



**YOUTH FOCUS INC.**

**FINANCIAL REPORT**

**FOR THE YEAR ENDED 30 JUNE 2020**

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YOUTH FOCUS INC  
STATEMENT OF PROFIT AND LOSS AND OTHER COMPREHENSIVE INCOME  
for the YEAR ENDED 30 JUNE 2020

	Note	CONSOLIDATED	
		2020	2019
		\$	\$
Revenue	3	14,817,119	12,483,279
Interest income	3	38,950	76,630
Other income	3	1,636	3,000
<b>Revenue and other income</b>		<b>14,857,705</b>	<b>12,562,909</b>
Employee benefits expense	3	(9,866,804)	(8,457,294)
Depreciation and amortisation expense		(736,326)	(338,527)
Event expenses		(525,989)	(839,203)
Information communications technology		(732,853)	(505,646)
Motor vehicle running expenses		7,007	(163,703)
Rent and outgoings		(443,863)	(764,587)
Insurance expense		(63,814)	(54,832)
General office expenses		(241,017)	(410,041)
Travel expenses		(163,438)	(190,777)
Marketing expenses		(133,923)	(144,585)
Finance costs		(53,659)	(15,251)
Other expenses		(614,480)	(478,348)
<b>Expenditure</b>		<b>(13,569,159)</b>	<b>(12,362,794)</b>
<b>Profit before income tax expense</b>		<b>1,288,546</b>	<b>200,115</b>
Income tax expense		-	-
<b>Profit after tax from continuing operations</b>		<b>1,288,546</b>	<b>200,115</b>
Other comprehensive income		-	-
<b>Total comprehensive income/(loss) for the year</b>		<b>1,288,546</b>	<b>200,115</b>

The accompanying notes form part of these financial statements.

YOUTH FOCUS INC  
STATEMENT OF FINANCIAL POSITION  
as at 30 JUNE 2020

		<b>CONSOLIDATED</b>	
		<b>2020</b>	<b>2019</b>
		\$	\$
<b>ASSETS</b>	<b>Note</b>		
<b>CURRENT ASSETS</b>			
Cash and cash equivalents	4	4,032,689	4,223,207
Trade and other receivables	5	1,362,180	526,406
Other current assets	6	1,257,658	114,303
<b>TOTAL CURRENT ASSETS</b>		<b><u>6,652,527</u></b>	<b><u>4,863,916</u></b>
<b>NON-CURRENT ASSETS</b>			
Property, plant and equipment	7	2,479,632	2,345,782
Right of use assets	8	852,456	-
<b>TOTAL NON-CURRENT ASSETS</b>		<b><u>3,332,088</u></b>	<b><u>2,345,782</u></b>
<b>TOTAL ASSETS</b>		<b><u>9,984,615</u></b>	<b><u>7,209,698</u></b>
<b>LIABILITIES</b>			
<b>CURRENT LIABILITIES</b>			
Trade and other payables	9	649,750	651,786
Interest bearing liabilities	10	467,270	80,329
Other liabilities	11	1,671,686	968,000
Provisions	12	771,512	699,298
<b>TOTAL CURRENT LIABILITIES</b>		<b><u>3,560,218</u></b>	<b><u>2,399,413</u></b>
<b>NON-CURRENT LIABILITIES</b>			
Interest bearing liabilities	10	425,608	144,212
Provisions	12	198,284	154,114
<b>TOTAL NON-CURRENT LIABILITIES</b>		<b><u>623,892</u></b>	<b><u>298,326</u></b>
<b>TOTAL LIABILITIES</b>		<b><u>4,184,110</u></b>	<b><u>2,697,739</u></b>
<b>NET ASSETS</b>		<b><u>5,800,505</u></b>	<b><u>4,511,959</u></b>
<b>EQUITY</b>			
Accumulated funds	13	5,800,505	4,511,959
<b>TOTAL EQUITY</b>		<b><u>5,800,505</u></b>	<b><u>4,511,959</u></b>

The accompanying notes form part of these financial statements.

YOUTH FOCUS INC  
STATEMENT OF CHANGES IN EQUITY  
for the YEAR ENDED 30 JUNE 2020

	<b>CONSOLIDATED</b>	
	<b>Accumulated</b>	
	<b>Funds</b>	<b>Total</b>
	<b>\$</b>	<b>\$</b>
Balance at 1 July 2018	4,311,844	4,311,844
Net surplus for the year	200,115	200,115
Total comprehensive income	<u>200,115</u>	<u>200,115</u>
Balance at 30 June 2019	<u>4,511,959</u>	<u>4,511,959</u>
Net surplus for the year	1,288,546	1,288,546
Total comprehensive income	<u>1,288,546</u>	<u>1,288,546</u>
Balance at 30 June 2020	<u><u>5,800,505</u></u>	<u><u>5,800,505</u></u>

The accompanying notes form part of these financial statements.

YOUTH FOCUS INC  
STATEMENT OF CASH FLOWS  
for the YEAR ENDED 30 JUNE 2020

	<b>CONSOLIDATED</b>	
<b>Note</b>	<b>2020</b>	<b>2019</b>
	<b>\$</b>	<b>\$</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Receipts from customers	15,016,480	11,751,399
Payments to suppliers and employees	(12,837,925)	(11,799,341)
Interest received	38,950	76,630
Interest paid	(53,659)	(15,251)
Net cash provided by operating activities	16a 2,163,846	13,437
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of property, plant and equipment	(623,572)	(177,075)
Proceeds from sale of property, plant & equipment	1,636	3,000
Net cash used in investing activities	(621,936)	(174,075)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Transfer to term deposits	6 (1,216,545)	-
Payment of lease liabilities	16b (515,883)	(112,767)
Net cash used in financing activities	(1,732,428)	(112,767)
Net increase/(decrease) in cash held	(190,518)	(273,405)
Cash and cash equivalents at beginning of financial year	4,223,207	4,496,612
Cash and cash equivalents at end of financial year	4 4,032,689	4,223,207
Non cash financing and investing activities	16c	

The accompanying notes form part of these financial statements.

