

Youth Action & Policy Association (NSW) Inc.

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Annual Financial Report –31 December 2008

Youth Action & Policy Association ABN 17 209 492 539
Annual financial report - 31 December 2008

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REPORT FROM THE BOARD OF GOVERNANCE

The Board present their report on the Association for the financial year ended 31 December 2008.

Principal Activities

The principal activity of the Association during the course of the financial year was to work in the interests of young people and the youth sector in New South Wales.

No significant changes in the nature of this activity occurred during the year.

Results

The surplus result of the Association was \$121,057 for the financial year ended 31 December 2008 (2007: Deficit – (\$87,620)). Grants received in 2008 for 2009, include the Youth Participation project \$125,000 and Youth Sector Development \$25,000. The Girls @ Work project was finalized with costs amounting to (\$11,893), while Core Operations – YAPA and WS Regional grant made a small surplus. Interest for the year resulted in higher returns, due to higher rates and 2009 grants not implemented.

Transactions with Board Members

In the opinion of the Members of the Board of Youth Action & Policy Association Inc:

1. During this financial year, no:
 - Officer of the Association;
 - firm of which the officer is a member; or
 - body corporate in which the officer has a substantial financial interest,

has received or become entitled to receive a benefit as a result of a contract between the officer, firm or body corporate and the Association; and

2. during this financial year, no officer of the Association received directly or indirectly from the Association any payment or other benefit of a pecuniary value.

Employees

During the financial year, the association employed 6.50 full time equivalent employees.

Insurance

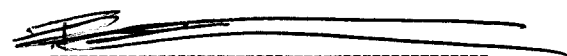
The Association has insurance policies which are adequate for current obligations and include:

- GIO Insurance – Workers Compensation
- AON Insurance – Association Liability, Volunteers
- Marsh Insurance – Business Insurance

Auditors' Independent Declaration

A copy of the Auditors' Independent declaration in relation to the audit for the financial year is attached and forms part of this report.

Signed this _____ day of _____ 2009 in accordance with a resolution of the members of the Board of Governance of Youth Action & Policy Association.



Member of the Board

Name:

Brendan Bear
Chairperson



Member of the Board

Name: *Arjun Bisen*

Secretary Page 3 of 16 2008 Annual Financial Report

INCOME STATEMENT

	Notes	<u>2008 - \$</u>	<u>2007 - \$</u>
Revenue			
Sales of Goods and services	2 (a)	47,354	64,407
Investment Revenue	2 (b)	53,346	46,972
Grants	2 (c)	752,383	481,776
Other Revenue	2 (d)	18,978	28,349
Total Revenue		<u>872,061</u>	<u>621,504</u>
Less: Expenses			
Employee related expenses	3 (a)	399,481	407,118
Project expenses	3 (b)	225,500	181,255
Administration expenses	3 (b)	126,023	120,750
Total Expenses		<u>751,004</u>	<u>709,124</u>
SURPLUS/(DEFICIT) FOR THE YEAR		<u>121,057</u>	<u>(87,620)</u>
Retained earnings at the beginning of the year	9	304,354	391,974
Pre-2003 project – from provisions	9	32,252	0
RETAINED EARNING AT THE END OF THE YEAR	9	<u>457,663</u>	<u>304,354</u>

BALANCE SHEET - 31 December 2008	Notes	<u>2008 - \$</u>	<u>2007 - \$</u>
ASSETS			
Current Assets			
Cash and cash equivalents	4	989,974	798,093
Receivables	5	3,640	8,745
Total current assets		<u>993,614</u>	<u>806,838</u>
Non-Current Assets			
Property, Plant & Equipment			
Information technology & Communications	6	19,939	23,096
Furniture, plant & equipment	6	12,185	18,026
Less: Accumulated Depreciation	6	(32,124)	(41,122)
Total non-current assets		<u>0</u>	<u>0</u>
Total Assets		<u>993,614</u>	<u>806,838</u>
LIABILITIES			
Current Liabilities			
Payables	7	142,396	139,371
Provisions			
Employee benefits and costs	8 (a)	119,000	108,177
Projects	8 (b)	134,143	123,223
Total current liabilities		<u>395,539</u>	<u>370,771</u>
Non-current Liabilities			
General provisions	8 (c)	140,413	131,713
Total non-current liabilities		<u>140,413</u>	<u>131,713</u>
Total Liabilities		<u>535,951</u>	<u>502,484</u>
Net Assets		<u>457,663</u>	<u>304,354</u>
EQUITY			
Accumulated Funds	9	<u>457,663</u>	<u>304,354</u>

