



YOUTH FOCUS INC.

FINANCIAL REPORT

FOR THE YEAR ENDED 30 JUNE 2021

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YOUTH FOCUS INC
STATEMENT OF PROFIT AND LOSS AND OTHER COMPREHENSIVE INCOME
for the YEAR ENDED 30 JUNE 2021

	Note	CONSOLIDATED	
		2021	2020*
		\$	\$
Revenue	3	15,837,939	15,167,119
Interest income	3	15,263	38,950
Other income	3	-	1,636
Revenue and other income		15,853,202	15,207,705
Employee benefits expense	3	(10,540,570)	(9,866,804)
Depreciation and amortisation expense		(958,923)	(736,326)
Event expenses		(615,094)	(525,989)
Information communications technology		(680,167)	(732,853)
Motor vehicle running expenses		(80,370)	7,007
Rent and outgoings		(376,270)	(443,863)
Insurance expense		(68,922)	(63,814)
General office expenses		(386,140)	(241,017)
Travel expenses		(204,516)	(163,438)
Marketing expenses		(138,959)	(133,923)
Finance costs		(33,850)	(53,659)
Other expenses		(592,007)	(614,480)
Expenditure		(14,675,788)	(13,569,159)
Surplus before income tax expense		1,177,414	1,638,546
Income tax expense		-	-
Surplus after tax from continuing operations		1,177,414	1,638,546
Other comprehensive income		-	-
Total comprehensive income for the year		1,177,414	1,638,546

The accompanying notes form part of these financial statements.

* Certain amounts here have been re-stated and do not correspond to the 2020 financial statements reflecting the adjustments made with reference to Note 20.

YOUTH FOCUS INC
STATEMENT OF FINANCIAL POSITION
as at 30 JUNE 2021

		CONSOLIDATED	
	Note	2021	2020*
		\$	\$
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	4	4,534,167	4,032,689
Trade and other receivables	5	492,370	1,362,180
Other current assets	6	2,945,962	1,257,658
TOTAL CURRENT ASSETS		<u>7,972,499</u>	<u>6,652,527</u>
NON-CURRENT ASSETS			
Property, plant and equipment	7	2,173,802	2,479,632
Right of use assets	8	468,701	852,456
TOTAL NON-CURRENT ASSETS		<u>2,642,503</u>	<u>3,332,088</u>
TOTAL ASSETS		<u>10,615,002</u>	<u>9,984,615</u>
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	9	616,877	649,751
Interest bearing liabilities	10	391,362	467,270
Other liabilities	11	1,416,926	1,321,686
Provisions	12	655,057	771,512
TOTAL CURRENT LIABILITIES		<u>3,080,222</u>	<u>3,210,219</u>
NON-CURRENT LIABILITIES			
Interest bearing liabilities	10	131,646	425,608
Provisions	12	75,215	198,282
TOTAL NON-CURRENT LIABILITIES		<u>206,861</u>	<u>623,891</u>
TOTAL LIABILITIES		<u>3,287,083</u>	<u>3,834,110</u>
NET ASSETS		<u>7,327,919</u>	<u>6,150,505</u>
EQUITY			
Accumulated funds	13	7,327,919	6,150,505
TOTAL EQUITY		<u>7,327,919</u>	<u>6,150,505</u>

The accompanying notes form part of these financial statements.

* Certain amounts here have been re-stated and do not correspond to the 2020 financial statements reflecting the adjustments made with reference to Note 20.

YOUTH FOCUS INC
STATEMENT OF CHANGES IN EQUITY
for the YEAR ENDED 30 JUNE 2021

	CONSOLIDATED	
	Accumulated	
	Funds	Total
	\$	\$
Balance at 1 July 2019	4,511,959	4,511,959
Net surplus for the year	<u>1,638,546</u>	<u>1,638,546</u>
Total comprehensive income	<u>1,638,546</u>	<u>1,638,546</u>
Balance at 30 June 2020*	<u>6,150,505</u>	<u>6,150,505</u>
Net surplus for the year	<u>1,177,414</u>	<u>1,177,414</u>
Total comprehensive income	<u>1,177,414</u>	<u>1,177,414</u>
Balance at 30 June 2021	<u><u>7,327,919</u></u>	<u><u>7,327,919</u></u>

The accompanying notes form part of these financial statements.

* Certain amounts here have been re-stated and do not correspond to the 2020 financial statements reflecting the adjustments made with reference to Note 20.