YOUTH FOCUS INC  
NOTES TO THE FINANCIAL STATEMENTS  
for the YEAR ENDED 30 JUNE 2020

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

**Basis of Preparation**

The financial statements are general purpose financial statements that have been prepared in accordance with Association Incorporations Act 1987 and Australian Accounting Standards (including Australian Accounting Interpretations). The Association is a not-for-profit entity for financial reporting purposes under Australian Accounting Standards.

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

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

The financial statements were authorised for issue on 27 October 2020 by the Board of Directors of Youth Focus Inc.

**Accounting Policies**

a. **Consolidation**

The financial statements of the consolidated entity comprises the financial statements of Youth Focus Inc. and its controlled entities (collectively referred to as “the Group” or “the Association”), which is incorporated in Western Australia. Control exists where an entity has the power to govern the financial and operating policies of an entity to obtain benefits from its activities. Transactions between these entities have been eliminated.

b. **Income Tax**

Under the provisions of current income tax legislation, only the controlled entity is subject to income tax. Youth Focus Inc. holds deductible gift recipient status.

c. **Property, Plant and Equipment**

Each class of property, plant and equipment is carried at cost less, where applicable, any accumulated depreciation and impairment losses.

The carrying amount of all property, plant and equipment is reviewed annually by the Association to ensure it is not in excess of the recoverable amount from these assets. The recoverable amount of property, plant and equipment is the higher of fair value less costs of disposal and value-in-use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

For an asset that does not generate largely independent cash flows, recoverable amount is determined for the cash generating unit to which the asset belongs, unless the asset’s value-in-use can be estimated to its approximate fair value.

**Impairment**

An impairment exists when the carrying value of an asset or cash generating unit exceeds its estimated recoverable amount. The asset or cash generating unit is then written down to its recoverable amount. Impairment losses are recognised in the statement of profit or loss and other comprehensive income.

**Depreciation**

All assets, excluding freehold land are depreciated. The depreciable amount of all fixed assets, including buildings, is depreciated on a straight-line basis over the asset’s useful life commencing from the time the asset is available for use. Leasehold improvements are depreciated over the shorter of either the unexpired period of the lease or the estimated useful lives of the improvements.

YOUTH FOCUS INC  
NOTES TO THE FINANCIAL STATEMENTS  
for the YEAR ENDED 30 JUNE 2020

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

c. **Property, Plant and Equipment (continued)**

The depreciation rates used for each class of depreciable assets are:

<b>Class of Fixed Asset</b>	<b>Depreciation Rate</b>
Buildings	2.50% to 3.70%
Leasehold improvements	10.00% to 33.33%
Plant and equipment	20.00% to 33.33%
Furniture and fittings	20.00%
Software	33.33%
Motor vehicles	20.00%

The assets' residual values and useful lives are reviewed and adjusted, if appropriate, at the end of each reporting period.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains and losses are included in the statement of profit or loss and other comprehensive income.

d. **Leases**

**(Applicable to 30 June 2019)**

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

Assets held under finance leases are initially recognised at their fair value or, if lower, the present value of the minimum lease payments, each determined at the inception of the lease. The corresponding liability to the lessor is included in the statement of financial position as a finance lease obligation.

Lease payments are apportioned between finance charges and reduction of the lease obligation so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are charged directly against income, unless they are directly attributable to qualifying assets, in which case they are capitalised in accordance with the general policy on borrowing costs.

Finance lease assets are depreciated on a straight line basis over the estimated useful life of the asset.

Lease payments for operating leases, where substantially all the risks and benefits remain with the lessor, are recognised as expenses in the statement of profit or loss and other comprehensive income on a straight-line basis over the lease term.

Refer to Note 2 for the standard adopted for 30 June 2020.

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 settled within one year have been measured at the amounts expected to be paid when the liability is settled. These include wages, salaries and annual leave.

Long service leave is measured at the present value of expected future payments to be made in respect of services by employees up to balance date. The Association's current policy is to provide for long service leave for all employees with greater than 3 years of service.

f. **Cash and Cash Equivalents**

Cash and cash equivalents in the statement of financial position include cash at bank and in hand, deposits held at-call with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts.

g. **Trade and other receivables**

Trade and other receivables, which comprise of amounts due from event sales and amounts receivable from donors, are recognised and carried at fair value, less an allowance for any uncollectible amounts. Receivables are normally settled within 30 days and are classified as current assets.



NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

**g. Trade and other receivables (continued)**

The Association makes use of a simplified approach in accounting for trade and other receivables as well as contract assets and records the loss allowance as lifetime expected credit losses. These are the expected shortfalls in contractual cash flows, considering the potential for default at any point during the life of the financial instrument. In calculating, the Association uses its historical experience, external indicators and forward-looking information to calculate the expected credit losses using a provision matrix.

The Association assess impairment of trade receivables on a collective basis as they possess shared credit risk characteristics they have been grouped based on the days past due.

