

**Youth Action & Policy Association (NSW) Inc.**

Suite 403, Level 4, 64-76 Kippax Street, Surry Hills NSW 2010

Tel: (02) 8218 9800, Fax (02) 9281 5588

[www.youthaction.org.au](http://www.youthaction.org.au)

Annual Financial Report –31 December 2013

**Youth Action & Policy Association (NSW) Inc. ABN 17 209 492 539**  
**Annual financial report - 31 December 2013**

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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 2013.

### 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 \$62,430 in 2013, (2012- \$34,021), which included recurring Peak and Western Sydney grants, funded by Community Services.

The Sector Development Project is funded by FAMS and Youth Action. Phase 1 of this project was completed in June 2013, and phase 2 commenced in July 2013, to be completed by June 2014.

Total interest earned of \$42,890 (2012 - \$49,894), was lower than previous years due to interest rates being significantly lower during the year.

### 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 6 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 2014.

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Board member  
Position

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Board member  
Position

<b>INCOME STATEMENT – 31 December 2013</b>	<b>Notes</b>	<b><u>2013 - \$</u></b>	<b><u>2012 - \$</u></b>
Revenue			
Sales of goods and services	2 (a)	46,866	61,774
Investment revenue	2 (b)	42,890	49,894
Grants	2 (c)	782,520	655,412
Other revenue	2 (d)	43,550	124,828
Unexpended Grants	2 (e)	65,923	48,405
<b>Total Revenue</b>		<u>981,749</u>	<u>940,313</u>
Less: Expenses			
Employee related expenses	3 (a)	523,866	544,382
Project expenses	3 (b)	111,320	119,585
Administration expenses	3 (b)	284,132	242,314
<b>Total Expenses</b>		<u>919,318</u>	<u>906,291</u>
<b>SURPLUS FOR THE YEAR</b>		<u>62,430</u>	<u>34,021</u>
Funds transferred from unspent provisions	9	165,068	0
Retained earnings at the beginning of the year	9	497,910	463,889
<b>RETAINED EARNINGS AT THE END OF THE YEAR</b>	9	<u>725,408</u>	<u>497,910</u>

<b>BALANCE SHEET - 31 December 2013</b>	<b>Notes</b>	<b><u>2013 - \$</u></b>	<b><u>2012 - \$</u></b>
<b>ASSETS</b>			
<b>Current Assets</b>			
Cash and cash equivalents	4	1,072,750	1,150,636
Receivables	5	11,224	7,480
Total current assets		<u>1,083,974</u>	<u>1,158,116</u>
<b>Non-Current Assets</b>			
Property, Plant & Equipment			
Information technology & communications	6	0	39,007
Furniture, plant & equipment	6	0	16,206
Less: Accumulated depreciation	6	0	(55,213)
Total non-current assets		<u>0</u>	<u>0</u>
<b>Total Assets</b>		<b><u>1,083,974</u></b>	<b><u>1,158,116</u></b>
<b>LIABILITIES</b>			
<b>Current Liabilities</b>			
Payables	7	190,962	218,477
Provisions			
Employee benefits and costs	8 (a)	62,136	139,625
Projects	8 (b)	0	165,068
Total current liabilities		<u>253,098</u>	<u>523,170</u>
<b>Non-current Liabilities</b>			
General provisions	8 (c)	105,468	137,035
Total non-current liabilities		<u>105,468</u>	<u>137,035</u>
<b>Total Liabilities</b>		<b><u>358,566</u></b>	<b><u>660,205</u></b>
<b>Net Assets</b>		<b><u>725,408</u></b>	<b><u>497,910</u></b>
<b>EQUITY</b>			
Accumulated Funds	9	<u>725,408</u>	<u>497,910</u>

