

Youth Action & Policy Association (NSW) Inc.

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Annual Financial Report –31 December 2012

Youth Action & Policy Association ABN 17 209 492 539
Annual financial report - 31 December 2012

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REPORT FROM THE BOARD OF GOVERNANCE

The Board members of the Association, present their report for the financial year ended 31 December 2012.

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 Association recorded a surplus of \$34,021 in 2012, (2011- \$47,986), which included recurring Peak and Western Sydney grants, funded by Community Services.

One off projects completed in 2012 include, Keeping it Together, Multicultural Youth Access Network and Western Sydney Transitional funds, which were funded from 2011 grants. Costs relating to these projects, were \$134,881.

The Sector Development projects are funded by FAMS and YAPA and will be completed in March 2013 and June 2013, respectively.

Total interest earned of \$49,894 (2011 - \$54,354), was lower than previous years due to interest rates being significantly lower at maturity date, but principal amounts have been maintained.

Transactions with Board Members

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

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

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 8 full time equivalent employees.

Insurance

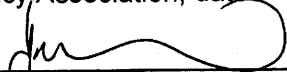
The Association has insurance policies which are adequate for current obligations and include:


- GIO Insurance – Workers Compensation
- Marsh Insurance – Business Insurance, Association Liability and Volunteer 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 in accordance with a resolution of the members of the Board of governance of Youth Action & Policy Association, dated 2013.


Board member **Jon BREW**
Position **CHAIRPERSON**


Board member
Position **ordinary member**

INCOME STATEMENT	Notes	<u>2012 - \$</u>	<u>2011 - \$</u>
Revenue			
Sales of goods and services	2 (a)	61,774	106,776
Investment revenue	2 (b)	49,894	54,354
Grants	2 (c)	655,412	961,072
Other revenue	2 (d)	124,828	112,648
Grants unspent & previous year	2 (e)	48,405	(89,495)
Total Revenue		<u>940,313</u>	<u>1,145,355</u>
Less: Expenses			
Employee related expenses	3 (a)	544,382	657,029
Project expenses	3 (b)	119,595	111,144
Administration expenses	3 (b)	242,314	329,196
Total Expenses		<u>906,291</u>	<u>1,097,369</u>
SURPLUS/(DEFICIT) FOR THE YEAR		<u>34,021</u>	<u>47,986</u>
Retained earnings at the beginning of the year	9	<u>463,889</u>	<u>415,903</u>
RETAINED EARNING AT THE END OF THE YEAR	9	<u>497,910</u>	<u>463,889</u>

BALANCE SHEET - 31 December 2012	Notes	<u>2012 - \$</u>	<u>2011 - \$</u>
ASSETS			
Current Assets			
Cash and cash equivalents	4	1,150,636	1,162,952
Receivables	5	7,480	7,480
Total current assets		<u>1,158,116</u>	<u>1,170,432</u>
Non-Current Assets			
Property, Plant & Equipment			
Information technology & communications	6	39,007	23,403
Furniture, plant & equipment	6	16,206	9,479
Less: Accumulated depreciation	6	(55,213)	(43,700)
Total non-current assets		<u>0</u>	<u>0</u>
Total Assets		<u>1,158,116</u>	<u>1,170,432</u>
LIABILITIES			
Current Liabilities			
Payables	7	218,477	267,110
Provisions			
Employee benefits and costs	8 (a)	139,625	146,200
Projects	8 (b)	165,068	134,068
Total current liabilities		<u>523,170</u>	<u>564,378</u>
Non-current Liabilities			
General provisions	8 (c)	137,035	142,166
Total non-current liabilities		<u>137,035</u>	<u>142,166</u>
Total Liabilities		<u>660,205</u>	<u>706,543</u>
Net Assets		<u>497,910</u>	<u>463,889</u>
EQUITY			
Accumulated Funds	9	497,910	463,889

CASH FLOW FROM OPERATIONS	Notes	<u>2012 - \$</u>	<u>2011 - \$</u>
<i>Receipts</i>			
Sale of services		61,774	106,776
Operating grants		655,412	961,072
Interest earned		49,894	54,354
Other receipts		10,824	11,958
		<u>777,904</u>	<u>1,134,160</u>
<i>Payments</i>			
Payments to suppliers		194,480	202,926
Payments to employees		544,382	636,029
Payment to resigned employee (leave entitlements)		(27,575)	0
Payments for rent		33,359	34,047
GST paid (net)		45,573	75,649
		<u>790,220</u>	<u>948,651</u>
Net cash inflow/(outflow) from operations	10 (b)	<u>(12,316)</u>	<u>185,510</u>
Cash and cash equivalents at the beginning of the year		<u>1,162,952</u>	<u>977,442</u>
Cash and cash equivalents at the end of the year	10 (a)	<u>1,150,636</u>	<u>1,162,952</u>

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting

The financial report is a general purpose report and 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 the 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, at call deposits and short term deposits with banks or financial institutions. There are no 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.