YOUTH FOCUS INC
STATEMENT OF CASH FLOWS
for the YEAR ENDED 30 JUNE 2021

	Note	CONSOLIDATED	
		2021	2020
		\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers		16,802,989	15,016,480
Payments to suppliers and employees		(13,907,671)	(12,837,925)
Interest received		15,263	38,950
Interest paid		(33,850)	(53,659)
Net cash provided by operating activities	16a	<u>2,876,731</u>	<u>2,163,846</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of property, plant and equipment		(173,232)	(623,572)
Proceeds from sale of property, plant & equipment		-	1,636
Net cash used in investing activities		<u>(173,232)</u>	<u>(621,936)</u>
CASH FLOWS FROM FINANCING ACTIVITIES			
Transfer to term deposits		(1,687,395)	(1,216,545)
Payment of lease liabilities	16b	(514,626)	(515,883)
Net cash used in financing activities		<u>(2,202,021)</u>	<u>(1,732,428)</u>
Net increase/(decrease) in cash held		501,478	(190,518)
Cash and cash equivalents at beginning of financial year		4,032,689	4,223,207
Cash and cash equivalents at end of financial year	4	<u>4,534,167</u>	<u>4,032,689</u>
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 2021

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 28 October 2021 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 2021

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

c. Property, Plant and Equipment (continued)

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

Class of Fixed Asset	Depreciation Rate
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. Right of Use Assets

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.

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 incorporating the probability that they will reach the vesting period(s).

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.

YOUTH FOCUS INC
NOTES TO THE FINANCIAL STATEMENTS
for the YEAR ENDED 30 JUNE 2021

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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.

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 2021

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 2021, 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

There were no new or amended Accounting Standards and Interpretations adopted during the reporting period.

YOUTH FOCUS INC
 NOTES TO THE FINANCIAL STATEMENTS
 for the YEAR ENDED 30 JUNE 2021

	CONSOLIDATED	
	2021	2020*
	\$	\$
NOTE 3: REVENUE, OTHER INCOME AND EXPENSES		
(A) Revenue		
Government funding	9,709,394	9,375,302
Donations and Fundraising	3,848,105	4,338,507
Government wage subsidy & cash flow boost	1,953,050	1,141,250
Other revenue	327,390	312,060
Total Revenue	15,837,939	15,167,119
(B) OTHER INCOME		
Interest income	15,263	38,950
Net gain on disposal of property, plant & equipment	-	1,636
Total other income	15,263	40,586
Total revenue and other income	15,853,202	15,207,705
(C) EXPENSES		
Auditors Remuneration		
Remuneration paid or payable to the auditor of the Association, HLB Mann Judd, for:		
The audit of the financial statements	20,000	20,000
(D) EMPLOYEE BENEFITS EXPENSE		
Wages and Salaries	9,742,557	8,793,202
Workers Compensation Insurance	105,321	90,424
Defined contribution superannuation expense	932,215	866,792
Movements in employee benefits provisions	(239,523)	116,386
Total employee benefits expense	10,540,570	9,866,804

* Certain amounts here have been re-stated and do not correspond to the 2020 financial statements reflecting the adjustments made with reference to Note 20.

YOUTH FOCUS INC
NOTES TO THE FINANCIAL STATEMENTS
for the YEAR ENDED 30 JUNE 2021

NOTE 4: CASH AND CASH EQUIVALENTS	CONSOLIDATED	
	2021	2020
	\$	\$
Cash at bank and on hand	4,533,646	3,946,295
Short-term bank deposits	521	86,394
Total cash and cash equivalents	4,534,167	4,032,689

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.

NOTE 5: TRADE AND OTHER RECEIVABLES	CONSOLIDATED	
	2021	2020
	\$	\$
CURRENT		
Trade debtors	487,935	933,731
Less: Allowance for doubtful debts	(550)	(550)
	487,385	933,181
Other receivables	4,985	428,999
Total trade and other receivables	492,370	1,362,180

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 2021 and 30 June 2020 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 2021 and 2020 was \$nil.