<b>CASH FLOW FROM OPERATIONS</b>	<b>Notes</b>	<b><u>2013 - \$</u></b>	<b><u>2012 - \$</u></b>
<i><u>Receipts</u></i>			
Sale of services		46,866	61,774
Operating grants		778,776	655,412
Interest earned		42,890	49,894
Other receipts		43,550	10,824
		<u>912,082</u>	<u>777,904</u>
<i><u>Payments</u></i>			
Payments to suppliers		307,483	194,480
Payments to employees		523,866	544,382
Payment to resigned employee (leave entitlements)		79,726	(27,575)
Payments for rent		38,517	33,359
GST paid (net)		40,375	45,573
		<u>989,967</u>	<u>790,220</u>
Net cash inflow/(outflow) from operations	10 (b)	<u>(77,885)</u>	<u>(12,316)</u>
Cash and cash equivalents at the beginning of the year		1,150,636	1,162,952
<b>Cash and cash equivalents at the end of the year</b>	10 (a)	<b><u>1,072,750</u></b>	<b><u>1,150,636</u></b>

## 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

### Basis of Preparation

The financial report is a general purpose report and has been prepared in accordance with Australian Accounting Standards (including Australian Accounting Interpretations) and the Corporations Act 2001, for distribution to the Members of the Board of Governance to fulfill the Board of Governance financial accountability requirements. The company is a not-for profit entity for financial reporting purposes under the Australian Accounting Standards.

Australian Accounting Standards set out accounting policies that the AASB has concluded would result in financial statements containing relevant and reliable information about transactions, events and conditions. Material accounting policies adopted in the preparation of these financial statements are presented below and have been consistently applied unless stated otherwise.

The financial statements, except for the cash flow information, have been prepared on an accrual basis and are based on historical costs, modified, where applicable, by measurement at fair value of selected non-current assets, financial assets and financial liabilities. The amounts prepared in the financial statements have been rounded to the nearest dollar.

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.

### Accounting Policies

#### 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) Provisions

Provisions are recognised when the entity has a legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will result and that outflow can be reliably measured. Provisions recognized represent the best estimate of the amounts required to settle obligation at the end of the reporting period.

#### c) 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 3<sup>rd</sup> 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.

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

### d) 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.

### e) Income Tax

No provision for income tax has been raised as the entity is exempt from income tax under Div 50 of the Income Tax Assessment Act 1997.

### f) Goods and Services tax

Revenues, expenses and assets are recognized net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Taxation Office (ATO).

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the ATO is included with the other receivable or payables in the statement of financial position.

Cash flows are presented on a gross basis. The GST components of cash flows arising from the investing or financing activities, which are recoverable from or payable to the ATO, are presented as operating cash flows included in receipts from customers or payments to suppliers.

### g) Accounts Receivable and Other Debtors

Accounts receivable and other debtors include amounts due from members as well as amounts receivable from customers for goods sold in the ordinary course of business. Receivables expected to be collected within 12 months of the end of the reporting period are classified as current assets. All other receivables are classified as non-current assets.

### h) Accounts Payable and Other Payables

Accounts payables and other payables represent the liability outstanding at the end of the period for goods and services received by the company during the reporting period which remain unpaid. The balance is recognised as a current liability with the amounts normally paid within 30 days of recognition of the liability.



<b>2 REVENUE</b>	<b><u>2013 - \$</u></b>	<b><u>2012 - \$</u></b>
<b>(a) Sales of goods and services</b>		
Fee for service & sundry income	4,082	3,714
Membership fees	9,782	35,891
Registration fees (training, forums, conferences)	33,002	22,169
	<u>46,866</u>	<u>61,774</u>
<b>(b) Investment revenue</b>		
Interest	<u>42,890</u>	<u>49,894</u>
<b>(c) Grants</b>		
<i>NSW Family and Communities</i>		
Core Operations - YAPA	446,486	436,927
Western Sydney regional youth development	140,870	140,485
*Regional Youth Services Project	30,000	0
<i>NSW Office for Communities, Corporate Strategy</i>		
*Youth Participation grant project	50,000	0
<i>Beyond Blue Limited</i>		
*Youth Participation project	50,000	0
<i>Centre for Multicultural Youth Issues Australia</i>		
*Multicultural Youth Issues Network of NSW project	0	20,000
<i>NSW Family Services Incorporated (FAMS)</i>		
Sector Development project	65,164	58,000
* Projects completed		
	<u>782,520</u>	<u>655,412</u>
<b>(d) Other Revenue</b>		
Administration support fees & sundry	43,550	64,004
MYAN one off contribution	0	50,000
KIT Child Protection survey	0	9,874
MYAN contributions for booklets	0	951
	<u>43,550</u>	<u>124,828</u>
<b>(e) Unexpended grants</b>		
2011 KIT & WS Transition funds utilised	0	104,328
2011 MYAN income utilised (accumulated funds)	0	10,000
2012 Sector Development income not used	65,923	(65,923)
	<u>0</u>	<u>48,405</u>
<b>Total Revenue</b>	<u>981,749</u>	<u>940,313</u>

