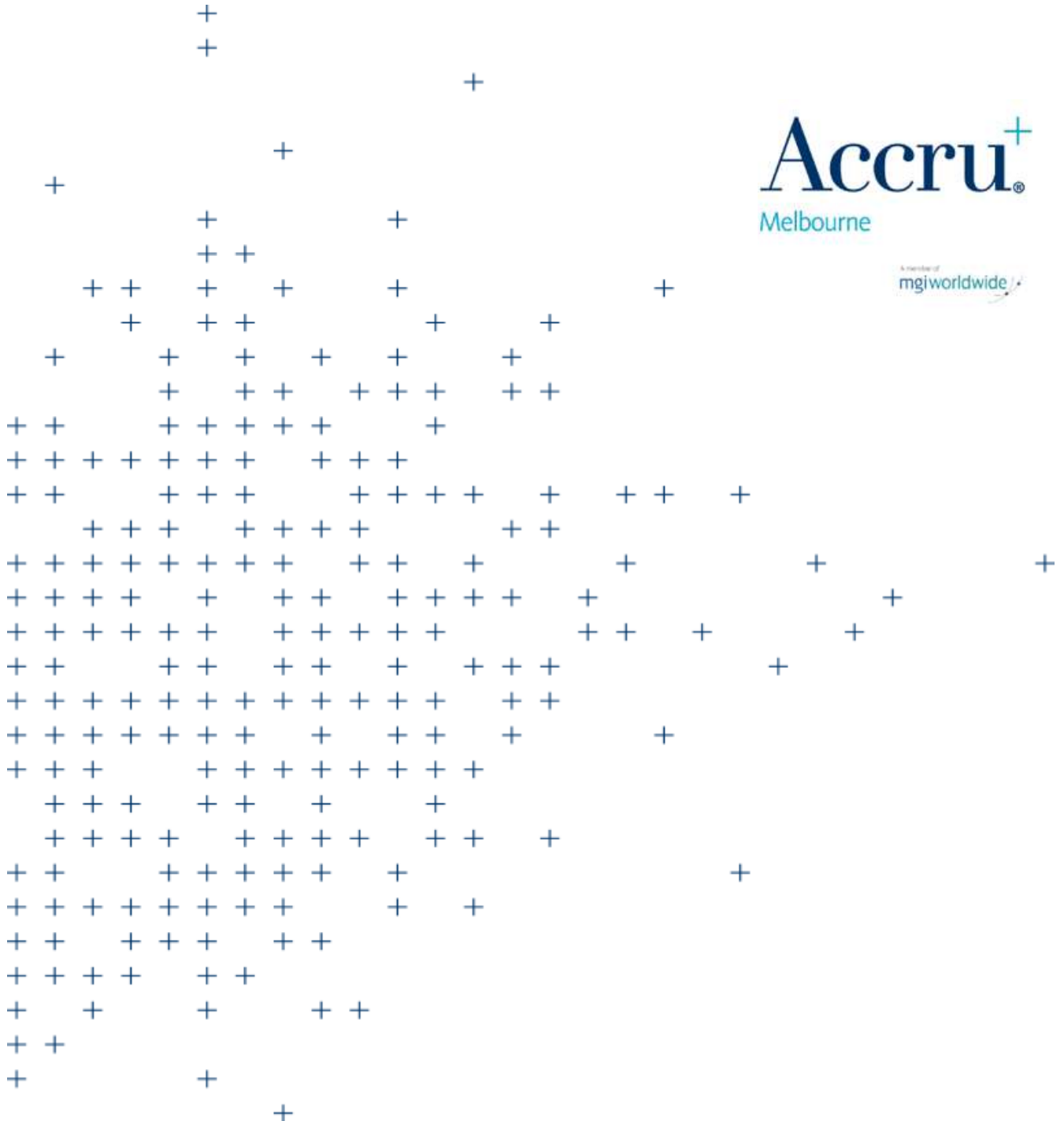




Youth Affairs Council Victoria

YOUTH AFFAIRS COUNCIL OF VICTORIA
ABN 39 774 045 170

FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2024



Youth Affairs Council of Victoria

ABN: 39 774 045 170

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For the Year Ended 30 June 2024