**h. Revenue and Other Income**

Revenue is measured at the fair value of the consideration received or receivable. Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Association and the revenue can be reliably measured. The following specific recognition criteria must also be met before revenue is recognised:

(i) Donations and Fundraising

Revenue from donations and fundraising is typically brought to account when received. It is impractical for the Association to establish control over income from donations and fundraising prior to the initial entry in the accounting records resulting from the banking of such income.

Revenue from corporate partnerships tied to specific service obligations is recognised when the Association has established that it has completed the relevant service obligations.

(ii) Grants

Grants received for specific purposes are brought to account as income in the year in which they are expended, in order to properly match income with expenditure. Unexpended grants at year end are recorded in the statement of financial position as grants received in advance under other current liabilities.

Grants received for general purposes are brought to account as income in the year in which those grants are received.

(iii) Interest received

Interest revenue is recognised on a time proportional basis that takes into account the effective yield on the financial asset.

(iv) Other revenue

Other revenue is recognised when the Association has established that it has a right to receive the revenue.

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

**i. Goods and Services Tax (GST)**

Revenue, expenses and assets are recognised 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 other receivables or payables in the statement of financial position.

Cash flows are presented on a gross basis. The GST components of cash flows arising from 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.

**j Trade and Other Payables**

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

YOUTH FOCUS INC  
NOTES TO THE FINANCIAL STATEMENTS  
for the YEAR ENDED 30 JUNE 2020

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

**k Income and Grants Received in Advance**

The liability for deferred income is the unutilised amounts of grants or donations received on the condition that specified services are delivered or conditions are fulfilled. The services are usually provided or the conditions are usually fulfilled within 12 months of receipt of the funding. Where the amount received is in respect of services to be provided over a period that exceeds 12 months after the reporting date, or the conditions will only be satisfied more than 12 months after the reporting date, the liability is discounted and presented as non-current.

**l Key Estimates and Judgments**

The Directors evaluate estimates and judgements incorporated into the financial report based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and within the Association. Actual results may differ from these estimates.

**m New Accounting Standards for Application in Future Periods**

In the year ended 30 June 2020, the Directors have reviewed all of the new and revised Standards and Interpretations issued by the AASB that are relevant to the Association's operations for future annual reporting periods. None of these standards is expected to impact the Association.

NOTE 2: NEW STANDARDS ADOPTED

New or amended Accounting Standards and Interpretations adopted

The Association has adopted all of the new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period.

Any new or amended Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

The adoption of these Accounting Standards and Interpretations did not have any significant impact on the financial performance or position of the Association.

The following Accounting Standards and Interpretations are most relevant to the Association:

*AASB 15 Revenue from Contracts with Customers*

The Association has adopted AASB 15 from 1 July 2019. The standard provides a single comprehensive model for revenue recognition. The core principle of the standard is that an entity shall recognise revenue to depict the transfer of promised goods or services to customers at an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. The standard introduced a new contract-based revenue recognition model with a measurement approach that is based on an allocation of the transaction price. This is described further in the accounting policies below. Credit risk is presented separately as an expense rather than adjusted against revenue. Contracts with customers are presented in an entity's statement of financial position as a contract liability, a contract asset, or a receivable, depending on the relationship between the entity's performance and the customer's payment. Customer acquisition costs and costs to fulfil a contract can, subject to certain criteria, be capitalised as an asset and amortised over the contract period. There has been no material impact to the financial statements as a result of adopting AASB 15.

*AASB 1058 Income of Not-for-Profit Entities*

The Association has adopted AASB 1058 from 1 July 2019. The standard replaces AASB 1004 'Contributions' in respect to income recognition requirements for not-for-profit entities. The timing of income recognition under AASB 1058 is dependent upon whether the transaction gives rise to a liability or other performance obligation at the time of receipt. Income under the standard is recognised where: an asset is received in a transaction, such as by way of grant, bequest or donation; there has either been no consideration transferred, or the consideration paid is significantly less than the asset's fair value; and where the intention is to principally enable the entity to further its objectives.

YOUTH FOCUS INC  
NOTES TO THE FINANCIAL STATEMENTS  
for the YEAR ENDED 30 JUNE 2020

NOTE 2: NEW STANDARDS ADOPTED

*AASB 1058 Income of Not-for-Profit Entities (continued)*

For transfers of financial assets to the entity which enable it to acquire or construct a recognisable non-financial asset, the entity must recognise a liability amounting to the excess of the fair value of the transfer received over any related amounts recognised. Related amounts recognised may relate to contributions by owners, AASB 15 revenue or contract liability recognised, lease liabilities in accordance with AASB 16, financial instruments in accordance with AASB 9, or provisions in accordance with AASB 137. The liability is brought to account as income over the period in which the entity satisfies its performance obligation. If the transaction does not enable the entity to acquire or construct a recognisable non-financial asset to be controlled by the entity, then any excess of the initial carrying amount of the recognised asset over the related amounts is recognised as income immediately. Where the fair value of volunteer services received can be measured, a private sector not-for-profit entity can elect to recognise the value of those services as an asset where asset recognition criteria are met or otherwise recognise the value as an expense. There has been no material impact to the accounts as a result of adopting AASB 1058.

*AASB 16 Leases*

The Association has adopted AASB 16 from 1 July 2019. The standard replaces AASB 117 'Leases' and for lessees eliminates the classifications of operating leases and finance leases. Except for short-term leases and leases of low-value assets, right-of-use assets and corresponding lease liabilities are recognised in the statement of financial position. Straight-line operating lease expense recognition is replaced with a depreciation charge for the right-of-use assets (included in operating costs) and an interest expense on the recognised lease liabilities (included in finance costs). In the earlier periods of the lease, the expenses associated with the lease under AASB 16 will be higher when compared to lease expenses under AASB 117. However, EBITDA (Earnings Before Interest, Tax, Depreciation and Amortisation) results improve as the operating expense is now replaced by interest expense and depreciation in profit or loss. For classification within the statement of cash flows, the interest portion is disclosed in operating activities and the principal portion of the lease payments are separately disclosed in financing activities. For lessor accounting, the standard does not substantially change how a lessor accounts for leases.