<b>3 EXPENSES</b>	<b><u>2013 - \$</u></b>	<b><u>2012 - \$</u></b>
<b>(a) Employee related expenses</b>		
Salaries and on-costs	590,229	631,139
Recruitment & training costs	10,015	9,008
Workers' compensation insurance	3,348	4,235
Provision – Redundancy	(79,726)	0
<b>Total employee expenses</b>	<b><u>523,866</u></b>	<b><u>544,382</u></b>
<b>(b) Expenses</b>		
<u>Project expenses</u>		
YAPA Peak – general projects	9,548	8,986
YAPA Peak - campaigns	2,050	260
YAPA Peak - publications	8,456	39,913
YAPA Peak - conference	10,959	24,378
YAPA Peak – training & forums	5,160	11,452
Sector Development – general & overhead	26,468	0
WS Regional - conference	24,332	27,559
WS Regional – training & forum committee	24,347	7,048
<u>Total project expenses</u>	<u>111,320</u>	<u>119,595</u>
<u>Administration Expenses</u>		
Administration Expenses	328	567
Administration Support costs	0	62,042
Catering & Venue Hire	18,315	5,237
Cleaning costs	480	1,738
Computer Equipment & costs	10,582	9,977
Consultant & Presenter costs	155,569	70,271
Electricity costs	3,923	2,390
Equipment <\$1000	2,045	12,806
Insurance costs	9,205	7,585
Internet & Website	3,759	2,028
Legal & Accounting	23,749	7,033
Postage	2,071	491
Printing & Stationery	11,814	3,706
Publications & Reference materials	0	401
Rent	38,517	33,359
Repairs & Maintenance	10,133	1,144
Staff Amenities	2,581	1,837
Subscriptions & Memberships	2,323	2,579
Phone costs	4,496	4,778
Training & Conferences (external)	10,589	1,078
Provision for Moving (written back)	(30,697)	0
Travelling costs (includes staff & subsidies)	4,350	11,268
<u>Total administration expenses</u>	<u>284,132</u>	<u>242,314</u>
<b>Total expenses</b>	<b><u>919,318</u></b>	<b><u>906,292</u></b>

**4 CASH AND CASH EQUIVALENTS**

	<b>2013 - \$</b>	<b>2012 - \$</b>
Cash on hand	400	400
Cash at bank	1,072,350	412,792
Term deposits – short term	0	737,443
	<b>1,072,750</b>	<b>1,150,636</b>

**5 RECEIVABLES**

Rental bond	7,480	7,480
Other receivables	3,744	0
	<b>11,224</b>	<b>7,480</b>

**6 PROPERTY, PLANT & EQUIPMENT**

Information technology & Communications	0	39,007
Furniture, plant & equipment	0	16,206
Less: Accumulated depreciation	0	(55,213)
	<b>0</b>	<b>0</b>

Assets with no value have been disposed/written off.

**7 LIABILITIES AND PAYABLES**

Audit fees & unspent grants	0	65,923
Employee deductions - Superannuation	4,306	(16)
Grants received in advance	149,105	152,926
GST Liability	854	(355)
Payables	13,139	0
PAYG Withholding Payable	10,242	0
Other Creditors	13,316	0
	<b>190,962</b>	<b>218,477</b>

