

# **North East Support and Action for Youth Inc.**

**ABN 61 209 041 745**

## **Financial Statements**

**For the Year Ended 30 June 2023**

# North East Support and Action for Youth Inc.

ABN 61 209 041 745

## Contents

### For the Year Ended 30 June 2023

	Page
Auditor's Independence Declaration	1
Statement of Profit or Loss and Other Comprehensive Income	2
Statement of Financial Position	3
Statement of Changes in Equity	4
Statement of Cash Flows	5
Notes to the Financial Statements	6
Board of Governance Declaration	24
Independent Audit Report	25

**North East Support and Action for Youth Inc.**

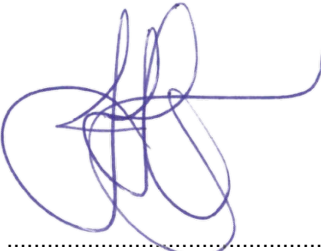
ABN 61 209 041 745

**Auditor's Independence Declaration under Section 60-40 of the Australian Charities and Not-for-profits Commission Act 2012 to the Board of Governance of North East Support and Action for Youth Inc.**

I declare that, to the best of my knowledge and belief, during the year ended 30 June 2023, there have been:

- (i) no contraventions of the auditor independence requirements as set out in section 60-40 of the *Australian Charities and Not-for-profits Commission Act 2012* in relation to the audit; and
- (ii) no contraventions of any applicable code of professional conduct in relation to the audit.

CountPro Audit Pty Ltd.....  
CountPro Audit Pty Ltd

A handwritten signature in blue ink, consisting of several loops and a long horizontal stroke extending to the right.

.....  
Jason D. Hargreaves  
Director

180 Eleanor Drive, Lucas

23 August 2023

# North East Support and Action for Youth Inc.

ABN 61 209 041 745

## Statement of Profit or Loss and Other Comprehensive Income For the Year Ended 30 June 2023

		2023	2022
	Note	\$	\$
Income	4	4,161,410	3,207,744
Employee benefits expense		2,281,053	1,949,631
Depreciation		139,934	101,979
Program expenses		814,778	183,005
Administration costs		561,362	313,952
Motor vehicle expenses		32,584	15,237
Finance costs		18,539	6,951
<b>Surplus before income tax</b>		<b>313,160</b>	636,989
Income tax expense	2(a)	-	-
<b>Surplus for the year</b>		<b>313,160</b>	636,989
<b>Other comprehensive income, net of income tax</b>			
Revaluation of land and buildings		-	563,281
<b>Total comprehensive result for the year</b>		<b>313,160</b>	1,200,270

The accompanying notes form part of these financial statements.

# North East Support and Action for Youth Inc.

ABN 61 209 041 745

## Statement of Financial Position

As At 30 June 2023

	Note	2023 \$	2022 \$
<b>ASSETS</b>			
CURRENT ASSETS			
Cash and cash equivalents	5	2,054,336	1,845,144
Trade and other receivables	6	194,133	183,732
TOTAL CURRENT ASSETS		<u>2,248,469</u>	<u>2,028,876</u>
NON-CURRENT ASSETS			
Trade and other receivables	6	807,911	905,601
Property, plant and equipment	7	1,922,638	1,992,900
Right-of-use assets	8	3,318	6,162
TOTAL NON-CURRENT ASSETS		<u>2,733,867</u>	<u>2,904,663</u>
TOTAL ASSETS		<u>4,982,336</u>	<u>4,933,539</u>
<b>LIABILITIES</b>			
CURRENT LIABILITIES			
Trade and other payables	9	215,920	169,125
Employee benefits	10	175,163	165,315
Other liabilities	11	531,132	802,659
Lease liabilities	8	51,044	59,143
TOTAL CURRENT LIABILITIES		<u>973,259</u>	<u>1,196,242</u>
NON-CURRENT LIABILITIES			
Employee benefits	10	11,321	24,727
Provisions	12	29,300	29,300
Lease liabilities	8	397,963	425,937
TOTAL NON-CURRENT LIABILITIES		<u>438,584</u>	<u>479,964</u>
TOTAL LIABILITIES		<u>1,411,843</u>	<u>1,676,206</u>
NET ASSETS		<u>3,570,493</u>	<u>3,257,333</u>
<b>EQUITY</b>			
Reserves		775,952	783,025
Retained earnings		2,794,541	2,474,308
TOTAL EQUITY		<u>3,570,493</u>	<u>3,257,333</u>

The accompanying notes form part of these financial statements.