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Youth Affairs Council of Victoria

ABN: 39 774 045 170

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 2024, 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

14 November 2024

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 2024

| | 2024 | 2023 |
|---|------------------|------------------|
| | \$ | \$ |
| Income | | |
| Conferences | 16,364 | - |
| Member subscriptions | 20,140 | 26,703 |
| Government grants | 4,007,914 | 5,078,854 |
| Other grants | - | 102,121 |
| Interest received | 158,304 | 35,389 |
| Other income | 603,415 | 506,467 |
| | <u>4,806,137</u> | <u>5,749,534</u> |
| Expenditure | | |
| Depreciation and amortisation expense | 235,557 | 299,222 |
| Finance costs | 8,986 | 8,361 |
| Employee costs | 3,542,828 | 3,749,536 |
| Accommodation expenses | 88,656 | 73,921 |
| Administration expenses | 268,310 | 253,481 |
| Communication expenses | 115,458 | 46,247 |
| Publication and printing | 14,662 | 7,113 |
| Loss on disposal of assets | - | 136 |
| Project costs | 528,747 | 1,177,522 |
| | <u>4,803,204</u> | <u>5,615,539</u> |
| Surplus for the year | 2,933 | 133,995 |
| Other comprehensive income | - | - |
| Total comprehensive income for the year | <u>2,933</u> | <u>133,995</u> |

The accompanying notes form part of these financial statements.

Youth Affairs Council of Victoria

ABN: 39 774 045 170

Statement of Financial Position

As At 30 June 2024

| | Note | 2024 \$ | 2023 \$ |
|--------------------------------------|------|------------------|------------------|
| ASSETS | | | |
| CURRENT ASSETS | | | |
| Cash and cash equivalents | 3 | 4,248,428 | 8,243,153 |
| Trade and other receivables | 4 | 157,564 | 28,937 |
| Prepayments | | 59,829 | 66,733 |
| TOTAL CURRENT ASSETS | | 4,465,821 | 8,338,823 |
| NON-CURRENT ASSETS | | | |
| Plant and equipment | 5 | 33,376 | 57,241 |
| Right-of-use assets | 6 | 218,118 | 344,034 |
| TOTAL NON-CURRENT ASSETS | | 251,494 | 401,275 |
| TOTAL ASSETS | | 4,717,315 | 8,740,098 |
| LIABILITIES | | | |
| CURRENT LIABILITIES | | | |
| Trade and other payables | 7 | 571,639 | 1,733,874 |
| Employee benefits | 10 | 274,087 | 297,569 |
| Contract liabilities | 9 | 2,369,118 | 5,071,873 |
| Lease liabilities | 6 | 151,972 | 292,579 |
| TOTAL CURRENT LIABILITIES | | 3,366,816 | 7,395,895 |
| NON-CURRENT LIABILITIES | | | |
| Lease liabilities | 6 | 42,498 | - |
| Employee benefits | 10 | 34,613 | 73,748 |
| Long-term provisions | 8 | 86,000 | 86,000 |
| TOTAL NON-CURRENT LIABILITIES | | 163,111 | 159,748 |
| TOTAL LIABILITIES | | 3,529,927 | 7,555,643 |
| NET ASSETS | | 1,187,388 | 1,184,455 |
| MEMBERS' FUNDS | | | |
| Retained surplus | | 1,187,388 | 1,184,455 |
| TOTAL MEMBERS' FUNDS | | 1,187,388 | 1,184,455 |

The accompanying notes form part of these financial statements.