YOUTH FOCUS INC  
 NOTES TO THE FINANCIAL STATEMENTS  
 for the YEAR ENDED 30 JUNE 2020

	<b>CONSOLIDATED</b>	
	<b>2020</b>	<b>2019</b>
	\$	\$
<b>NOTE 3: REVENUE, OTHER INCOME AND EXPENSES</b>		
<b>(A) Revenue</b>		
Government funding	9,375,302	8,304,023
Donations and Fundraising	3,988,507	4,044,775
Government wage subsidy & cash flow boost	1,141,250	-
Other revenue	312,060	134,481
<b>Total Revenue</b>	<b>14,817,119</b>	<b>12,483,279</b>
<b>(B) OTHER INCOME</b>		
Interest income	38,950	76,630
Net gain on disposal of property, plant & equipment	1,636	3,000
<b>Total other income</b>	<b>40,586</b>	<b>79,630</b>
<b>Total revenue and other income</b>	<b>14,857,705</b>	<b>12,562,909</b>
<b>(C) EXPENSES</b>		
<b>Auditors Remuneration</b>		
Remuneration paid or payable to the auditor of the Association, HLB Mann Judd, for:		
The audit of the financial statements	20,000	19,000
<b>(D) EMPLOYEE BENEFITS EXPENSE</b>		
Wages and Salaries	8,793,202	7,465,283
Workers Compensation Insurance	90,424	79,457
Defined contribution superannuation expense	866,792	745,721
Movements in employee benefits provisions	116,386	166,833
<b>Total employee benefits expense</b>	<b>9,866,804</b>	<b>8,457,294</b>

YOUTH FOCUS INC  
NOTES TO THE FINANCIAL STATEMENTS  
for the YEAR ENDED 30 JUNE 2020

	<b>CONSOLIDATED</b>	
NOTE 4: CASH AND CASH EQUIVALENTS	<b>2020</b>	<b>2019</b>
	\$	\$
Cash at bank and on hand	3,946,295	2,951,640
Short-term bank deposits	86,394	1,271,567
Total cash and cash equivalents	<u>4,032,689</u>	<u>4,223,207</u>

Short-term deposits are made for varying periods of between one day and three months, depending on the immediate cash requirements of the Association, and earn interest at the respective short-term deposit rates.

	<b>CONSOLIDATED</b>	
NOTE 5: TRADE AND OTHER RECEIVABLES	<b>2020</b>	<b>2019</b>
CURRENT	\$	\$
Trade debtors	933,731	519,341
Less: Allowance for doubtful debts	(550)	(550)
	<u>933,181</u>	<u>518,791</u>
Other receivables	428,999	7,615
Total trade and other receivables	<u>1,362,180</u>	<u>526,406</u>

Current trade receivables are non-interest bearing and are generally receivable within 30 days.

*Expected credit losses*

The Group applies the AASB9 simplified model of recognising lifetime expected credit losses for all trade receivables as these items do not have a significant financing component.

In measuring the expected credit losses, the trade receivables have been assessed on a collective basis as they possess shared credit risk characteristics. They have been grouped based on the days past due.

The current expected loss rates are based on the payment profile of receivables over the past 24 months before 30 June 2020 and 30 June 2019 respectively as well as the compounding historical credit losses during that period. The historical rates are adjusted to reflect current and forward looking factors affecting the ability to settle the outstanding amount. The expected credit loss at 30 June 2020 and 2019 was \$nil.

	<b>CONSOLIDATED</b>	
NOTE 6: OTHER CURRENT ASSETS	<b>2020</b>	<b>2019</b>
CURRENT	\$	\$
Bonds and deposits	41,113	41,113
Term deposits	1,216,545	-
Prepayments	-	73,190
Total other current assets	<u>1,257,658</u>	<u>114,303</u>

YOUTH FOCUS INC  
NOTES TO THE FINANCIAL STATEMENTS  
for the YEAR ENDED 30 JUNE 2020

NOTE 7: PROPERTY, PLANT AND EQUIPMENT	<b>CONSOLIDATED</b>	
	<b>2020</b>	<b>2019</b>
	\$	\$
<i>Land and Buildings:</i>		
Land - at cost	420,052	420,052
Buildings – at cost	2,368,710	1,966,338
Less: Accumulated depreciation	(721,966)	(668,726)
	1,646,744	1,297,612
Leasehold improvements – at cost	1,143,978	1,110,528
Less: Accumulated depreciation	(1,024,724)	(998,619)
	119,254	111,909
Total land and buildings	2,186,050	1,829,573
<i>Furniture and equipment:</i>		
At cost	1,342,107	1,665,041
Less: Accumulated depreciation	(1,246,044)	(1,303,405)
Total furniture and equipment	96,063	361,636
<i>Software :</i>		
At cost	636,280	490,980
Less: Accumulated depreciation	(438,761)	(336,407)
Total software	197,519	154,573
<i>Motor Vehicles :</i>		
At cost	30,104	30,104
Less: Accumulated depreciation	(30,104)	(30,104)
Total motor vehicles	-	-
Total property, plant and equipment	2,479,632	2,345,782

The carrying value of furniture and equipment held under finance lease at 30 June 2020 is \$nil (2019: \$246,778). \$246,778 carrying value was transferred to Right of use assets under AASB 16 - Lease Assets refer to note 8.