NOTE 6: OTHER CURRENT ASSETS	CONSOLIDATED	
	2021	2020
	\$	\$
CURRENT		
Bonds and deposits	42,022	41,113
Term deposits	2,903,940	1,216,545
Total other current assets	2,945,962	1,257,658

YOUTH FOCUS INC
 NOTES TO THE FINANCIAL STATEMENTS
 for the YEAR ENDED 30 JUNE 2021

NOTE 7: PROPERTY, PLANT AND EQUIPMENT	CONSOLIDATED	
	2021	2020
	\$	\$
<i>Land and Buildings:</i>		
Land - at cost	420,052	420,052
Buildings – at cost	2,387,870	2,368,710
Less: Accumulated depreciation	(976,392)	(721,966)
	1,411,478	1,646,744
Leasehold improvements – at cost	1,178,240	1,143,978
Less: Accumulated depreciation	(1,079,351)	(1,024,724)
	98,889	119,254
Total land and buildings	1,930,419	2,186,050
<i>Furniture and equipment:</i>		
At cost	1,407,526	1,342,107
Less: Accumulated depreciation	(1,309,578)	(1,246,045)
Total furniture and equipment	97,948	96,062
<i>Software:</i>		
At cost	690,670	636,281
Less: Accumulated depreciation	(545,235)	(438,762)
Total software	145,435	197,520
<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	2,173,802	2,479,632

YOUTH FOCUS INC
NOTES TO THE FINANCIAL STATEMENTS
for the YEAR ENDED 30 JUNE 2021

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
CONSOLIDATED	\$	\$	\$	\$	\$	\$
Balance at 1 July 2019	420,052	1,409,521	361,635	154,574	-	2,345,782
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>96,062</u>	<u>197,520</u>	<u>-</u>	<u>2,479,632</u>
Additions	-	53,422	65,420	54,390	-	173,232
Disposals	-	-	-	-	-	-
Depreciation expense	-	(309,053)	(63,534)	(106,474)	-	(479,061)
Balance at 30 June 2021	<u><u>420,052</u></u>	<u><u>1,510,367</u></u>	<u><u>97,948</u></u>	<u><u>145,436</u></u>	<u><u>-</u></u>	<u><u>2,173,802</u></u>

NOTE 8: RIGHT OF USE ASSETS	CONSOLIDATED	
	2021	2020
	\$	\$
<i>Lease premises</i>		
Recognised under and on adoption of AASB 16	1,076,927	993,171
Less: Accumulated amortisation	(744,449)	(383,244)
Total lease premises	<u>332,478</u>	<u>609,927</u>
<i>Furniture and equipment:</i>		
Transfer of additional assets on adoption of AASB 16	-	246,778
Recognised under or additions - AASB 16	292,331	45,553
Less: Accumulated amortisation	(185,104)	(98,825)
Total furniture and equipment	<u>107,227</u>	<u>193,506</u>
<i>Motor Vehicles:</i>		
Recognised under or additions - AASB 16	72,686	60,335
Less: Accumulated amortisation	(43,690)	(11,312)
Total motor vehicles	<u>28,996</u>	<u>49,023.00</u>
Total right of use assets	<u><u>468,701</u></u>	<u><u>852,456</u></u>

YOUTH FOCUS INC
NOTES TO THE FINANCIAL STATEMENTS
for the YEAR ENDED 30 JUNE 2021

NOTE 9: TRADE AND OTHER PAYABLES	2021	2020
	\$	\$
CURRENT		
Trade payables	101,071	225,897
Accrued liabilities	515,806	423,854
Total trade and other payables	<u>616,877</u>	<u>649,751</u>

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

	CONSOLIDATED	
NOTE 10: INTEREST BEARING LIABILITIES	2021	2020
	\$	\$
CURRENT		
Credit card	24,068	9,268
Lease liability	367,294	458,002
	<u>391,362</u>	<u>467,270</u>
NON-CURRENT		
Lease liability	131,646	425,608
Total interest bearing liabilities	<u>523,008</u>	<u>892,878</u>

	CONSOLIDATED	
	2021	2020
	\$	\$
Lease liabilities relate to:		
Lease premises	342,732	632,267
Other leases	156,208	251,343
Total lease liabilities	<u>498,940</u>	<u>883,610</u>

	CONSOLIDATED	
	2021	2020
	\$	\$
Assets pledged as security.		
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	80,244	146,287

	CONSOLIDATED	
NOTE 11: OTHER LIABILITIES	2021	2020*
	\$	\$
CURRENT		
Income and grants received in advance	1,416,926	1,321,686
Total other liabilities	<u>1,416,926</u>	<u>1,321,686</u>

* Certain amounts here have been re-stated and do not correspond to the 2020 financial statements reflecting the adjustments made with reference to Note 20.