CASH FLOW FROM OPERATIONS

	Notes	<u>2008 - \$</u>	<u>2007 - \$</u>
<i>Receipts</i>			
Receipts from members		47,354	64,407
Operating grants		752,383	481,776
Interest earned		53,346	46,972
Other receipts		78	1,601
		<u>853,160</u>	<u>594,756</u>
<i>Payments</i>			
Payments to suppliers		179,533	212,573
Payments to employees		392,481	391,874
Payments for rent		40,409	39,657
GST paid (net)		48,856	35,733
		<u>661,279</u>	<u>679,837</u>
Net cash inflow/(outflow) from operations	10 (b)	<u>191,881</u>	<u>(85,081)</u>
Cash and cash equivalents at the beginning of the year		<u>798,093</u>	<u>883,174</u>
Cash and cash equivalents at the end of the year	10 (a)	<u>989,974</u>	<u>798,093</u>

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting

The financial report is a general purpose report, which has been prepared in accordance with Australian Accounting Standards, for distribution to the Members of the Board of Governance to fulfill the Board of Governance financial accountability requirements, under the Association's Incorporation Act 1984 and the Association's Constitution.

It has been prepared on an accrual basis and is based on historical costs, except where stated, and does not take into account changing money values or current valuations of non-current assets.

The accounting policies that have been adopted in preparing this report are described below and are in the opinion of the Board of Governance, appropriate to meet the needs of the Association.

a) Cash and cash equivalents

Cash and cash equivalents include cash on hand and at call deposits with banks or financial institutions, net of bank overdrafts.

b) Acquisition of Assets

All assets acquired including plant and equipment are initially recorded at their cost of acquisition at the date of acquisition, being the fair value of the consideration provided plus incidental costs directly attributable to the acquisition.

Assets are fully depreciated in the financial year acquired and any gains on disposals are included in the income statement.

Acquisition of assets that do not meet the criteria for capitalisation are expensed as incurred.

c) Provisions

Provisions are recognised when the Association has a legal, equitable or constructive obligation to make a future payment to other entities as a result of past transactions or events, it is probable that a future payment will be required and a reliable estimate can be made of the amount of obligation.

d) Employment Entitlements

Liabilities for employee entitlements, leave and redundancies, represent present obligations resulting from employees' services provided up to the reporting date, calculated at amounts based on current wage and salary rates including related on-costs expected to apply at settlement.

The Long Service Leave employee entitlement provision, represents the present value of the estimated future cash outflows to be made resulting from employees' services provided to reporting date. The entitlements are recognised from the commencement of employment, but provisions for each employee is provided from the 3rd year of continual employment, due to LSL being payable after 5 years of continual employment at the Association.

Contributions to employee superannuation funds are charged as an expense when incurred or becoming payable.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

e) Revenue

Revenue is recognised at fair value of the consideration received net of the amount of goods and services tax (GST) payable to the taxation authority.

Interest revenue is treated as income when it occurs.

Grant monies are treated as income in the year in which it is received, except to the extent that the grant is received in advance and is to be extended for future years. These amounts are treated as a liability and are disclosed as grants received in advance.

Revenue from services provided is recognised upon the delivery of the service to customers.

f) Income Tax

The Association has received endorsement from the Commissioner of Taxation as an income tax exempt Association under Section 50-5 of the Income Tax Assessment Act 1997, and in accordance with the restrictions imposed by exempt status, no asset or income of the Association may be transferred to any member of the Association.

g) Goods and Services tax

Revenue, expenses and assets are recognised net of the amount of GST except:

- where the GST incurred on a purchase of goods and services is not recoverable from the taxation authority, in which case the GST is recognised as part of the cost of the expense item ; and
- receivables and payables are stated with the amount of GST included.

The net amount of GST recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the Balance Sheet.

2 REVENUE	<u>2008 - \$</u>	<u>2007 - \$</u>
(a) Sales of goods and services		
Sale of services	19,323	33,917
Memberships	28,031	30,490
	<u>47,354</u>	<u>64,407</u>
(b) Investment revenue		
Interest	53,346	46,972
- Funds were invested in higher earning bank accounts from 2007.		
(c) Grants		
<i>Department of Community Services</i>		
Core Operations - YAPA	394,405	381,806
Western Sydney Regional Youth Develop.	103,269	99,970
 <i>DOCS – Community Division</i>		
Youth Participation Grants Program		
- 2008 (\$99,709), 2009 (\$125,000)	224,709	0
YAPA Conference	5,000	0
 <i>DOCS – Better Futures Program</i>		
Youth Sector Development South West Sydney	25,000	
	<u>752,383</u>	<u>481,776</u>
* Projects completed within year		
(d) Other revenue		
Other Income & provision income	18,978	26,749
Workers compensation recovery	0	1,601
	<u>18,978</u>	<u>28,349</u>
Total Revenue	<u><u>872,061</u></u>	<u><u>621,504</u></u>