## North East Support and Action for Youth Inc.

ABN 61 209 041 745

### Statement of Changes in Equity For the Year Ended 30 June 2023

#### 2023

	Retained Earnings	Asset Revaluation Reserve	Specific Purpose Reserves	Total
	\$	\$	\$	\$
<b>Balance at 1 July 2022</b>	<b>2,474,308</b>	<b>752,648</b>	<b>30,377</b>	<b>3,257,333</b>
Surplus for the year	313,160	-	-	313,160
Transfer from reserves	7,073	-	(7,073)	-
<b>Balance at 30 June 2023</b>	<b>2,794,541</b>	<b>752,648</b>	<b>23,304</b>	<b>3,570,493</b>

#### 2022

	Retained Earnings	Asset Revaluation Reserve	Specific Purpose Reserves	Total
	\$	\$	\$	\$
<b>Balance at 1 July 2021</b>	<b>1,747,133</b>	<b>189,367</b>	<b>120,563</b>	<b>2,057,063</b>
Surplus for the year	636,989	-	-	636,989
Revaluation increment	-	563,281	-	563,281
Transfer from reserves	90,186	-	(90,186)	-
<b>Balance at 30 June 2022</b>	<b>2,474,308</b>	<b>752,648</b>	<b>30,377</b>	<b>3,257,333</b>

The accompanying notes form part of these financial statements.

# North East Support and Action for Youth Inc.

ABN 61 209 041 745

## Statement of Cash Flows For the Year Ended 30 June 2023

	2023	2022
Note	\$	\$
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>		
Receipts from funding agencies and customers	3,963,651	3,297,871
Payments to suppliers and employees	(3,670,766)	(2,408,087)
Interest received	37,873	9,677
Interest paid	(18,539)	(6,951)
Net cash provided by operating activities	<u>312,219</u>	<u>892,510</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>		
Purchase of property, plant and equipment	(66,828)	(231,528)
Net cash used in investing activities	<u>(66,828)</u>	<u>(231,528)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES:</b>		
Payment of lease liabilities	(36,199)	(6,905)
Net cash used in financing activities	<u>(36,199)</u>	<u>(6,905)</u>
Net increase/(decrease) in cash and cash equivalents held	209,192	654,077
Cash and cash equivalents at beginning of year	1,845,144	1,191,067
Cash and cash equivalents at end of financial year	5 <u>2,054,336</u>	<u>1,845,144</u>

The accompanying notes form part of these financial statements.

# North East Support and Action for Youth Inc.

ABN 61 209 041 745

## Notes to the Financial Statements For the Year Ended 30 June 2023

The financial report covers North East Support and Action for Youth Inc. as an individual entity. North East Support and Action for Youth Inc. is a not-for-profit Association, registered and domiciled in Australia.

The principal activities of the Association for the year ended 30 June 2023 were to provide early intervention and prevention support services to young people and families across North East Victoria. These services enable young people to achieve safe housing, develop their independent living skills, foster and nurture family relationships and sustain education and employment.

The functional and presentation currency of North East Support and Action for Youth Inc. is Australian dollars.

The financial report was authorised for issue by the Board of Governance on 28 August 2023.

Comparatives are consistent with prior years unless otherwise noted.

### 1 Basis of Preparation

The financial statements are general purpose financial statements that have been prepared in accordance with the *Australian Accounting Standards - Simplified Disclosures* and the requirements of the *Associations Incorporation Reform Act 2012* (Vic) and the *Australian Charities and Not-for-profits Commission Act 2012*.

The Association is a not-for-profit entity for financial reporting purposes under the Australian Accounting Standards.

Material accounting policies adopted in the preparation of these financial statements have been consistently applied from previous years unless otherwise stated. Refer to Note 1(i) for new accounting standards adopted during the period.

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

### 2 Summary of Significant Accounting Policies

#### (a) Income Tax

The Association is exempt from income tax under Division 50 of the *Income Tax Assessment Act 1997*.

#### (b) Revenue and other income

##### Revenue from contracts with customers

The core principle of AASB 15 is that revenue is recognised on a basis that reflects the transfer of promised goods or services to customers at an amount that reflects the consideration the Association expects to receive in exchange for those goods or services. Revenue is recognised by applying a five-step model as follows:

1. Identify the contract with the customer
2. Identify the performance obligations
3. Determine the transaction price
4. Allocate the transaction price to the performance obligations



## **Notes to the Financial Statements**

### **For the Year Ended 30 June 2023**

#### **2 Summary of Significant Accounting Policies**

##### **(b) Revenue and other income**

###### **Revenue from contracts with customers**

5. Recognise revenue as and when control of the performance obligations is transferred

Generally the timing of the payment for sale of goods and rendering of services corresponds closely to the timing of satisfaction of the performance obligations, however where there is a difference, it will result in the recognition of a receivable, contract asset or contract liability.