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

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 are 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 become payable.

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 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>2012 - \$</u>	<u>2011 - \$</u>
(a) Sales of goods and services		
Fee for service & sundry income	3,714	12,107
Membership fees	35,891	37,315
Registration fees (training, forums, conferences)	22,169	57,354
	<u>61,774</u>	<u>106,776</u>
(b) Investment revenue		
Interest	49,894	54,354
- Main investments constitute short-term deposits		
(c) Grants		
<i>NSW Family and Communities</i>		
Core Operations - YAPA	436,927	420,770
Western Sydney regional youth development	140,485	133,025
*Western Sydney transitional funds	0	12,000
<i>NSW Communities, Corporate Strategy</i>		
*Western Sydney out-migration research	0	9,091
*Youth Participation grant project	0	50,000
*Youth Represent SW Sydney	0	8,246
<i>NSW Central Corporate Services Unit</i>		
*Western Sydney out-west project	0	9,090
<i>Centre for Multicultural Youth Issues Australia</i>		
*Multicultural Youth Issues Network of NSW project	20,000	44,024
<i>NSW Family Services Incorporated (FAMS)</i>		
*Keeping it Together project	0	274,826
Sector Development project	58,000	0
* Projects completed		
	<u>655,412</u>	<u>961,072</u>
(d) Other Revenue		
Administration support fees & sundry	64,004	100,690
MYAN one off contribution	50,000	3,000
KIT Child Protection survey	9,874	8,958
MYAN contributions for booklets	951	
	<u>124,828</u>	<u>112,648</u>
(e) Unexpended grants		
□ 2011 KIT & WS Transition funds utilised	104,328	(104,328)
2011 MYAN income utilised (accumulated funds)	10,000	14,833
2012 Sector Development income not used	(65,923)	0
	<u>48,405</u>	<u>(89,495)</u>
Total Revenue	<u>940,313</u>	<u>1,145,355</u>

3 EXPENSES	2012 - \$	2011 - \$
(a) Employee related expenses		
Salaries and on-costs	531,139	624,355
Recruitment & training costs	9,008	3,788
Workers' compensation insurance	4,235	7,886
Provision - Leave entitlements	0	21,000
Total employee expenses	544,382	657,029
(b) Expenses		
<u>Project expenses</u>		
YAPA Peak – general projects	8,986	9,932
YAPA Peak - campaigns	260	2,863
YAPA Peak - publications	39,913	41,357
YAPA Peak - conference	24,378	28,930
YAPA Peak – training & forums	11,452	8,533
WS Regional - conference	27,559	13,054
WS Regional – training & forum committee	7,048	6,476
<u>Total project expenses</u>	<u>119,595</u>	<u>111,144</u>
<u>Administration Expenses</u>		
Administration Expenses	567	1,148
Administration Support costs	62,042	84,128
Advertising & Promotions	0	580
Catering & Venue Hire	5,237	5,808
Cleaning costs	1,738	1,564
Computer Equipment & costs	9,977	23,095
Consultant & Presenter costs	70,271	91,343
Electricity costs	2,390	2,206
Equipment <\$1000	12,806	4,979
Insurance costs	7,585	5,594
Internet & Website	2,028	6,142
Legal & Accounting	7,033	5,956
Postage	491	1,997
Printing & Stationery	3,706	30,995
Publications & Reference materials	401	314
Rent	33,359	34,047
Repairs & Maintenance	1,144	1,561
Staff Amenities	1,837	1,931
Subscriptions & Memberships	2,579	4,859
Phone costs	4,778	4,122
Training & Conferences (external)	1,078	382
Travelling costs (includes staff & subsidies)	11,268	16,445
<u>Total administration expenses</u>	<u>242,314</u>	<u>329,196</u>
Total expenses	906,292	1,097,369

4 CASH AND CASH EQUIVALENTS

	<u>2012 - \$</u>	<u>2011 - \$</u>
Cash on hand	400	400
Cash at bank	412,792	462,660
Term deposits – short term	737,443	699,892
	<u>1,150,636</u>	<u>1,162,952</u>

5 RECEIVABLES

Rental bond	7,480	7,480
Other receivables	0	0
	<u>7,480</u>	<u>7,480</u>

6 PROPERTY, PLANT & EQUIPMENT

Information technology & Communications	39,007	34,221
Furniture, plant & equipment	16,206	9,479
Less: Accumulated depreciation	(55,213)	(43,700)
	<u>0</u>	<u>0</u>

Assets with no value have been disposed/written off.