3 EXPENSES	<u>2008 - \$</u>	<u>2007 - \$</u>
(a) Employee related expenses		
Salaries and wages (including recreation leave)	351,511	353,261
Superannuation	29,665	30,734
Recruitment	5,409	1,349
Training costs	2,831	3,309
Workers' compensation insurance	3,065	3,221
Provision - Leave entitlements	7,000	15,244
Total employee expenses	<u>399,481</u>	<u>407,118</u>
(b) Expenses		
<u>Project expenses</u>		
Catering & Venue Hire	15,703	26,896
Conference - Venue	0	8,000
Consultants & Presenters	33,724	69,367
YPP Projects distributed	119,380	
Equipment Hire	2,371	3,851
Other administration	18,900	14,458
Printing & Design	30,510	53,977
Reference Resources	1,015	1,580
Subsidies	3,897	3,126
<u>Total project expenses</u>	<u>225,500</u>	<u>181,255</u>
<u>Administration Expenses</u>		
Audit & Accounting	3,842	3,678
Cleaning & Utilities	3,035	2,345
Computer equipment & maintenance	19,536	19,076
Furniture & maintenance	3,338	3,280
General administration	3,199	4,674
Insurance	5,887	5,228
Photocopying/Lease	7,669	7,081
Postage & Couriers	4,770	5,330
Postage – Girls @ Work project	9,602	0
Rent	40,409	39,657
Stationery supplies	5,051	5,689
Telecommunications	8,347	9,737
Training & Seminars	3,225	7,548
Travel	8,113	7,429
<u>Total administration expenses</u>	<u>126,023</u>	<u>120,750</u>
Total expenses	<u>751,004</u>	<u>709,124</u>

4 CASH AND CASH EQUIVALENTS	2008 - \$	2007 - \$
Cash on hand	400	400
Cash at bank	943,155	753,681
Term deposits	46,419	44,012
	<u>989,974</u>	<u>798,093</u>
5 RECEIVABLES		
Rental bond	4,018	4,018
Sundry debtors	0	2,550
Other receivables	(378)	2,177
	<u>3,640</u>	<u>8,745</u>
6 PROPERTY, PLANT & EQUIPMENT		
Information technology & Communications	19,939	23,096
Less: Accumulated depreciation	(19,939)	(23,096)
	<u>0</u>	<u>0</u>
Furniture, plant & equipment	12,185	18,026
Less: Accumulated depreciation	(12,185)	(18,026)
	<u>0</u>	<u>0</u>
Assets with no value have been disposed/written off.		
7 LIABILITIES AND PAYABLES		
Accruals - Audit fees	3,600	7,175
Employee deductions - superannuation	2,448	0
Grants received in advance	126,438	122,399
GST Liability	(90)	(203)
Payables (Dubbo Council)	10,000	10,000
	<u>142,396</u>	<u>139,371</u>

8 PROVISIONS	<u>2008 - \$</u>	<u>2007 - \$</u>
(a) Employee benefits and costs		
Long service leave	15,500	13,000
Parental leave	12,000	12,000
Recreation leave	21,100	21,100
Redundancy	60,400	55,900
Sick leave	10,000	10,000
Salary sacrifice - owing	0	(3,823)
Employee provision - Current	<u>119,000</u>	<u>108,177</u>
 (b) Project provision		
Access & Equity - SAAP	2,816	2,816
Campaigns - statewide	67,050	36,300
Census	3,900	3,900
YAPRAP	5,000	0
Multicultural Yth Issues Network	3,907	3,986
Statewide Conference - Workers/Youth	31,969	31,969
Governance & Organisational	11,500	4,000
General projects	8,000	40,252
	<u>134,143</u>	<u>123,223</u>
 (c) General provisions		
Rental lease on offices	12,000	12,000
Moving costs	30,000	30,000
Equipment	25,942	23,942
Computer equipment, software & upgrades	72,471	65,771
	<u>140,413</u>	<u>131,713</u>