YOUTH FOCUS INC  
NOTES TO THE FINANCIAL STATEMENTS  
for the YEAR ENDED 30 JUNE 2020

NOTE 7: PROPERTY, PLANT AND EQUIPMENT (continued)

**Movements in carrying amounts**

Movement in the carrying amounts for each class of property, plant and equipment between the beginning and the end of the current financial year:

	Land	Building and improvement	Furniture and Equipment	Software	Motor Vehicles	Total
<b>CONSOLIDATED</b>	\$	\$	\$	\$	\$	\$
Balance at 1 July 2018	420,052	1,547,994	428,472	110,716	-	2,507,234
Additions	-	-	66,008	111,067	-	177,075
Disposals	-	-	-	-	-	-
Depreciation expense	-	(138,473)	(132,844)	(67,210)	-	(338,527)
Balance at 30 June 2019	<u>420,052</u>	<u>1,409,521</u>	<u>361,636</u>	<u>154,573</u>	<u>-</u>	<u>2,345,782</u>
Additions	-	435,821	42,451	145,301	-	623,573
Disposals	-	-	-	-	-	-
Transfer on adoption of AASB 16	-	-	(246,778)	-	-	(246,778)
Depreciation expense	-	(79,344)	(61,246)	(102,355)	-	(242,945)
Balance at 30 June 2020	<u>420,052</u>	<u>1,765,998</u>	<u>96,063</u>	<u>197,519</u>	<u>-</u>	<u>2,479,632</u>

NOTE 8: RIGHT OF USE ASSETS	<b>CONSOLIDATED</b>	
	<b>2020</b>	<b>2019</b>
	\$	\$
<i>Lease premises</i>		
Recognised on adoption of AASB 16	993,171	-
Less: Accumulated amortisation	(383,244)	-
Total lease premises	<u>609,927</u>	<u>-</u>
<i>Furniture and equipment:</i>		
Transfer of finance lease assets on adoption of AASB 16	246,778	-
Recognised on adoption of AASB 16	45,553	-
Less: Accumulated amortisation	(98,825)	-
Total furniture and equipment	<u>193,506</u>	<u>-</u>
<i>Motor Vehicles :</i>		
Recognised on adoption of AASB 16	60,335	-
Less: Accumulated amortisation	(11,312)	-
Total motor vehicles	<u>49,023</u>	<u>-</u>
Total property, plant and equipment	<u><u>852,456</u></u>	<u><u>-</u></u>

YOUTH FOCUS INC  
NOTES TO THE FINANCIAL STATEMENTS  
for the YEAR ENDED 30 JUNE 2020

	<b>CONSOLIDATED</b>	
NOTE 9: TRADE AND OTHER PAYABLES	<b>2020</b>	<b>2019</b>
	\$	\$
<b>CURRENT</b>		
Trade payables	225,897	310,337
Accrued liabilities	423,853	341,450
<b>Total trade and other payables</b>	<b>649,750</b>	<b>651,786</b>

Trade and other payables are non-interest bearing and are normally settled on 30 day terms.

	<b>CONSOLIDATED</b>	
NOTE 10: INTEREST BEARING LIABILITIES	<b>2020</b>	<b>2019</b>
	\$	\$
<b>CURRENT</b>		
Credit card	9,268	3,194
Lease incentive liability	-	4,833
Lease liability	458,002	72,302
	<u>467,270</u>	<u>80,329</u>
<b>NON-CURRENT</b>		
Lease liability	425,608	144,212
<b>Total interest bearing liabilities</b>	<b>892,878</b>	<b>224,541</b>

	<b>CONSOLIDATED</b>	
	<b>2020</b>	<b>2019</b>
Lease liabilities		
Lease premises	632,267	-
Other leases	251,343	216,513
<b>Total lease liabilities</b>	<b>883,610</b>	<b>216,513</b>

	<b>CONSOLIDATED</b>	
Assets pledged as security.	<b>2020</b>	<b>2019</b>
The carrying amounts of assets pledged as security for current and non current interest bearing liabilities are:	\$	\$
Leases and hire purchase contracts		
- Furniture and equipment	146,287	246,778

	<b>CONSOLIDATED</b>	
NOTE 11: OTHER LIABILITIES	<b>2020</b>	<b>2019</b>
	\$	\$
<b>CURRENT</b>		
Income and grants received in advance	1,671,686	968,000
<b>Total other liabilities</b>	<b>1,671,686</b>	<b>968,000</b>



YOUTH FOCUS INC  
 NOTES TO THE FINANCIAL STATEMENTS  
 for the YEAR ENDED 30 JUNE 2020

	<b>CONSOLIDATED</b>	
	<b>2020</b>	<b>2019</b>
NOTE 12: PROVISIONS		
CURRENT	\$	\$
Annual leave	481,462	432,247
Long service leave	290,050	267,051
	771,512	699,298
NON-CURRENT		
Long service leave	198,283	154,114
Total provisions	969,795	853,412

	<b>CONSOLIDATED</b>	
	<b>2020</b>	<b>2019</b>
NOTE 13: ACCUMULATED FUNDS		
	\$	\$
Youth Focus Inc.	5,809,679	4,520,708
Focus Plus Pty Ltd	(9,174)	(8,750)
Total accumulated funds	5,800,505	4,511,959

NOTE 14: CONTINGENT LIABILITIES

The Association had no contingent liabilities as at 30 June 2020 or 30 June 2019.

