

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

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Annual Financial Report – 31 December 2007

**Youth Action & Policy Association** ABN 17 209 492 539  
**Annual financial report - 31 December 2007**

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## REPORT FROM THE BOARD OF GOVERNANCE

The Board present their report on the Association for the financial year ended 31 December 2007.

### Principal Activities

The principal activity of the Association during the course of the financial year was to work in the interests of young people and the youth sector in New South Wales.  
No significant changes in the nature of this activity occurred during the year.

### Results

The deficit results of the Association was (\$87,620) for the financial year ended 31 December 2007 (2006: Surplus - \$ 278,974). The deficit result was due to costs recorded in 2007, but grants in relation to those costs being received in 2006.

### Transactions with Board Members

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

1. During this financial year, no:
  - Officer of the Association;
  - firm of which the officer is a member; or
  - body corporate in which the officer has a substantial financial interest,has received or become entitled to receive a benefit as a result of a contract between the officer, firm or body corporate and the Association; and
2. during this financial year, no officer of the Association received directly or indirectly from the Association any payment or other benefit of a pecuniary value.

### Employees

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

### Insurance

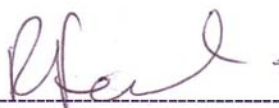
The Association has insurance policies which are adequate for current obligations and include:

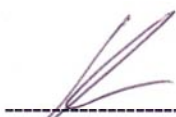
- GIO Insurance – Workers Compensation
- AON Insurance – Association Liability, Volunteers
- Marsh Insurance – Business Insurance

### Auditors' Independent Declaration

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

Signed this 6<sup>th</sup> day of May 2008 in accordance with a resolution of the members of the Board of Governance of Youth Action & Policy Association.

  
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Member of the Board  
Name: R. FOWLES

  
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Member of the Board  
Name: LAKIN AGNEW

**INCOME STATEMENT**

	Notes	<u>2007 - \$</u>	<u>2006 - \$</u>
Revenue			
Sales of Goods and services	2 (a)	64,407	63,559
Investment Revenue	2 (b)	46,972	22,364
Grants	2 (c)	481,776	889,113
Other Revenue	2 (d)	28,349	35,403
<b>Total Revenue</b>		<u>621,504</u>	<u>1,010,439</u>
Less: Expenses			
Employee related expenses	3 (a)	407,118	379,119
Project expenses	3 (b)	181,255	195,237
Administration expenses	3 (b)	120,750	157,109
<b>Total Expenses</b>		<u>709,124</u>	<u>731,465</u>
<b>SURPLUS/(DEFICIT) FOR THE YEAR</b>		<u>(87,620)</u>	<u>278,974</u>
Retained earnings at the beginning of the year	9	391,974	113,000
<b>RETAINED EARNING AT THE END OF THE YEAR</b>	9	<u>304,354</u>	<u>391,974</u>

<b>BALANCE SHEET - 31 December 2007</b>	<b>Notes</b>	<b><u>2007 - \$</u></b>	<b><u>2006 - \$</u></b>
<b>ASSETS</b>			
<b>Current Assets</b>			
Cash and cash equivalents	4	798,093	883,174
Receivables	5	8,745	7,922
Total current assets		<u>806,838</u>	<u>891,096</u>
<b>Non-Current Assets</b>			
Property, Plant & Equipment			
Information technology & Communications	6	23,096	20,885
Furniture, plant & equipment	6	18,026	18,026
Less: Accumulated Depreciation	6	(41,122)	(38,911)
Total non-current assets		<u>0</u>	<u>0</u>
<b>Total Assets</b>		<b><u>806,838</u></b>	<b><u>891,096</u></b>
<b>LIABILITIES</b>			
<b>Current Liabilities</b>			
Payables	7	139,371	142,334
Provisions			
Employee benefits and costs	8 (a)	108,177	105,600
Projects	8 (b)	123,223	166,784
Total current liabilities		<u>370,771</u>	<u>414,717</u>
<b>Non-current Liabilities</b>			
General provisions	8 (c)	131,713	124,837
Total non-current liabilities		<u>131,713</u>	<u>124,837</u>
<b>Total Liabilities</b>		<b><u>502,484</u></b>	<b><u>539,554</u></b>
<b>Net Assets</b>		<b><u>304,354</u></b>	<b><u>351,542</u></b>
<b>EQUITY</b>			
Accumulated Funds	9	<u>304,354</u>	<u>351,542</u>