None of the revenue streams of the Association have any significant financing terms as there is less than 12 months between receipt of funds and satisfaction of performance obligations.

###### **Specific revenue streams**

The revenue recognition policies for the principal revenue streams of the Association are:

###### **Grant income**

Where grant income arises from an agreement which is enforceable and contains sufficiently specific performance obligations then the revenue is recognised when control of each performance obligations is satisfied.

The performance obligations are varied based on the agreement but may include performance targets such as client outcomes, client meetings/ presentations or department reporting obligations.

Each performance obligation is considered to ensure that the revenue recognition reflects the transfer of control and within grant agreements there may be some performance obligations where control transfers at a point in time and others which have continuous transfer of control over the life of the contract.

Where control is transferred over time, generally the input methods being either costs or time incurred are deemed to be the most appropriate methods to reflect the transfer of benefit.

Amounts arising from grants that fall within the scope of AASB 1058 include those where no consideration is provided by the Association and the funds are principally awarded to the Association to further its objectives. Such grants are recognised as income when receipted.

###### **Contract liabilities**

Where the amounts billed to customers are based on the achievement of various milestones established in the contract, the amounts recognised as revenue in a given period do not necessarily coincide with the amounts billed to or certified by the customer. When an amount of consideration is received from a customer prior to the entity transferring a good or service to the customer, the Association presents the contract as a contract liability.

###### **Finance sub-lease arrangements**

Gains on finance sub-lease arrangements (where the value of the discounted cash flows from the sub-leasing of leased property over the life of the lease exceed the lease payments due under the head lease) are recognised as income at the commencement of the lease. Any subsequent gains or losses on finance sub-lease arrangements due to the remeasurement of the head lease or respective sub-leases, are recognised at the time of remeasurement.

## **Notes to the Financial Statements**

### **For the Year Ended 30 June 2023**

#### **2 Summary of Significant Accounting Policies**

##### **(b) Revenue and other income**

###### **Interest revenue**

Interest is recognised using the effective interest method.

###### **Rental income**

Investment property revenue is recognised on a straight line basis over a period of the lease term so as to reflect a constant periodic rate of return on the net investment.

###### **Other income**

Other income is recognised on an accruals basis when the Association is entitled to it.

##### **(c) Goods and services tax (GST)**

Revenue, expenses and assets are recognised net of the amount of goods and services tax (GST), except where the amount of GST incurred is not recoverable from the Australian Taxation Office (ATO).

Receivables and payable are stated inclusive of GST.

##### **(d) Property, plant and equipment**

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

###### **Land and buildings**

Land and buildings are measured using the revaluation model.

###### **Plant and equipment**

Plant and equipment are measured using the cost model.

###### **Depreciation**

Property, plant and equipment, excluding freehold land, is depreciated on a straight-line basis over the assets useful life to the Association, commencing when the asset is ready for use.

Leased assets and leasehold improvements are amortised over the shorter of either the unexpired period of the lease or their estimated useful life.

## Notes to the Financial Statements For the Year Ended 30 June 2023

### 2 Summary of Significant Accounting Policies

#### (d) Property, plant and equipment

The depreciation rates used for each class of depreciable asset are shown below:

<b>Fixed asset class</b>	<b>Depreciation rate</b>
Buildings	2.5% to 12.5%
Furniture, Fixtures and Fittings	10% to 33.3%
Motor Vehicles	15%
Leasehold improvements	2.5%

At the end of each annual reporting period, the depreciation method, useful life and residual value of each asset is reviewed. Any revisions are accounted for prospectively as a change in estimate.

#### (e) Financial instruments

Financial instruments are recognised initially on the date that the Association becomes party to the contractual provisions of the instrument.

On initial recognition, all financial instruments are measured at fair value plus transaction costs (except for instruments measured at fair value through profit or loss where transaction costs are expensed as incurred).

##### **Financial assets**

All recognised financial assets are subsequently measured in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

##### *Classification*

On initial recognition, the Association classifies its financial assets as at amortised cost.

Financial assets are not reclassified subsequent to their initial recognition unless the Association changes its business model for managing financial assets.

##### *Amortised cost*

Assets measured at amortised cost are financial assets where:

- the business model is to hold assets to collect contractual cash flows; and
- the contractual terms give rise on specified dates to cash flows are solely payments of principal and interest on the principal amount outstanding.

## Notes to the Financial Statements For the Year Ended 30 June 2023

### 2 Summary of Significant Accounting Policies

#### (e) Financial instruments

##### Financial assets

The Association's financial assets measured at amortised cost comprise trade and other receivables, finance sub-lease arrangements and cash and cash equivalents in the statement of financial position.

Subsequent to initial recognition, these assets are carried at amortised cost using the effective interest rate method less provision for impairment.