7 LIABILITIES AND PAYABLES

Audit fees & unspent grants	65,923	108,628
Employee deductions - Superannuation	(16)	0
Grants received in advance	152,926	148,860
GST Liability	(355)	(378)
Payables	0	10,000
	<u>218,477</u>	<u>267,110</u>

8 PROVISIONS

	<u>2012 - \$</u>	<u>2011 - \$</u>
(a) Employee benefits and costs		
Long service leave	19,978	32,500
Parental leave	4,000	4,000
Recreation leave	28,947	37,500
Redundancy	82,700	89,200
Sick leave	4,000	4,000
Employee provision - Current	<u>139,625</u>	<u>167,200</u>
 (b) Project provision		
Access & Equity - SAAP	2,816	2,816
Campaigns - statewide	77,050	67,050
Census	3,900	3,900
Multicultural Yth Issues Network	3,832	3,832
Statewide Conferences – WS & Peak projects	56,969	31,969
Governance & General	20,500	20,500
	<u>165,068</u>	<u>130,068</u>
 (c) General provisions		
Rental lease on offices	16,300	12,000
Moving costs	30,697	30,697
Equipment	28,857	28,857
Computer equipment, software & upgrades	61,182	70,612
	<u>137,035</u>	<u>142,166</u>

9 ACCUMULATED FUNDS	<u>2012 - \$</u>	<u>2011 - \$</u>
<u>Core Operations - YAPA</u>		
Accumulated funds @ beginning of year	28,972	27,120
Net surplus/(deficit) from activities	691	1,852
Accumulated funds @ end of year	<u>29,662</u>	<u>28,972</u>
 <u>Western Sydney Regional Youth Development</u>		
Accumulated funds @ beginning of year	28,722	27,513
Net surplus/(deficit) from activities	461	1,209
Accumulated funds @ end of year	<u>29,184</u>	<u>28,722</u>
 <u>Multicultural Youth Issues Network (MYAN) Program</u>		
Accumulated funds @ beginning of year	(3,196)	4,768
Net surplus/(deficit) from activities	3,734	(7,964)
Accumulated funds @ end of year	<u>538</u>	<u>(3,196)</u>
 <u>Projects - previous years</u>		
Accumulated funds @ beginning of year	139,976	170,936
Net surplus/(deficit) from activities	0	(30,960)
Accumulated funds @ end of year	<u>139,976</u>	<u>139,976</u>
 <u>YAPA - Head office</u>		
Accumulated funds @ beginning of year	269,415	185,566
Net surplus/(deficit) from activities	29,135	83,849
Accumulated funds @ end of year	<u>298,550</u>	<u>269,415</u>
 <u>Accumulated Funds TOTALS</u>		
Accumulated funds @ beginning of year	463,889	404,377
Net surplus/(deficit) from activities	34,021	47,986
Accumulated funds @ end of year	<u>497,910</u>	<u>463,889</u>

10 CASH FLOW INFORMATION

	Notes	<u>2012 - \$</u>	<u>2011 - \$</u>	<u>Variance</u>
<u>Reconciliation of Cash and Cash</u>				
<u>Equivalents</u>				
(a) Cash on hand		400	400	0
Cash at bank		412,792	462,660	(49,868)
Term deposits		737,443	699,892	37,551
Total Cash and Cash Equivalents	4	<u>1,150,636</u>	<u>1,162,952</u>	<u>(12,316)</u>
<u>Reconciliation of surplus to net cash inflow from</u>				
<u>operations</u>				
Operating surplus /(deficit)		34,021	47,786	(13,765)
Increase/(decrease) in finance activities		0	(1,229)	(1,229)
Increase/(decrease) in other receivables		0	4,982	(4,982)
Increase/(decrease) in creditors & unspent income		(42,705)	94,565	(137,270)
Increase/(decrease) in GST		6	(364)	370
Increase/(decrease) in employee entitlements		(27,575)	21,000	(48,575)
Increase/(decrease) in grants - equity		4,066	17,354	(13,288)
Increase/(decrease) in operations provisions		25,000	(4,000)	29,000
Increase/(decrease) in equipment provisions		(9,429)	5,416	(14,845)
Increase/(decrease) in premises provisions		4,300	0	4,300
Net cash inflow/(outflow) from operations		<u>(12,316)</u>	<u>185,510</u>	<u>(197,826)</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, 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 2012.

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)

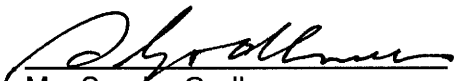
The financial report has been prepared to members for the purpose of fulfilling the members of the Board of Governance financial reporting obligations under the Associations Incorporation Act 1984. I disclaim any assumption of responsibility for any relevance on the financial report to which it relates 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 2012 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: 5 March 2013