**CASH FLOW FROM OPERATING  
ACTIVITIES**

	Notes	<u>2007 - \$</u>
<i>Receipts</i>		
Receipts from members		64,407
Operating grants		481,776
Interest earned		46,972
Other receipts		1,601
		<u>594,756</u>
<i>Less: Payments</i>		
Payments to suppliers		212,573
Payments to employees		391,874
Payments for rent		39,657
GST paid (net)		35,733
		<u>(679,837)</u>
Net cash inflow/(outflow) from operations	10 (b)	<u>(85,081)</u>
Cash and cash equivalents at the beginning of the year		<u>883,174</u>
<b>Cash and cash equivalents at the end of the year</b>	10 (a)	<u><b>798,093</b></u>

## 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

### **Basis of Accounting**

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

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

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

### **a) Cash and cash equivalents**

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

### **b) Acquisition of Assets**

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

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

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

### **c) Provisions**

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

### **d) Employment Entitlements**

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

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

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

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

### e) Revenue

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

Interest revenue is treated as income when it occurs.

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

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

### f) Income Tax

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

### g) Goods and Services tax

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

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

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

<b>2 REVENUE</b>	<b><u>2007 - \$</u></b>	<b><u>2006 - \$</u></b>
<b>(a) Sales of goods and services</b>		
Sale of services	33,917	36,832
Memberships	30,490	26,727
	<u>64,407</u>	<u>63,559</u>
<b>(b) Investment revenue</b>		
Interest	46,972	22,364
- Funds were invested in higher earning bank accounts in 2007.		
<b>(c) Grants</b>		
<i>Department of Community Services</i>		
Core Operations - YAPA	381,806	369,609
Western Sydney Regional Youth Develop.	99,970	96,777
NSW Youth Participation Program (2006)		225,000
* Western Sydney Assistant Funds		20,000
* Youth Services Conference - Dubbo Council		50,000
 <i>NSW Government - Central Corporate Unit</i>		
Girls @ Work (2006)		45,000
 <i>Dept. of Education &amp; Training</i>		
* NSW Drug & Alcohol Workforce Development		72,727
 <i>Dept. of Health</i>		
* NSW Youth Alcohol Action Plan		10,000
* Projects completed within year	481,776	889,113
<b>(d) Other revenue</b>		
Other Income & provision income	26,749	6,220
Workers compensation recovery	1,601	29,183
	<u>28,349</u>	<u>35,403</u>
<b>Total Revenue</b>	<u>621,504</u>	<u>1,010,439</u>

<b>3 EXPENSES</b>	<b>2007 - \$</b>	<b>2006 - \$</b>
<b>(a) Employee related expenses</b>		
Salaries and wages (including recreation leave)	353,261	322,346
Superannuation	30,734	27,129
Recruitment	1,349	1,214
Training costs	3,309	9,260
Workers' compensation insurance	3,221	3,070
Provision - Leave entitlements	15,244	16,100
<b>Total employee expenses</b>	<b>407,118</b>	<b>379,119</b>
<b>(b) Expenses</b>		
<u>Project expenses</u>		
Catering & Venue Hire	26,896	17,467
Conference - Venue	8,000	
Consultants & Presenters	69,367	78,802
Equipment Hire	3,851	1,402
Other administration	14,458	16,403
Printing & Design	53,977	65,744
Reference Resources	1,580	1,562
Subsidies	3,126	13,857
<u>Total project expenses</u>	<u>181,255</u>	<u>195,237</u>
<u>Administration Expenses</u>		
Audit & Accounting	3,678	3,678
Cleaning & Utilities	2,345	5,115
Computer equipment & maintenance	19,076	42,765
Furniture & maintenance	3,280	11,586
General administration	4,674	3,561
Insurance	5,228	5,512
Photocopying/Lease	7,081	6,046
Postage & Couriers	5,330	6,461
Rent	39,657	39,735
Stationery supplies	5,689	6,124
Telecommunications	9,737	8,110
Training & Seminars	7,548	6,962
Travel	7,429	11,454
<u>Total administration expenses</u>	<u>120,750</u>	<u>157,109</u>
<b>Total expenses</b>	<b>709,124</b>	<b>731,465</b>