NOTE 15: EVENTS AFTER THE REPORTING PERIOD

There have not been any matters or circumstances occurring subsequent to the end of the financial year that has 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.

YOUTH FOCUS INC  
NOTES TO THE FINANCIAL STATEMENTS  
for the YEAR ENDED 30 JUNE 2020

	<b>CONSOLIDATED</b>	
	<b>2020</b>	<b>2019</b>
NOTE 16: CASH FLOW INFORMATION		
a. Reconciliation of cash flow from operations with net surplus	<b>\$</b>	<b>\$</b>
Net surplus for the year after income tax	1,288,546	200,115
Cash flows excluded from net surplus attributable to operating activities		
Non-cash flows in surplus:		
Depreciation	242,945	338,527
(Profit)/Loss on disposal of property, plant & equipment	(1,636)	(3,000)
<b>Changes in operating assets and liabilities:</b>		
Increase/(decrease) in trade, other receivables and other current assets	(965,776)	150,583
Increase/(decrease) in trade, other payables and interest bearing liabilities	524,056	(28,575)
Increase/(decrease) in other liabilities	959,325	(811,046)
Increase in provision for employee leave benefits	116,386	166,833
	2,163,846	13,437

	<b>CONSOLIDATED</b>	
	<b>Lease Liability</b>	
	<b>\$</b>	
b. Changes in liabilities arising from financing activities		
Balance at 1 July 2019	216,513	
AASB 16 - lease asset liabilities	1,182,980	
Net cash from (used in) financing activities	(515,883)	
Balance at 30 June 2020	883,610	
c. Non-cash financing and investing activities		
During the year, the Association acquired building improvements, furniture, equipment and software by means of grant funding and surplus operating cash flows \$623,537 (2019: \$177,075).		

NOTE 17: FINANCIAL RISK MANAGEMENT

The Association's financial instruments consist mainly of deposits with banks, accounts receivable and trade payables. The totals for each category of financial instruments are as follows:

	<b>CONSOLIDATED</b>	
	<b>2020</b>	<b>2019</b>
	<b>\$</b>	<b>\$</b>
<b>Financial assets</b>		
Cash and cash equivalents	4,032,689	4,223,207
Trade and other receivables	1,362,180	526,406
Other financial assets	1,216,545	-
<b>Total financial assets</b>	6,611,414	4,749,612
<b>Financial liabilities at amortised cost:</b>		
– trade and other payables	649,750	651,786
– interest bearing liabilities	892,878	224,541
<b>Total financial liabilities</b>	1,542,628	876,327

YOUTH FOCUS INC  
NOTES TO THE FINANCIAL STATEMENTS  
for the YEAR ENDED 30 JUNE 2020

NOTE 17: FINANCIAL RISK MANAGEMENT (CONTINUED)

**Financial Risk Management Policies**

The Association's Directors are responsible for, among other issues, monitoring and managing financial risk exposures of the Association. The Directors monitor the Association's transactions and review the effectiveness of controls relating to credit risk, financial risk, and interest rate risk. The Directors' overall risk management strategy seeks to ensure that the Association meets its financial targets, while minimising potential adverse effects of cash flow shortfalls.

**Specific Financial Risk Exposures and Management**

The main risks the Association is exposed to through its financial instruments are credit risk, liquidity risk and interest rate risk.

a. **Credit risk**

Exposure to credit risk relating to financial assets arises from the potential non-performance by counterparties of contract obligations that could lead to a financial loss to the Association.

Credit risk is managed through maintaining procedures (such as the utilisation of systems for the approval, granting and removal of credit limits, regular monitoring of exposure against such limits and monitoring of the financial stability of significant customers and counterparties) ensuring, to the extent possible, that members and counterparties to transactions are of sound credit worthiness.

Risk is also minimised through investing surplus funds in financial institutions that maintain a high credit rating or in entities that the committee has otherwise cleared as being financially sound.

*Credit risk exposures*

The maximum exposure to credit risk by class of recognised financial assets at the end of the reporting period is equivalent to the carrying value and classification of those financial assets (net of any provisions) as presented in the statement of financial position.

There is no collateral held by the Association securing trade and other receivables.

Trade and other receivables that are neither past due nor impaired are considered to be of high credit quality.

The Association has no significant concentrations of credit risk with any single counterparty or group of counterparties.

b. **Liquidity risk**

Liquidity risk arises from the possibility that the Association might encounter difficulty in settling its debts or otherwise meeting its obligations related to financial liabilities. The Association manages this risk through the following mechanisms:

- preparing forward-looking cash flow analysis in relation to its operational, investing and financing activities; and
- only investing surplus cash with major financial institutions.

The table below reflects an undiscounted contractual maturity analysis for financial liabilities.

Cash flows realised from financial assets reflect management's expectation as to the timing of realisation. Actual timing may therefore differ from that disclosed. The timing of cash flows presented in the table to settle financial liabilities reflects the earliest contractual settlement dates.