Interest income, foreign exchange gains or losses and impairment are recognised in profit or loss. Gain or loss on derecognition is recognised in profit or loss.

##### *Trade receivables*

Impairment of trade receivables have been determined using the simplified approach in AASB 9 which uses an estimation of lifetime expected credit losses. The Association has determined the probability of non-payment of the receivable and multiplied this by the amount of the expected loss arising from default.

The amount of the impairment is recorded in a separate allowance account with the loss being recognised in finance expense. Once the receivable is determined to be uncollectable then the gross carrying amount is written off against the associated allowance.

In some circumstances, the Association renegotiates the terms of trade receivables due from certain customers, the new expected cash flows are discounted at the original effective interest rate and any resulting difference to the carrying value is recognised in profit or loss.

##### *Other financial assets measured at amortised cost*

Impairment of other financial assets measured at amortised cost are determined using the expected credit loss model in AASB 9. On initial recognition of the asset, an estimate of the expected credit losses for the next 12 months is recognised. Where the asset has experienced significant increase in credit risk then the lifetime losses are estimated and recognised.

##### Financial liabilities

The Association measures all financial liabilities initially at fair value less transaction costs, subsequently financial liabilities are measured at amortised cost using the effective interest rate method.

The financial liabilities of the Association comprise trade payables, bank and other loans and finance lease liabilities.

#### (f) Cash and cash equivalents

Cash and cash equivalents comprises cash on hand, demand deposits and short-term investments which are readily convertible to known amounts of cash and which are subject to an insignificant risk of change in value.

## Notes to the Financial Statements

### For the Year Ended 30 June 2023

#### 2 Summary of Significant Accounting Policies

##### (g) Leases

At inception of a contract, the Association assesses whether a lease exists - i.e. does the contract convey the right to control the use of an identified asset for a period of time in exchange for consideration.

This involves an assessment of whether:

- The contract involves the use of an identified asset - this may be explicitly or implicitly identified within the agreement. If the supplier has a substantive substitution right then there is no identified asset.
- The Association has the right to obtain substantially all of the economic benefits from the use of the asset throughout the period of use.
- The Association has the right to direct the use of the asset i.e. decision making rights in relation to changing how and for what purpose the asset is used.

##### **Lessee accounting**

The non-lease components included in the lease agreement have been separated and are recognised as an expense as incurred.

At the lease commencement, the Association recognises a right-of-use asset and associated lease liability for the lease term. The lease term includes extension periods where the Association believes it is reasonably certain that the option will be exercised.

The right-of-use asset is measured using the cost model where cost on initial recognition comprises of the lease liability, initial direct costs, prepaid lease payments, estimated cost of removal and restoration less any lease incentives received.

The right-of-use asset is depreciated over the lease term on a straight line basis and assessed for impairment in accordance with the impairment of assets accounting policy.

The lease liability is initially measured at the present value of the remaining lease payments at the commencement of the lease. The discount rate is the rate implicit in the lease, however where this cannot be readily determined then the Association's incremental borrowing rate is used.

Subsequent to initial recognition, the lease liability is measured at amortised cost using the effective interest rate method. The lease liability is remeasured whether there is a lease modification, change in estimate of the lease term or index upon which the lease payments are based (e.g. CPI) or a change in the Association's assessment of lease term.

Where the lease liability is remeasured, the right-of-use asset is adjusted to reflect the remeasurement or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

##### *Exceptions to lease accounting*

The Association has elected to apply the exceptions to lease accounting for both short-term leases (i.e. leases with a term of less than or equal to 12 months) and leases of low-value assets. The Association recognises the payments associated with these leases as an expense on a straight-line basis over the lease term.

## Notes to the Financial Statements For the Year Ended 30 June 2023

### 2 Summary of Significant Accounting Policies

#### (g) Leases

##### Lessor accounting

When the Association is a lessor, the lease is classified as either an operating or finance lease at inception date based on whether substantially all of the risks and rewards incidental to ownership of the underlying asset have been transferred to the lessee. If the risks and rewards have been transferred then the lease is classified as a finance lease, otherwise it is an operating lease.

When the Association has a sub-lease over an asset and is the intermediate lessor then the head lease and sub-lease are accounted for separately. The classification of the sub-lease is based on the right-of-use asset which arises from the head lease rather than the useful life of the underlying asset.

If the lease contains lease and non-lease components then the non-lease components are accounted for in accordance with AASB 15 *Revenue from Contracts with Customers*.

The lease income from operating leases is recognised on a straight line basis over the lease term. Finance income under a finance lease is recorded on a basis to reflect a constant periodic rate of return on the Association's net investment in the lease.

#### (h) 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 wholly settled within one year have been measured at the amounts expected to be paid when the liability is settled, plus related on-costs.