Youth Affairs Council of Victoria

ABN: 39 774 045 170

Statement of Changes in Equity For the Year Ended 30 June 2024

2024

| | Retained Surplus \$ | KYC Retained Surplus \$ | YDAS Retained Surplus \$ | Total \$ |
|--------------------------------|---------------------------|----------------------------------|-----------------------------------|------------------|
| Balance at 1 July 2023 | 1,184,455 | - | - | 1,184,455 |
| Surplus/(deficit) for the year | 2,933 | - | - | 2,933 |
| Balance at 30 June 2024 | 1,187,388 | - | - | 1,187,388 |
| Balance at 1 July 2022 | 1,197,569 | 395,452 | 274,145 | 1,867,166 |
| Surplus/(deficit) for the year | (13,114) | 74,162 | 72,947 | 133,995 |
| Ending of auspice agreement | - | (469,614) | - | (469,614) |
| De-merger of funds | - | - | (347,092) | (347,092) |
| Balance at 30 June 2023 | 1,184,455 | - | - | 1,184,455 |

The accompanying notes form part of these financial statements.

Youth Affairs Council of Victoria

ABN: 39 774 045 170

Statement of Cash Flows For the Year Ended 30 June 2024

| | 2024 | 2023 |
|---|-----------------------|------------------|
| Note | \$ | \$ |
| CASH FLOWS FROM OPERATING ACTIVITIES: | | |
| Receipts from government and members | 2,103,241 | 5,676,784 |
| Payments to suppliers and employees | (6,063,399) | (5,974,750) |
| Interest received | 158,304 | 35,389 |
| Interest paid on lease liabilities | (8,986) | (8,361) |
| Net cash provided by/(used in) operating activities | 14 <u>(3,810,840)</u> | <u>(270,938)</u> |
| CASH FLOWS FROM INVESTING ACTIVITIES: | | |
| Proceeds from sale of property, plant and equipment | - | 7,661 |
| Purchase of property, plant and equipment | (21,558) | (36,061) |
| Payment to KYC for ending auspice arrangement | - | (469,614) |
| Net cash provided by/(used in) investing activities | <u>(21,558)</u> | <u>(498,014)</u> |
| CASH FLOWS FROM FINANCING ACTIVITIES: | | |
| Payment of lease liabilities | (162,327) | (296,331) |
| Net cash provided by/(used in) financing activities | <u>(162,327)</u> | <u>(296,331)</u> |
| Net increase/(decrease) in cash and cash equivalents held | (3,994,725) | (1,065,283) |
| Cash and cash equivalents at beginning of year | 8,243,153 | 9,308,436 |
| Cash and cash equivalents at end of financial year | 3 <u>4,248,428</u> | <u>8,243,153</u> |

The accompanying notes form part of these financial statements.

Youth Affairs Council of Victoria

ABN: 39 774 045 170

Notes to the Financial Statements For the Year Ended 30 June 2024

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, except the following:

The Association was party to transactions during the year which needed to be recognised under AASB 5 - Non-Current Assets Held for Sale and Discontinued Operations. However, the Association has decided not to apply the recognition, measurement and disclosure requirements of AASB 5 in preparing these financial statements.

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 Material Accounting Policy Information

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

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

Notes to the Financial Statements For the Year Ended 30 June 2024

1 Material Accounting Policy Information

(a) Revenue

5. Recognise revenue as and when control of the performance obligations is transferred

(b) Income Tax

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

(c) 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.

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.

Notes to the Financial Statements For the Year Ended 30 June 2024

1 Material Accounting Policy Information

(d) 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.

(e) 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 2024

2 Critical Accounting Estimates and Judgments

The directors make estimates and judgements during the preparation of these financial statements regarding assumptions about current and future events affecting transactions and balances.

These estimates and judgements are based on the best information available at the time of preparing the financial statements, however as additional information is known then the actual results may differ from the estimates.

The significant estimates and judgements made have been described below.

Key judgments

- Performance obligations under AASB 15:

To identify a performance obligation under AASB 15, the promise must be sufficiently specific to be able to determine when the obligation is satisfied. Management exercises judgement to determine whether the promise is sufficiently specific by taking into account any conditions specified in the arrangement, explicit or implicit, regarding the promised goods or services. In making this assessment, management includes the nature, value, quantity and the period of transfer related to the goods or services promised.