*Financial liability and financial asset maturity analysis. Weighted average interest rate 5% (2019:6%)*

CONSOLIDATED	Within 1 Year		1 to 5 Years		Over 5 Years		Total	
	2020	2019	2020	2019	2020	2019	2020	2019
	\$	\$	\$	\$	\$	\$	\$	\$
<b>Financial liabilities due for payment</b>								
Trade and other payables	649,749	651,786	-	-	-	-	649,749	651,786
Interest bearing liabilities	491,634	91,353	448,253	154,769	-	-	939,887	246,122
Total contractual outflows	<u>1,141,383</u>	<u>743,139</u>	<u>448,253</u>	<u>154,769</u>	-	-	<u>1,589,636</u>	<u>897,908</u>
Total expected outflows	<u>1,141,383</u>	<u>743,139</u>	<u>448,253</u>	<u>154,769</u>	-	-	<u>1,589,636</u>	<u>897,908</u>

YOUTH FOCUS INC  
NOTES TO THE FINANCIAL STATEMENTS  
for the YEAR ENDED 30 JUNE 2020

NOTE 17: FINANCIAL RISK MANAGEMENT (CONTINUED)

CONSOLIDATED	Within 1 Year		1 to 5 Years		Over 5 Years		Total	
	2020	2019	2020	2019	2020	2019	2020	2019
	\$	\$	\$	\$	\$	\$	\$	\$
<b>Financial assets – cash flows realisable</b>								
Cash and cash equivalents	4,032,689	4,223,207	-	-	-	-	4,032,689	4,223,207
Trade and other receivables	1,362,180	526,406	-	-	-	-	1,362,180	526,406
Other financial assets	1,216,545	-	-	-	-	-	1,216,545	-
Total anticipated inflows	<u>6,611,415</u>	<u>4,749,613</u>	-	-	-	-	<u>6,611,414</u>	<u>4,749,613</u>
Net inflow on financial instruments	<u>5,470,030</u>	<u>4,006,473</u>	<u>(448,253)</u>	<u>(154,769)</u>	-	-	<u>5,021,778</u>	<u>3,851,704</u>

*Financial assets pledged as collateral*

No financial assets have been pledged as security for any financial liability.

c. **Interest rate risk**

Exposure to interest rate risk arises on financial assets and financial liabilities recognised at the end of the reporting period whereby a future change in interest rates will affect future cash flows.

At 30 June 2020, 96% of the Association's interest bearing liabilities are fixed at 5% (2019:6%).

*Sensitivity analysis*

The following table illustrates sensitivities to the Association's exposures to changes in interest rates. The table indicates the impact on how profit and equity values reported at the end of the reporting period would have been affected by changes in the relevant risk variable that management considers to be reasonably possible. These sensitivities assume that the movement in a particular variable is independent of other variables.

	<b>Profit</b>	<b>Equity</b>
	<b>\$</b>	<b>\$</b>
<b>Year ended 30 June 2020</b>		
+/- 2% in interest rates	80,654	80,654
<b>Year ended 30 June 2019</b>		
+/- 2% in interest rates	84,464	84,464

No sensitivity analysis has been performed on equity price risk and foreign exchange risk as the Association has no significant exposure to equity price risk and currency risk.

YOUTH FOCUS INC  
NOTES TO THE FINANCIAL STATEMENTS  
for the YEAR ENDED 30 JUNE 2020

NOTE 17: FINANCIAL RISK MANAGEMENT (CONTINUED)

**Net Fair Values**

**Fair value estimation**

The fair values of financial assets and financial liabilities are presented in the following table and can be compared to their carrying values as presented in the statement of financial position. Fair values are those amounts at which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction.

Fair values derived may be based on information that is estimated or subject to judgment, where changes in assumptions may have a material impact on the amounts estimated. Areas of judgment and the assumptions have been detailed below. Where possible, valuation information used to calculate fair value is extracted from the market, with more reliable information available from markets that are actively traded. In this regard, fair values for listed securities are obtained from quoted market bid prices.

<b>CONSOLIDATED</b>					
<b>2020</b>					
<b>2019</b>					
<b>Note</b>	<b>Net Carrying Value</b>	<b>Net Fair Value</b>	<b>Net Carrying Value</b>	<b>Net Fair Value</b>	
	\$	\$	\$	\$	
<b>Financial assets</b>					
Cash and cash equivalents	(i)	4,032,689	4,032,689	4,223,207	4,223,207
Trade and other receivables	(i)	1,362,180	1,362,180	526,406	526,406
Other financial assets	(i)	1,216,545	1,216,545	-	-
<b>Total financial assets</b>		<u>6,611,414</u>	<u>6,611,414</u>	<u>4,749,613</u>	<u>4,749,613</u>
<b>Note</b>	<b>2020 Net Carrying Value</b>	<b>Net Fair Value</b>	<b>2019 Net Carrying Value</b>	<b>Net Fair Value</b>	
	\$	\$	\$	\$	
Trade and other payables	(i)	649,750	649,750	651,786	651,786
Interest bearing liabilities	(ii)	892,878	892,878	224,541	224,541
<b>Total financial liabilities</b>		<u>1,542,628</u>	<u>1,542,628</u>	<u>876,327</u>	<u>876,327</u>

The fair values disclosed in the above table have been determined based on the following methodologies:

- (i) Cash and cash equivalents, trade and other receivables and trade and other payables are short-term instruments in nature whose carrying value is equivalent to fair value. Trade and other payables exclude amounts relating to the provision of annual leave, which is outside the scope of AASB 139.
- (ii) Interest bearing liabilities represent amounts payable on credit cards held with banking institutions and lease liabilities.

YOUTH FOCUS INC  
 NOTES TO THE FINANCIAL STATEMENTS  
 for the YEAR ENDED 30 JUNE 2020

NOTE 18: RELATED PARTIES AND RELATED PARTY TRANSACTIONS

The consolidated financial statements include the financial statements of Youth Focus Inc. and the following controlled entities:

	Percentage Owned		Investment Cost	
	2020	2019	2020	2019
	%	%	\$	\$
Focus Plus Pty Ltd	100%	100%	1	1

Youth Focus Inc. is the parent entity of the Group.

a. **Key Management Personnel**

Any person(s) having authority and responsibility for planning, directing and controlling the activities of the association, directly or indirectly, including the Board of Directors, as listed below, is considered key management personnel.