Employee benefits expected to be settled more than one year after the end of the reporting period have been measured at the present value of the estimated future cash outflows to be made for those benefits. In determining the liability, consideration is given to employee wage increases and the probability that the employee may satisfy vesting requirements. Cashflows are discounted using market yields on high quality corporate bond rates incorporating bonds rated AAA or AA by credit agencies, with terms to maturity that match the expected timing of cashflows. Changes in the measurement of the liability are recognised in profit or loss.

#### (i) Adoption of new and revised accounting standards

The Association has adopted all standards which became effective for the first time at 30 June 2023, the adoption of these standards has not caused any material adjustments to the reported financial position, performance or cash flow of the Association.

## **Notes to the Financial Statements**

### **For the Year Ended 30 June 2023**

#### **3 Critical Accounting Estimates and Judgments**

The board of governance make estimates and judgements during the preparation of these financial statements regarding assumptions about current and future events affecting transactions and balances.

These estimates and judgements are based on the best information available at the time of preparing the financial statements, however as additional information is known then the actual results may differ from the estimates.

The significant estimates and judgements made have been described below.

##### **Key estimates - receivables**

The receivables at reporting date have been reviewed to determine whether there is any objective evidence that any of the receivables are impaired. An impairment provision is included for any receivable where the entire balance is not considered collectible. The impairment provision is based on the best information at the reporting date.

##### **Key judgments - Identifying performance obligations under AASB 15**

To identify a performance obligation under AASB 15, the promise must be sufficiently specific to be able to determine when the obligation is satisfied. Management exercises judgement to determine whether the promise is sufficiently specific by taking into account any conditions specified in the arrangement, explicit or implicit, regarding the promised goods or services.

In making this assessment, management includes the nature/ type, cost/ value, quantity and the period of transfer related to the goods or services promised

##### **Key judgments - determination and timing of revenue recognition under AASB 15**

For each revenue stream, the Association applies significant judgement to determine when a performance obligation has been satisfied and the transaction price that is to be allocated to each performance obligation.

##### **Key judgments - grant income**

The Association has a range of funding agreements with Commonwealth and State Government which require the Association to deliver services to members of the community. Revenue from government grants is recognised over time as outputs/targets are satisfied, being the time of which promised goods and services are transferred to customers.

Where the Association has not fulfilled a sufficiently specific output/target under a contract with a customer, the Association recognises a liability in the statement of financial position to reflect its obligation to transfer promised goods and services at balance date. The obligation is recognised as revenue as and when promised goods and services are transferred, or on the date a contract modification is entered into with the funding body, waiving the Association's obligation to transfer promised goods and services to customers. Where the parties to a contract have not approved a contract modification at balance date, the Association continues to apply AASB 15 to the existing contract until the contract modification is approved.

##### **Key Judgements - lease terms**

The Association is party to a lease for the Benalla Community Hub, and also to a number of sub-leases in relation to the use of the Benalla Community Hub by other not-for-profit agencies. These sub-leases are classified as finance leases. When determining the value of the right-of-use assets relating to the head lease and also the value of the sub-lease receivable, consideration must be given to the likelihood that the lease extensions contained in the lease and sub-lease agreements will be exercised by the lessees.

# North East Support and Action for Youth Inc.

ABN 61 209 041 745

## Notes to the Financial Statements For the Year Ended 30 June 2023

### 4 Income

	2023	2022
	\$	\$
Revenue from contracts with customers		
- Government grants	3,272,487	1,930,911
- Gain/(Loss) on finance sub-lease arrangements	(126)	529,877
- Interest on finance sub-leases	37,636	9,446
- Rental income	70,263	4,357
	<u>3,380,260</u>	<u>2,474,591</u>
Revenue from other sources		
- Government grants	-	401,243
- Other grants	-	116,985
- Interest	237	231
- Other	780,913	214,694
	<u>781,150</u>	<u>733,153</u>
<b>Total Revenue</b>	<u><u>4,161,410</u></u>	<u><u>3,207,744</u></u>
<b>Disaggregation of revenue from contracts with customers</b>		
<b>Timing of revenue recognition</b>		
- At a point in time	<u>3,380,260</u>	<u>2,474,591</u>
<b>Revenue from contracts with customers</b>	<u><u>3,380,260</u></u>	<u><u>2,474,591</u></u>
<b>Type of contract</b>		
- Grant funding	3,272,487	1,930,911
- Finance sub-lease arrangements	37,510	539,323
- Property rental	70,263	4,357
<b>Revenue from contracts with customers</b>	<u><u>3,380,260</u></u>	<u><u>2,474,591</u></u>

The gain on finance sub-lease arrangements (where the value of the discounted cash flows from the sub-leasing of leased property over the life of the lease exceed the lease payments due under the head lease) is recognised as income at the commencement of the lease. Whilst the gain on finance sub-lease arrangements is recognised at the commencement of the lease, the cash flows from these arrangements will be realised over the term of the associated sub-leases.