YOUTH FOCUS INC
NOTES TO THE FINANCIAL STATEMENTS
for the YEAR ENDED 30 JUNE 2021

	CONSOLIDATED	
	2021	2020
NOTE 12: PROVISIONS		
CURRENT	\$	\$
Annual leave	482,654	481,462
Long service leave	172,403	290,050
	655,057	771,512
NON-CURRENT		
Long service leave	75,215	198,282
Total provisions	730,272	969,794

	CONSOLIDATED	
	2021	2020*
NOTE 13: ACCUMULATED FUNDS		
	\$	\$
Youth Focus Inc.	7,337,448	6,159,679
Focus Plus Pty Ltd	(9,529)	(9,174)
Total accumulated funds	7,327,919	6,150,505

* Certain amounts here have been re-stated and do not correspond to the 2020 financial statements reflecting the adjustments made with reference to Note 20.

NOTE 14: CONTINGENT LIABILITIES

The Association had no contingent liabilities as at 30 June 2021 or 30 June 2020.

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 2021

NOTE 16: CASH FLOW INFORMATION	CONSOLIDATED	
	2021	2020*
a. Reconciliation of cash flow from operations with net surplus	\$	\$
Net surplus for the year after income tax	1,177,414	1,638,546
Cash flows excluded from net surplus attributable to operating activities		
Non-cash flows in surplus:		
Depreciation	479,061	242,945
(Profit)/Loss on disposal of property, plant & equipment	0	(1,636)
Changes in operating assets and liabilities:		
Increase/(decrease) in trade, other receivables and other current assets	867,633	(965,776)
Increase in trade, other payables and interest bearing liabilities	496,907	524,056
Increase in other liabilities	95,239	609,325
Increase/(decrease) in provision for employee leave benefits	(239,523)	116,386
	2,876,731	2,163,846

b. Changes in liabilities arising from financing activities	Lease Liability	
	CONSOLIDATED	
	2021	2020
	\$	\$
Opening balance at start of financial year	883,610	216,513
Lease assets acquired	96,106	1,129,321
Financing charge	33,850	53,659
Net cash from (used in) financing activities	(514,626)	(515,883)
Closing balance at end of financial year	498,940	883,610

c. Non-cash financing and investing activities

During the year, the Association acquired building improvements, furniture, equipment and software by means of surplus operating cash flows \$173,231 (2020: \$623,537 - grant funded and surplus operating cash flows).

* Certain amounts here have been re-stated and do not correspond to the 2020 financial statements reflecting the adjustments made with reference to Note 20.

YOUTH FOCUS INC
NOTES TO THE FINANCIAL STATEMENTS
for the YEAR ENDED 30 JUNE 2021

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:

	CONSOLIDATED	
	2021	2020
	\$	\$
Financial assets		
Cash and cash equivalents	4,534,167	4,032,689
Trade and other receivables	492,370	1,362,180
Term deposits	2,903,940	1,216,545
Total financial assets	7,930,477	6,611,414
Financial liabilities at amortised cost:		
Trade and other payables	616,877	649,751
Interest bearing liabilities	523,008	892,878
Total financial liabilities	1,139,885	1,542,629

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.

YOUTH FOCUS INC
NOTES TO THE FINANCIAL STATEMENTS
for the YEAR ENDED 30 JUNE 2021

NOTE 17: FINANCIAL RISK MANAGEMENT (CONTINUED)

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 2% (2020:5%)

CONSOLIDATED	Within 1 Year		1 to 5 Years		Over 5 Years		Total	
	2021	2020	2021	2020	2021	2020	2021	2020
	\$	\$	\$	\$	\$	\$	\$	\$
Financial liabilities due for payment								
Trade and other payables	616,877	649,751	-	-	-	-	616,877	649,751
Interest bearing liabilities	408,936	491,635	137,945	448,253	-	-	546,881	939,888
Total contractual outflows	1,025,813	1,141,386	137,945	448,253	-	-	1,163,758	1,589,639
Total expected outflows	1,025,813	1,141,386	137,945	448,253	-	-	1,163,758	1,589,639

CONSOLIDATED	Within 1 Year		1 to 5 Years		Over 5 Years		Total	
	2021	2020	2021	2020	2021	2020	2021	2020
	\$	\$	\$	\$	\$	\$	\$	\$
Financial assets – cash flows realisable								
Cash and cash equivalents	4,534,167	4,032,689	-	-	-	-	4,534,167	4,032,689
Trade and other receivables	492,370	1,362,180	-	-	-	-	492,370	1,362,180
Term deposits	2,903,940	1,216,545	-	-	-	-	2,903,940	1,216,545
Total anticipated inflows	7,930,477	6,611,414	-	-	-	-	7,930,477	6,611,414
Net inflow on financial instruments	6,904,664	5,470,029	(137,945)	(448,253)	-	-	6,766,719	5,021,775

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 2021, 82.50% of the Association's interest bearing liabilities are fixed at 5% (2020: 96.00%).