9 ACCUMULATED FUNDS	<u>2008 - \$</u>	<u>2007 - \$</u>
<u>Core Operations - YAPA</u>		
Accumulated funds @ beginning of year	26,350	24,538
Net surplus/(deficit) from activities	5,715	1,812
Accumulated funds @ end of year	<u>32,065</u>	<u>26,350</u>
<u>Western Sydney Regional Youth Development</u>		
Accumulated funds @ beginning of year	27,287	23,252
Net surplus/(deficit) from activities	1,432	4,036
Accumulated funds @ end of year	<u>28,719</u>	<u>27,287</u>
<u>NSW Youth Participation Program</u>		
Accumulated funds @ beginning of year	121,460	208,558
Net surplus/(deficit) from activities	34,145	(87,099)
Accumulated funds @ end of year	<u>155,605</u>	<u>121,460</u>
<u>South Sector Development SWS Program</u>		
Accumulated funds @ beginning of year	0	0
Net surplus/(deficit) from activities	25,700	0
Accumulated funds @ end of year	<u>25,700</u>	<u>0</u>
<u>Girls @ Work</u>		
Accumulated funds @ beginning of year	11,893	44,103
Net surplus/(deficit) from activities	(11,893)	(32,210)
Accumulated funds @ end of year	<u>0</u>	<u>11,893</u>
<u>Projects - previous years</u>		
Accumulated funds @ beginning of year	91,523	51,091
Net surplus/ funds tfred from provisions	40,770	40,432
Accumulated funds @ end of year	<u>132,293</u>	<u>91,523</u>
<u>YAPA - Head office</u>		
Accumulated funds @ beginning of year	25,842	
Net surplus/(deficit) from activities	57,439	25,842
Accumulated funds @ end of year	<u>83,280</u>	<u>25,842</u>
<u>Accumulated Funds TOTALS</u>		
Accumulated funds @ beginning of year	304,354	351,542
Net surplus/(deficit) from activities	121,057	(87,620)
Funds tfred from provisions - projects	32,252	40,432
Accumulated funds @ end of year	<u>457,663</u>	<u>304,354</u>

10 CASH FLOW INFORMATION

	Notes	<u>2008 - \$</u>	<u>2007 - \$</u>	
(a) <u>Reconciliation of Cash and Cash Equivalents</u>				
Cash on hand		400	400	0
Cash at bank		943,155	753,681	189,475
Term deposits		46,419	44,012	2,406
		<hr/>	<hr/>	<hr/>
Total Cash and Cash Equivalents	4	989,974	798,093	<u>191,881</u>
 (b) <u>Reconciliation of surplus to net cash inflow from operations</u>				
Operating surplus /(deficit)		121,057	(87,620)	
Increase/(decrease) in finance activities		26,405	(23,160)	
Increase/(decrease) in other receivables		5,105	(1,313)	
Increase/(decrease) in sundry creditors & accruals		(1,127)	(6,716)	
Increase/(decrease) in GST		114	(156)	
Increase/(decrease) in grants - equity		9,808	6,501	
Increase/(decrease) in employee entitlements		10,823	2,577	
Increase/(decrease) in operations provisions		10,996	16,500	
Increase/(decrease) in equipment provisions		8,700	8,306	
		<hr/>	<hr/>	
Net cash inflow/(outflow) from operations		<u>191,881</u>	<u>(85,081)</u>	

MS. SANDRA D GROLLMUS

Registered company auditor and tax agent

7 Burraneer Close, Allawah NSW, 2218

Phone: 9546 7366 Fax: 9546 2267

Independent auditor's report to the members of Youth Action & Policy Association (NSW) Inc.

REPORT ON THE FINANCIAL REPORT

I have audited the accompanying financial report which comprises the Balance Sheet as at 31 December 2008, Income statement, a summary of significant accounting policies and other explanatory notes to the financial statements of Youth Action & Policy Association (NSW) Inc. for the year ended 31 December 2008.

The Responsibility of the Members of the Board of Governance for the Financial Report

The members of the Board of Governance of the entity are responsible for the fair presentation of the financial report and have determined that the accounting policies described in Note 1 to the financial statement which form part of the financial report are appropriate to meet with the financial reporting requirements of the Associations Incorporation Act 1984 and are appropriate to meet the needs of the members. The members of the Board of Governance responsibility also includes establishing and maintaining internal control methods 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

My responsibility is to express an opinion on the financial report based on my 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. My audit is conducted in accordance with the Australian Auditing Standards and Charitable Fundraising Act (Sec24(2)). The Auditing Standards require that I 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.

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

**Independent auditor's report
to the members of Youth Action & Policy Association (NSW) Inc.**

Auditor's Responsibility (cont'd)

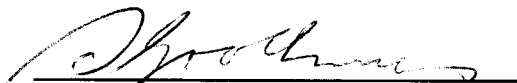
The financial report has been prepared to members for the purpose of fulfilling the members of the Board of Governance financial reporting obligations under the Associations Incorporation Act 1984. I disclaim any assumption of responsibility for any relevance on the financial report to which it relates to any person other than the members, or for any purpose other than that for which it was prepared.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

AUDIT OPINION

In my opinion, the financial report presents fairly, in all material aspects, the financial position of Youth Action & Policy Association (NSW) Inc. as at 31 December 2008 and of its financial performance in accordance with accounting policies described in Note 1 to the financial statements.

I have obtained all of the information and explanations required from the Association.



Ms. Sandra Grollmus
Registered Company Auditor
Registered No: 1254

Dated: 9/3/09