## North East Support and Action for Youth Inc.

ABN 61 209 041 745

### Notes to the Financial Statements For the Year Ended 30 June 2023

#### 5 Cash and Cash Equivalents

	2023	2022
	\$	\$
Cash on hand	51	120
Bank balances	<u>2,054,285</u>	<u>1,845,024</u>
	<u><u>2,054,336</u></u>	<u><u>1,845,144</u></u>

#### 6 Trade and Other Receivables

CURRENT		
Trade receivables	31,542	26,697
Prepayments	42,932	18,706
GST receivable	-	26,480
Rental bond - Benalla Community Hub	10,400	10,400
Sub-lease receivable	<u>109,259</u>	<u>101,449</u>
	<u><u>194,133</u></u>	<u><u>183,732</u></u>
NON-CURRENT		
Sub-lease receivable	<u><u>807,911</u></u>	<u><u>905,601</u></u>

## North East Support and Action for Youth Inc.

ABN 61 209 041 745

### Notes to the Financial Statements For the Year Ended 30 June 2023

#### 7 Property, plant and equipment

	2023	2022
	\$	\$
LAND AND BUILDINGS		
Land		
At independent valuation - 2022	800,000	800,000
Total Land	<u>800,000</u>	<u>800,000</u>
Buildings		
At independent valuation - 2022	850,000	850,000
Accumulated depreciation	(26,548)	(5,298)
Total buildings	<u>823,452</u>	<u>844,702</u>
Total land and buildings	<u>1,623,452</u>	<u>1,644,702</u>
PLANT AND EQUIPMENT		
Furniture, fixtures and fittings		
At cost	503,378	464,657
Accumulated depreciation	(289,823)	(200,757)
Total furniture, fixtures and fittings	<u>213,555</u>	<u>263,900</u>
Motor vehicles		
At cost	192,904	164,797
Accumulated depreciation	(120,432)	(93,998)
Total motor vehicles	<u>72,472</u>	<u>70,799</u>
Leasehold Improvements		
At cost	13,601	13,601
Accumulated depreciation	(442)	(102)
Total leasehold improvements	<u>13,159</u>	<u>13,499</u>
Total plant and equipment	<u>299,186</u>	<u>348,198</u>
	<u>1,922,638</u>	<u>1,992,900</u>

The Association's land and buildings were revalued with effect to 31 March 2022 by Peter Mitchell, Certified Practising Valuer, of IPN Valuers Albury Wodonga. The valuation was conducted on a value-in-use basis to reflect the highest and best use of the property. The revaluation at 31 March 2022 resulted in a valuation increment of \$563,281 being recognised in the Asset Revaluation Reserve, bringing the total reserve balance to \$752,648.

## North East Support and Action for Youth Inc.

ABN 61 209 041 745

### Notes to the Financial Statements

For the Year Ended 30 June 2023

#### 7 Property, plant and equipment

##### 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	Buildings	Furniture, Fixtures and Fittings	Motor Vehicles	Leasehold Improvements	Total
	\$	\$	\$	\$	\$	\$
<b>Year ended 30 June 2023</b>						
Balance at the beginning of year	800,000	844,702	263,900	70,799	13,499	1,992,900
Additions	-	-	38,721	28,107	-	66,828
Depreciation expense	-	(21,250)	(89,066)	(26,434)	(340)	(137,090)
<b>Balance at the end of the year</b>	<b>800,000</b>	<b>823,452</b>	<b>213,555</b>	<b>72,472</b>	<b>13,159</b>	<b>1,922,638</b>

# North East Support and Action for Youth Inc.

ABN 61 209 041 745

## Notes to the Financial Statements For the Year Ended 30 June 2023

### 8 Leases

#### Association as a lessee

The Association has leases over land and buildings and photocopiers.

The Association has chosen not to apply AASB 16 to leases of intangible assets.

Information relating to the leases in place and associated balances and transactions are provided below.

The Association is the head lessee for the Benalla Community Hub, which it sub-leases to a number of other not-for-profit agencies. These sub-leases are classified as finance leases. The present value of the receivable relating to these sub-lease arrangements exceeds the present value of the right-of-use asset for the head lease arrangement. Accordingly, no right-of-use asset has been recognised in relation to land and buildings associated with the Benalla Community Hub.