YOUTH FOCUS INC
NOTES TO THE FINANCIAL STATEMENTS
for the YEAR ENDED 30 JUNE 2021

NOTE 17: FINANCIAL RISK MANAGEMENT (CONTINUED)

Sensitivity analysis

The following table illustrates sensitivities to the Association's exposures to changes in interest rates. The table indicates the impact on how surplus 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.

	Profit	Equity
Year ended 30 June 2021	\$	\$
+/- 2% in interest rates	90,683	90,683
Year ended 30 June 2020		
+/- 2% in interest rates	80,654	80,654

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.

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.

YOUTH FOCUS INC
NOTES TO THE FINANCIAL STATEMENTS
for the YEAR ENDED 30 JUNE 2021

NOTE 17: FINANCIAL RISK MANAGEMENT (CONTINUED)

CONSOLIDATED					
2021			2020		
Note	Net Carrying Value	Net Fair Value	Net Carrying Value	Net Fair Value	
	\$	\$	\$	\$	
Financial assets					
Cash and cash equivalents	(i)	4,534,167	4,534,167	4,032,689	4,032,689
Trade and other receivables	(i)	492,370	492,370	1,362,181	1,362,181
Term deposits	(i)	2,903,940	2,903,940	1,216,545	1,216,545
Total financial assets		7,930,477	7,930,477	6,611,415	6,611,415
2021			2020		
Note	Net Carrying Value	Net Fair Value	Net Carrying Value	Net Fair Value	
	\$	\$	\$	\$	
Trade and other payables	(i)	616,877	616,877	649,751	649,751
Interest bearing liabilities	(ii)	523,008	523,008	892,878	892,878
Total financial liabilities		1,139,885	1,139,885	1,542,629	1,542,629

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 2021

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	
	2021	2020	2021	2020
	%	%	\$	\$
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:

2021: Arthur Papakotsias (Chief Executive Officer), Emma Brierty (Chief Operations Officer to 19 March 2021), Angela Perkins (Chief Operating Officer from 12 April 2021), Raj Thethy (Chief Financial Officer), Lydia Light (General Manager, Brand, Events & Partnerships).

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).

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 a Director.

Directors at 30 June 2021 are Dean Hely (Chairman), Arthur Papakotsias (CEO), Ashleigh Lin, Christina Matthews (appointed 24 August 2020), Derry Simpson (appointed 10 December 2020), Paul Larson, Phillip Renshaw, Rodney Jones and William Meston.

Fiona Lander ceased being a Director on 3 November 2020.

Jack Collard was appointed as a Director on 3 November 2020 and resigned as a director on 22 March 2021.

	CONSOLIDATED	
	2021	2020
	\$	\$
c. Key Management Personnel Compensation		
-short-term Benefits	808,715	880,896
-post-employment Benefits	74,871	88,815
	<u>883,586</u>	<u>969,711</u>

YOUTH FOCUS INC
 NOTES TO THE FINANCIAL STATEMENTS
 for the YEAR ENDED 30 JUNE 2021

NOTE 18: RELATED PARTIES AND RELATED PARTY TRANSACTIONS (CONTINUED)

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 (2020: 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: RE-STATEMENT OF COMPARATIVE FIGURES

Following a review of the Association's revenue recognition around ongoing grants it was determined that certain unearned revenue amounts should have been brought to account in the prior year, rather than be reported as unearned income. The adjustments have had a cumulative impact on the Association's financial position and reported results for prior years as set out below:

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME	30 June 2020 As previously reported \$	Adjustments \$	30 June 2020 As restated \$
Revenue	14,817,119	350,000	15,167,119
Total comprehensive income for the year	<u>1,288,546</u>	<u>350,000</u>	<u>1,638,546</u>
STATEMENT OF FINANCIAL POSITION			
Other liabilities	(1,671,686)	350,000	(1,321,686)
Total liabilities	<u>(4,184,110)</u>	<u>350,000</u>	<u>(3,834,110)</u>
Net Assets	5,800,505	350,000	6,150,505
Retained earnings	5,800,505	350,000	6,150,505
Total equity	<u>5,800,505</u>	<u>350,000</u>	<u>6,150,505</u>

NOTE 21: 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 2021 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 28th day of October 2021

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 2021.

Perth, Western Australia
28 October 2021



N G Neill
Partner

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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 2021, 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 2021 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.

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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
28 October 2021



N G Neill
Partner