<b>8 PROVISIONS</b>	<b><u>2013 - \$</u></b>	<b><u>2012 - \$</u></b>
<b>(a) Employee benefits and costs</b>		
Long service leave	4,049	19,978
Personal leave	21,194	4,000
Annual leave	22,795	28,947
Redundancy	14,098	82,700
Sick leave	0	4,000
Employee provision - Current	<u>62,136</u>	<u>139,625</u>
 <b>(b) Project provision</b>		
Access & Equity - SAAP	0	2,816
Campaigns - statewide	0	77,050
Census	0	3,900
Multicultural Youth Issues Network	0	3,832
Statewide Conferences – WS & Peak projects	0	56,969
Governance & General	0	20,500
	<u>0</u>	<u>165,068</u>
 <b>(c) General provisions</b>		
Rental lease on offices	16,300	16,300
Moving costs	0	30,697
Equipment	28,857	28,857
Computer equipment, software & upgrades	60,311	61,182
	<u>105,468</u>	<u>137,035</u>

<b>9 ACCUMULATED FUNDS</b>	<b>2013 - \$</b>	<b>2012 - \$</b>
<u>Core Operations - YAPA</u>		
Accumulated funds @ beginning of year	29,662	28,972
Net surplus/(deficit) from activities	(32,958)	691
Accumulated funds @ end of year	<u>(3,296)</u>	<u>29,662</u>
<u>Western Sydney Regional Youth Development</u>		
Accumulated funds @ beginning of year	29,184	28,722
Net surplus/(deficit) from activities	25,755	461
Accumulated funds @ end of year	<u>54,939</u>	<u>29,184</u>
<u>Multicultural Youth Issues Network (MYAN) Program</u>		
Accumulated funds @ beginning of year	538	(3,196)
Funds transfer to YAPA – Head Office	(538)	0
Net surplus/(deficit) from activities	0	3,734
Accumulated funds @ end of year	<u>0</u>	<u>538</u>
<u>Projects - previous years</u>		
Accumulated funds @ beginning of year	139,976	139,976
Net surplus/(deficit) from activities	38,100	0
Accumulated funds @ end of year	<u>178,076</u>	<u>139,976</u>
<u>YAPA - Head office</u>		
Accumulated funds @ beginning of year	298,550	269,415
Funds transferred from unspent provisions	165,068	0
Funds transferred from Mult Youth Issues Network	538	
Net surplus/(deficit) from activities	31,533	29,135
Accumulated funds @ end of year	<u>495,689</u>	<u>298,550</u>
<b><u>Accumulated Funds TOTALS</u></b>		
Accumulated funds @ beginning of year	497,910	463,889
Funds transferred from unspent provisions	165,068	0
Net surplus/(deficit) from activities	62,430	34,021
<b>Accumulated funds @ end of year</b>	<b><u>725,408</u></b>	<b><u>497,910</u></b>

10 CASH FLOW INFORMATION	Notes	<u>2013 - \$</u>	<u>2012 - \$</u>	<u>Variance</u>
<u>Reconciliation of Cash and Cash</u>				
<u>Equivalents</u>				
(a) Cash on hand		400	400	0
Cash at bank		1,072,350	412,792	659,558
Term deposits		0	737,443	(737,443)
Total Cash and Cash Equivalents	4	<u>1,072,750</u>	<u>1,150,636</u>	<u>(77,885)</u>
 <u>Reconciliation of surplus to net cash inflow from</u>				
<u>operations</u>				
Operating surplus /(deficit)		62,430	34,021	28,409
Increase/(decrease) in other receivables		3,744	0	3,744
Increase/(decrease) in creditors & unspent income		(65,923)	(42,705)	(23,219)
Increase/(decrease) in GST		0	6	(6)
Increase/(decrease) in employee entitlements		79,726	(27,575)	107,301
Increase/(decrease) in grants - equity		(165,068)	4,066	(169,134)
Increase/(decrease) in operations provisions		(22,619)	25,000	(47,619)
Increase/(decrease) in equipment provisions		(871)	(9,429)	8,558
Increase/(decrease) in premises provisions		30,697	4,300	26,397
Net cash inflow/(outflow) from operations		<u>(77,885)</u>	<u>(12,316)</u>	<u>(65,569)</u>

**YOUTH ACTION & POLICY ASSOCIATION (NSW) INCORPORATED**  
**ABN: 17 209 492 539**  
**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF**  
**YOUTH ACTION & POLICY ASSOCIATION (NSW) INCORPORATED**

We have audited the accompanying financial report, being a special purpose financial report, of Youth Action & Policy Association (NSW) Incorporated (the association), which comprises the committee's report, the assets and liabilities statement as at 31 December 2013, the income and expenditure statement for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information, and the statement by members of the committee.