#### Right-of-use assets

	2023	2022
	\$	\$
Right-of-Use assets	14,220	14,220
Accumulated depreciation	(10,902)	(8,058)
	<u>3,318</u>	<u>6,162</u>

#### Movement in Carrying Amounts

Movement in the carrying amounts for each class of right-of-use asset between the beginning and the end of the current financial year:

	Plant and Equipment	Total
	\$	\$
<b>Year ended 30 June 2023</b>		
Balance at beginning of year	6,162	6,162
Depreciation	(2,844)	(2,844)
<b>Balance at end of year</b>	<u>3,318</u>	<u>3,318</u>

#### Lease liabilities

	2023	2022
	\$	\$
CURRENT		
Lease - Right-of-use assets	<u>51,044</u>	<u>59,143</u>

## North East Support and Action for Youth Inc.

ABN 61 209 041 745

### Notes to the Financial Statements For the Year Ended 30 June 2023

#### 8 Leases

##### Lease liabilities

	2023	2022
	\$	\$
NON-CURRENT		
Lease - Right-of-use assets	<u>397,963</u>	<u>425,937</u>

The maturity analysis of lease liabilities based on contractual undiscounted cash flows is shown in the table below:

	< 1 year	1 - 5 years	> 5 years	Total undiscounted lease liabilities	Lease liabilities included in this Statement Of Financial Position
	\$	\$	\$	\$	\$
<b>2023</b>					
Lease liabilities	70,405	272,880	175,863	519,148	449,007
<b>2022</b>					
Lease liabilities	66,636	267,721	237,231	571,588	485,080

##### Statement of Profit or Loss and Other Comprehensive Income

The amounts recognised in the statement of profit or loss and other comprehensive income relating to leases where the Association is a lessee are shown below:

	2023	2022
	\$	\$
Interest expense on lease liabilities	18,539	6,951
Depreciation of right-of-use assets	2,844	2,844
	<u>21,383</u>	<u>9,795</u>

#### 9 Trade and Other Payables

Trade payables	40,630	10,024
GST payable	88,367	87,851
Employee benefits	8,753	10,459
Accrued expenses	48,448	26,651
PAYG and superannuation payable	29,306	31,815
Other payables	416	2,325
	<u>215,920</u>	<u>169,125</u>

Trade and other payables are unsecured, non-interest bearing and are normally settled within 30 days. The carrying value of trade and other payables is considered a reasonable approximation of fair value due to the short-term nature of the balances.

## North East Support and Action for Youth Inc.

ABN 61 209 041 745

### Notes to the Financial Statements For the Year Ended 30 June 2023

#### 10 Employee Benefits

	2023	2022
	\$	\$
CURRENT		
Provision for annual leave	162,881	150,742
Provision for long service leave	12,282	14,573
	<u>175,163</u>	<u>165,315</u>
NON-CURRENT		
Provision for long service leave	<u>11,321</u>	<u>24,727</u>

#### 11 Other Liabilities

Contract liability	486,318	766,212
Holding funds	44,814	36,447
	<u>531,132</u>	<u>802,659</u>

#### 12 Provisions

Provision for make good on leased property	<u>29,300</u>	<u>29,300</u>
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In accordance with the lease agreement for the Benalla Community Hub, the Association must restore the premises to the original condition at the expiry of the lease term. The Association has estimated a provision of \$29,300 based on a quote provided by a building contractor for the expected future costs to remove any leasehold improvements and to remedy any damages caused by the removal process.

#### 13 Reserves

##### (a) Asset Revaluation Reserve

The asset revaluation reserve records unrealised gains on the Association's land and buildings.

##### (b) Specific Purpose Reserve

Funds received for a specific purpose which are yet to be expended are recorded in the specific purpose reserves

##### Reserve Description

Fair Feed	-	1,960
Madge Brown Trust	3,322	5,867
Pathways	19,982	22,550
	<u>23,304</u>	<u>30,377</u>

# North East Support and Action for Youth Inc.

ABN 61 209 041 745

## Notes to the Financial Statements For the Year Ended 30 June 2023

### 14 Financial Instruments

	2023	2022
	\$	\$
<b>Financial assets</b>		
At amortised cost		
Cash and cash equivalents	2,054,336	1,845,144
<b>Trade and other receivables</b>		
Trade receivables	31,542	26,697
	<u>31,542</u>	<u>26,697</u>
Finance sub-lease receivable	917,170	1,007,050
	<u>917,170</u>	<u>1,007,050</u>
<b>Total financial assets</b>	<u>3,003,048</u>	<u>2,878,891</u>
<b>Financial liabilities</b>		
At amortised cost		
Trade payables	40,630	10,024
Credit cards	416	2,325
	<u>40,630</u>	<u>12,349</u>
<b>Total financial liabilities</b>	<u>41,046</u>	<u>12,349</u>

### 15 Key Management Personnel Remuneration

The total remuneration paid to key management personnel of the Association was \$ 471,442 (2022: \$ 422,132). Number of key management personnel in 2023 was 4 (2022: 5).