- Long Service Leave

The provision for long service leave entitlements is derived from an assessment of relevant employee retention rates, future salary levels, inflation, and timing of payment.

Youth Affairs Council of Victoria

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Notes to the Financial Statements For the Year Ended 30 June 2024

3 Cash and Cash Equivalents

| | 2024 | 2023 |
|---------------------|------------------|------------------|
| | \$ | \$ |
| Bank balances | 654,318 | 642,576 |
| Short-term deposits | 3,594,110 | 7,600,577 |
| | <u>4,248,428</u> | <u>8,243,153</u> |

4 Trade and Other Receivables

| CURRENT | | |
|----------------------|----------------|--------|
| Accounts receivables | <u>157,564</u> | 28,937 |

5 Property, plant and equipment

| PLANT AND EQUIPMENT | | |
|--|----------------------|----------------------|
| Office equipment | | |
| At cost | 152,876 | 131,317 |
| Accumulated depreciation | <u>(119,499)</u> | <u>(98,050)</u> |
| Total office equipment | <u>33,377</u> | <u>33,267</u> |
| Computer software | | |
| At cost | 70,851 | 70,851 |
| Accumulated depreciation | <u>(70,851)</u> | <u>(70,851)</u> |
| Leasehold Improvements | | |
| At cost | 287,692 | 287,692 |
| Accumulated amortisation | <u>(287,692)</u> | <u>(263,718)</u> |
| Total leasehold improvements | <u>-</u> | <u>23,974</u> |
| Total property, plant and equipment | <u>33,377</u> | <u>57,241</u> |

Notes to the Financial Statements For the Year Ended 30 June 2024

6 Leases

Right-of-use assets

| | Buildings \$ |
|--|-----------------------|
| Year ended 30 June 2024 | |
| Balance at the beginning of the year | 344,034 |
| Depreciation charge | (190,134) |
| Additions to right-of-use assets | <u>64,218</u> |
| Balance at end of year | <u><u>218,118</u></u> |
| | |
| | Buildings \$ |
| Year ended 30 June 2023 | |
| Opening balances | 239,541 |
| Depreciation charge | (219,008) |
| Additions to right-of-use assets | <u>323,501</u> |
| Balance at end of year 30 June 2023 | <u><u>344,034</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 \$ | Lease liabilities included in this Statement Of Financial Position \$ |
|-------------------|----------------|-------------------|----------------------------------|---|
| 2024 | | | | |
| Lease liabilities | 156,821 | 44,668 | 201,489 | 194,470 |
| 2023 | | | | |
| Lease liabilities | 149,111 | 143,468 | 292,579 | 292,578 |

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:

| | 2024 \$ | 2023 \$ |
|---------------------------------------|-----------------------|-----------------------|
| Interest expense on lease liabilities | 8,986 | 8,361 |
| Depreciation of right-of-use assets | <u>190,134</u> | 219,008 |
| | <u><u>199,120</u></u> | <u><u>227,369</u></u> |

Notes to the Financial Statements For the Year Ended 30 June 2024

7 Trade and Other Payables

| | 2024 | 2023 |
|--------------------------------------|----------------|------------------|
| | \$ | \$ |
| Current | | |
| Trade payables | 17,937 | 26,260 |
| GST payable/(receivables) | (40,064) | 196,159 |
| Sundry payables and accrued expenses | 255,525 | 253,727 |
| KYC grants payable | - | 910,636 |
| YDAS reserves payable | 338,241 | 347,092 |
| | 571,639 | 1,733,874 |

During the financial year ended 30 June 2023, YACVic's auspiced entity, Koorie Youth Council (KYC) and sub-entity Youth Disability Advocacy Service (YDAS), began a process of demerging from YACVic. Their historical accumulated surpluses had been held as designated funds within YACVic's reserves, distinct from YACVic's own retained earnings.