*Committee's Responsibility for the Financial Report*

The committee of Youth Action & Policy Association (NSW) Incorporated is responsible for the preparation of the financial report, and has determined that the basis of preparation described in Note 1 is appropriate to meet the requirements of the Associations Incorporation Act 2009 and is appropriate to meet the needs of the members. The committee's responsibility also includes such internal control as the committee determines is necessary to enable the preparation of a financial report that is free from material misstatement, whether due to fraud or error.

*Auditor's Responsibility*

Our responsibility is to express an opinion on the financial report based on our audit. We have conducted our audit in accordance with Australian Auditing Standards. Those standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the association's preparation of the financial report that gives a true and fair view, 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. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the committee, as well as evaluating the overall presentation of the financial report.

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

*Qualification*

As is common for an organisation of this type, it is not practicable for Youth Action & Policy Association (NSW) Incorporated to maintain an effective system of internal control over the sale of goods and sundry services until their initial entry in the accounting records. Accordingly, our audit in relation to these items was limited to amounts recorded.

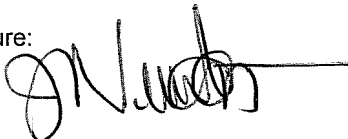
*Qualified Audit Opinion*

In our opinion, the financial report presents fairly, in all material respects the financial position of Youth Action & Policy Association (NSW) Incorporated as at 31 December 2013 and of its financial performance for the year then ended in accordance with the accounting policies described in Note 1 to the financial statements, and the requirements of the Associations Incorporation Act 2009.

*Basis of Accounting and Restriction on Distribution*

Without modifying our opinion, we draw attention to Note 1 to the financial statements, which describes the basis of accounting. The financial report has been prepared to assist Youth Action & Policy Association (NSW) Incorporated to meet the requirements of the Associations Incorporation Act 2009. As a result, the financial report may not be suitable for another purpose.

Auditor's signature:



Auditor's address: Level 8  
19-31 Pitt Street  
SYDNEY NSW 2000

Dated this

9<sup>th</sup>

day of

May

2014

**HAYWARDS ACCOUNTANTS**  
**CLIENTS: YOUTH ACTION**  
**LIST OF AUDIT ADJUSTMENTS FOR YEAR ENDED 31 DECEMBER 2013**

No	Descriptions	Ref	Balance Sheet		Profit & Loss		P&L Effect	Comments
			Dr	Cr	Dr	Cr		
1	Registration and membership GST Debtors <i>(To write off debtors not known)</i>	<b>E4.1</b>	200.00	2,200.00	2,000.00		- 2,000.00	To be taken up by the client
2	Audit fee Accruals <i>(To write back personal leave)</i>	<b>N7.1</b>		6,000.00	6,000.00		- 6,000.00	To be taken up by the client.
3	Relevant expenses GST Accruals - credit card <i>(To take up Dec 13 credit card expense)</i>	<b>N7.1</b>	118.05	1,298.56	1,180.51		- 1,180.51	To be taken up by the client
4	Redundancy expense Provision for redundancy <i>(To take up redundancy provision per enterprise agreement)</i>	<b>Q7.1</b>		25,234.00	25,234.00		- 25,234.00	To be taken up by the client
5	Long service leave expense Provision for LSL <i>(No employees have worked for more than 5 years)</i>	<b>Q3.1</b>	4,049.00			4,049.00	4,049.00	To be taken up by the client
6	Consultancy GST <i>(Adjustment to GST)</i>	<b>PL11.13</b>		677.27	677.27		- 677.27	To be taken up by the client
7	Retained earnings Redundancy expense General provision <i>(Reversing provision from pre 2000)</i>	<b>Q6.1</b>	105,468.00	80,234.00		25,234.00	25,234.00	
			109,835.05	115,643.83	35,091.78	29,283.00	- 5,808.78	
Control			0.00					