<b>4 CASH AND CASH EQUIVALENTS</b>	<b>2007 - \$</b>	<b>2006 - \$</b>
Cash on hand	400	400
Cash at bank	753,681	840,611
Term deposits	44,012	42,163
	<u>798,093</u>	<u>883,174</u>
<b>5 RECEIVABLES</b>		
Rental bond	4,018	4,018
Sundry debtors	2,550	490
Other receivables	2,177	3,414
	<u>8,745</u>	<u>7,922</u>
<b>6 PROPERTY, PLANT &amp; EQUIPMENT</b>		
Information technology & Communications	23,096	20,885
Less: Accumulated depreciation	<u>(23,096)</u>	<u>(20,885)</u>
	<u>0</u>	<u>0</u>
Furniture, plant & equipment	18,026	18,026
Less: Accumulated depreciation	<u>(18,026)</u>	<u>(18,026)</u>
	<u>0</u>	<u>0</u>
Assets are fully depreciated in the year of acquisition		
<b>7 LIABILITIES AND PAYABLES</b>		
Accruals - Audit fees (\$3600), Expenses (\$3575)	7,175	12,164
Employee deductions - superannuation		158
Grants received in advance	122,399	118,490
GST Liability	(203)	(48)
Payables (Dubbo Council \$10k),	10,000	11,570
	<u>139,371</u>	<u>142,334</u>

<b>8 PROVISIONS</b>	<b>2007 - \$</b>	<b>2006 - \$</b>
<b>(a) Employee benefits and costs</b>		
Long service leave	13,000	17,700
Parental leave	12,000	10,000
Recreation leave	21,100	20,000
Redundancy	55,900	48,400
Sick leave	10,000	9,500
Salary sacrifice - owing	(3,823)	
Employee provision - Current	108,177	105,600
 <b>(b) Project provision</b>		
Access & Equity - SAAP	2,816	2,816
Campaigns	36,300	27,800
Census	3,900	3,900
Hanging Out Together	0	13,809
Multicultural Youth Issues Network	3,986	2,556
Statewide Conference - Workers/Youth	31,969	23,969
Training - Governance	4,000	4,000
Unspecified projects used	40,252	47,502
	123,223	126,352
Unspecified projects - transfer to accumulated funds	0	40,432
	123,223	166,784
 <b>(c) General provisions</b>		
Rental lease on offices	12,000	12,000
Moving costs	30,000	30,000
Equipment	23,942	13,942
Computer equipment, software & upgrades	65,771	68,895
	131,713	124,837

<b>9 ACCUMULATED FUNDS</b>	<b>2007 - \$</b>	<b>2006 - \$</b>
<u>Core Operations - YAPA</u>		
Accumulated funds @ beginning of year	24,538	22,808
Net surplus/(deficit) from activities	1,812	1,730
Accumulated funds @ end of year	26,350	24,538
<u>Western Sydney Regional Youth Develop.</u>		
Accumulated funds @ beginning of year	23,252	22,389
Net surplus/(deficit) from activities	4,036	862
Accumulated funds @ end of year	27,287	23,252
<u>NSW Youth Participation Program</u>		
Accumulated funds @ beginning of year	208,558	
Net surplus/(deficit) from activities	(87,099)	208,558
Accumulated funds @ end of year	121,460	208,558
<u>Girls @ Work</u>		
Accumulated funds @ beginning of year	44,103	
Net surplus/(deficit) from activities	(32,210)	44,103
Accumulated funds @ end of year	11,893	44,103
<u>Projects - previous years</u>		
Accumulated funds @ beginning of year	51,091	25,638
Net surplus/ funds from provisions	40,432	25,453
Accumulated funds @ end of year	91,523	51,091
<u>YAPA - Head office</u>		
Accumulated funds @ beginning of year	0	
Net surplus/(deficit) from activities	25,842	
Accumulated funds @ end of year	25,842	0
<b><u>Accumulated Funds TOTALS</u></b>		
Accumulated funds @ beginning of year	351,542	70,835
Net surplus/(deficit) from activities	(87,620)	280,706
Funds from provisions - projects	40,432	
<b>Accumulated funds @ end of year</b>	<b>304,354</b>	<b>351,542</b>

**10 CASH FLOW INFORMATION**

	<b>Notes</b>	<b><u>2007 - \$</u></b>	<b><u>2006 - \$</u></b>
<b>(a) <u>Reconciliation of Cash and Cash Equivalents</u></b>			
Cash on hand		400	400
Cash at bank		753,681	840,611
Term deposits		44,012	42,163
Total Cash and Cash Equivalents	4	<u>798,093</u>	<u>883,174</u>
 <b>(b) <u>Reconciliation of surplus to net cash inflow from operations</u></b>			
Operating surplus /(deficit)		(87,620)	
Increase/(decrease) in other receivables		(1,313)	
Increase/(decrease) in sundry creditors & accruals		(6,717)	
Increase/(decrease) in GST		(155)	
Increase/(decrease) in grants received in advance		3,909	
Increase/(decrease) in employee entitlements		2,577	
Increase/(decrease) in funding provisions		(2,638)	
Increase/(decrease) in general provisions		6,876	
Net cash inflow/(outflow) from operations		<u>(85,081)</u>	