The 2023 accounts show the separation of YDAS and KYC surpluses, which given their extraordinary nature, have been represented as a reduction in equity held by YACVic but not in the Statement of Comprehensive Income. This is a departure from the treatment prescribed in accounting standards (AASB 5 Non-Current Assets Held for Sale and Discontinued Operations), which would have recognised these payment of funds for Discontinued Operations through the profit & loss.

These transfers do not pertain to YACVic's operating result and are separate from YACVic's own equity, which remains otherwise unaffected by the demerger. Equity attributable to KYC has been paid out in the previous financial year. The completion of YDAS' demerging is anticipated for the financial year 2025 - its reserves have been reflected as a liability in these accounts in preparation for a future transfer of funds.

8 Provisions

| | | |
|-------------------------|---------------|--------|
| NON-CURRENT | | |
| Provision for make good | 86,000 | 86,000 |

9 Contract Liabilities

| | | |
|---------------------------------------|------------------|-----------|
| CURRENT | | |
| Government grants received in advance | 2,369,118 | 5,071,873 |

10 Employee Benefits

| | | |
|-------------------------|----------------|---------|
| Current liabilities | | |
| Long service leave | 103,145 | 82,099 |
| Annual leave | 170,942 | 215,470 |
| | 274,087 | 297,569 |
| Non-current liabilities | | |
| Long service leave | 34,613 | 73,748 |
| | 34,613 | 73,748 |

**Notes to the Financial Statements
For the Year Ended 30 June 2024**

11 Key Management Personnel Remuneration

The remuneration paid to key management personnel of Youth Affairs Council of Victoria during the year is as follows:

| | 2024 | 2023 |
|------------------------------|-----------------------|-----------------------|
| | \$ | \$ |
| Short-term employee benefits | 244,045 | 274,601 |
| Post-employment benefits | 22,646 | 28,833 |
| | <u>266,691</u> | <u>303,434</u> |

12 Contingencies

In the opinion of the Board Members, the Association did not have any contingencies at 30 June 2024 (30 June 2023:None).

13 Related Parties

(a) The Association's main related parties are as follows:

Key management personnel - refer to Note 11.

The Association has determined there are no other related parties.

14 Cash Flow Information

(a) Reconciliation of result for the year to cashflows from operating activities

Reconciliation of net income to net cash provided by operating activities:

| | 2024 | |
|--|---------------------------|-------------------------|
| | \$ | |
| Profit for the year | 2,933 | 133,995 |
| Cash flows excluded from profit attributable to operating activities | | |
| Non-cash flows in profit: | | |
| - amortisation | 190,134 | 219,008 |
| - depreciation | 45,423 | 80,214 |
| - net loss on disposal of property, plant and equipment | - | 136 |
| Changes in assets and liabilities: | | |
| - (increase)/decrease in trade and other receivables | (128,627) | 61,461 |
| - (increase)/decrease in prepayments | 6,904 | (23,038) |
| - increase/(decrease) in income in advance | (2,702,755) | (868,464) |
| - increase/(decrease) in trade and other payables | (1,162,235) | 79,235 |
| - increase/(decrease) in provisions | - | 86,000 |
| - increase/(decrease) in employee benefits | (62,617) | (39,485) |
| Cashflows from operations | <u>(3,810,840)</u> | <u>(270,938)</u> |

Youth Affairs Council of Victoria

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Notes to the Financial Statements

For the Year Ended 30 June 2024

15 Events after the end of the Reporting Period

No matters or circumstances have arisen since the end of the financial year which significantly affected or may significantly affect the operations of the Association, the results of those operations or the state of affairs of the Association in future financial years.

16 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 14, 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 2024 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 fall due.

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

Chair

Natasha Ritchie

Treasurer

Ali Al Lawati

14 November 2024

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Youth Affairs Council of Victoria

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 2024, 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 material accounting policy information, 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 2024 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.

Emphasis of Matter - Departure from Recognition and Measurement Requirements of AASB 5

We draw attention to Note 1 & 6 of the financial report, which details that AASB 5 Non-Current Assets Held for Sale and Discontinued Operations has not been applied for the demerging auspice entities. 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

14 November 2024



G D WINNETT
Director