Details of key management personnel (excluding directors) include:

2020: Arthur Papakotsias (Chief Executive Officer), Emma Brierty (Chief Operations Officer), Raj Thethy (Chief Financial Officer), Lydia Light (General Manager, Brand, Events & Partnerships), Chris Harris (Senior Manager, Services, Development & Innovation to 22 May 2020).

2019: Arthur Papakotsias (Chief Executive Officer from 29 January 2019) Fiona Kalaf (Chief Executive Officer until 21 September 2018), Emma Brierty (Chief Operations Officer), Raj Thethy (Chief Financial Officer), Lydia Light (General Manager, Brand, Events & Partnerships), Chris Harris (Senior Manager, Services, Development & Innovation).

b. **Directors' Compensation**

The Directors act in an honorary capacity and, with the exception of the Chief Executive Officer, receive no compensation for their service as Director.

Directors at 30 June 2020 are Dean Hely (Chairman), Arthur Papakotsias (CEO), Ashleigh Lin, Fiona Lander, Paul Larson, Phillip Renshaw, Rodney Jones and William Meston.

Christina Mathews was appointed to the Board as a Director on 25 August 2020.

	CONSOLIDATED	
	2020	2019
c. <b>Key Management Personnel Compensation</b>	\$	\$
-short-term Benefits	880,896	752,684
-post-employment Benefits	88,815	72,733
	<u>969,711</u>	<u>825,417</u>

YOUTH FOCUS INC  
NOTES TO THE FINANCIAL STATEMENTS  
for the YEAR ENDED 30 JUNE 2020

d. **Transactions with Related Parties**

Related parties include immediate family members of key management personnel, and entities that are controlled or significantly influenced by those key management personnel individually or collectively with their immediate family members.

During the year there have been no related party transactions (2019: nil).

NOTE 19: ECONOMIC DEPENDENCY

While the Association's activities are largely funded by events and fundraising activities, the Association is assisted in its activities by operating grants provided by government(s). At the date of this report, the Board of Directors had no reason to believe that the government(s) would not continue to provide financial support to Youth Focus Inc.

NOTE 20: ASSOCIATION DETAILS

The registered office and principal place of business of the Association is:  
Youth Focus Inc. 54 Goodwood Parade, BURSWOOD Western Australia 6100, Australia.

STATEMENT BY THE BOARD OF DIRECTORS

In the opinion of the Board of Directors of the Association:

1. The accompanying financial statements and notes thereto:
  - (a) presents a true and fair view of the consolidated financial position of Youth Focus Inc. as at 30 June 2019 and its performance for the year then ended; and
  - (b) Comply with Australian Accounting Standards (including Australian Accounting Interpretations), the Associations Incorporation Act 1987, the Associations Incorporations Regulations 1988 and the Australian Charities and Not-for-Profits Commission Regulation 2013.
2. There are reasonable grounds to believe that Youth Focus Inc. will be able to pay its debts as and when they fall due.

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



Dean Hely  
Chairman



William P R Meston  
Director

Dated this 29th day of October 2020



**AUDITOR'S INDEPENDENCE DECLARATION**

We declare that, to the best of our knowledge and belief, there have been no contraventions of any applicable code of professional conduct in relation to the audit of the financial report of Youth Focus Inc. for the year ended 30 June 2020.

Perth, Western Australia  
29 October 2020



**N G Neill**  
**Partner**

**h**l**b.com.au**

**HLB Mann Judd (WA Partnership) ABN 22 193 232 714**

Level 4, 130 Stirling Street, Perth WA 6000 / PO Box 8124 Perth BC WA 6849

**T:** +61 (0)8 9227 7500 **E:** mailbox@h**l**bwa.com.au

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## **INDEPENDENT AUDITOR'S REPORT**

To the members of Youth Focus Inc.

### **Report on the Audit of the Financial Report**

#### *Opinion*

We have audited the financial report of Youth Focus Inc ("the Association") which comprises the statement of financial position as at 30 June 2020, the statement of profit and loss and comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and the statement by the board of directors.

In our opinion, the accompanying financial report of the Association has been prepared in accordance with Division 60 of the *Australian Charities and Not-for-profits Commission Act 2012* and *Associations Incorporation Act 1987*, including:

- a) giving a true and fair view of the Association's financial position as at 30 June 2020 and of its financial performance for the year then ended; and
- b) complying with Australian Accounting Standards and Division 60 of the *Australian Charities and Not-for-profits Commission Regulation 2013* and the *Associations Incorporations Regulations 1988*.

#### *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 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.

#### *Responsibilities of management and those charged with governance for the financial report*

Management is responsible for the preparation of the financial report that gives a true and fair view in accordance with the Australian Accounting Standards and the *Australian Charities and Not-for-profits Commission Act 2012* and *Associations Incorporations Act 1987* and for such internal control as management determines is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error.

In preparing the financial report, management 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 management either intend to liquidate the Association or to cease operations, or have no realistic alternative but to do so.

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

**hlb.com.au**

**HLB Mann Judd (WA Partnership) ABN 22 193 232 714**

Level 4, 130 Stirling Street, Perth WA 6000 / PO Box 8124 Perth BC WA 6849

**T:** +61 (0)8 9227 7500 **E:** mailbox@hbw.com.au

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*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 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 management.
- Conclude on the appropriateness of the management'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 report or, 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 those charged with governance 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.

We also provide the those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.



**HLB Mann Judd**  
Chartered Accountants

**Perth, Western Australia**  
29 October 2020



**N G Neill**  
Partner