### 16 Auditors' Remuneration

Remuneration of the auditor, CountPro Audit Pty Ltd, for:  
- auditing or reviewing the financial statements

10,650	6,980
<u>10,650</u>	<u>6,980</u>

## North East Support and Action for Youth Inc.

ABN 61 209 041 745

# Notes to the Financial Statements

## For the Year Ended 30 June 2023

### 17 Fair Value Measurement

The Association measures the following assets and liabilities at fair value on a recurring basis:

<b>Asset / liability</b>	<b>Basis for determining value</b>
Land and buildings	<p>The fair value of the Association's land and buildings is determined by an independent, qualified valuer on a triennial basis who have experience in the valuation of properties in a similar location and of a similar nature. The Board of Governance review the valuation reports and discuss significant movements with the valuer.</p> <p>The Association's land and buildings were revalued with effect to 31 March 2022 by Peter Mitchell, Certified Practising Valuer, of IPN Valuers Albury Wodonga. The valuation was conducted on a value-in-use basis to reflect the highest and best use of the property.</p> <p><b>Assumptions</b></p> <p>The sales comparison approach was used as the primary valuation method, on the basis of recent sales of comparable properties.</p>

### 18 Contingencies

In the opinion of the Board of Governance, the Association did not have any contingencies at 30 June 2023 (30 June 2022: None).

### 19 Related Parties

**The Association's main related parties are as follows:**

Key management personnel - refer to Note 15.

Other related parties include close family members of key management personnel and entities that are controlled or significantly influenced by those key management personnel or their close family members.

#### **Transactions with related parties**

Transactions between related parties are on normal commercial terms and conditions no more favourable than those available to other parties unless otherwise stated.

### 20 Events after the end of the Reporting Period

The financial report was authorised for issue on 28 August 2023 by the Board of Governance.

No matters or circumstances have arisen since the end of the financial year which significantly affected or may significantly affect the operations of the Association, the results of those operations or the state of affairs of the the Association in future financial years.



**North East Support and Action for Youth Inc.**

ABN 61 209 041 745

**Notes to the Financial Statements  
For the Year Ended 30 June 2023**

**21 Statutory Information**

The registered office and principal place of business of the Association is:  
North East Support and Action for Youth Inc.  
86-90 Rowan Street  
WANGARATTA VIC 3677

## North East Support and Action for Youth Inc.

ABN 61 209 041 745

### Board of Governance Declaration

The Board of Governance declare that in their opinion:

- there are reasonable grounds to believe that the registered entity is able to pay all of its debts, as and when they become due and payable; and
- the financial statements and notes satisfy the requirements of the *Australian Charities and Not-for-profits Commission Act 2012*.

Signed in accordance with subsection 60.15(2) of the *Australian Charities and Not-for-profit Commission Regulation 2013*.

President .....  
Alison Maclean

Treasurer .....  
Chris Dwyer

Dated 29 August 2023

**North East Support and Action for Youth Inc.**

## **Independent Audit Report to the members of North East Support and Action for Youth Inc.**

### **Opinion**

We have audited the financial report of North East Support and Action for Youth Inc. (the Association), which comprises the statement of financial position as at 30 June 2023, the statement of profit or loss and other 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 board of governance declaration.

In our opinion, the financial report of North East Support and Action for Youth Inc. has been prepared in accordance with Division 60 of the *Australian Charities and Not-for-profits Commission Act 2012*, including:

- (i) giving a true and fair view of the Association's financial position as at 30 June 2023 and of its financial performance for the year ended; and
- (ii) complying with Australian Accounting Standards - Simplified Disclosures and *Division 60 of the Australian Charities and Not-for-profits Commission Regulation 2013*.

### **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 *Australian Charities and Not-for-profits Commission Act 2012* and the ethical 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 confirm that the independence declaration required by the *Australian Charities and Not-for-profits Commission Act 2012*, which has been given to the Board of Governance of the Association, would be in the same terms if given to the Board of Governance as at the time of this auditor's report.

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

### **Responsibilities of Management and the Board of Governance for the Financial Report**

Management of the Association are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards - Simplified Disclosures and the *Australian Charities and Not-for-profits Commission Act 2012* and for such internal control as the Board of Governance determines necessary to enable the preparation of a 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 the Board of Governance either intend to liquidate the Association or to cease operations, or have no realistic alternative but to do so.

The Board of Governance is responsible for overseeing the Association's financial reporting process.

### **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 the financial report.

**North East Support and Action for Youth Inc.**

## **Independent Audit Report to the members of North East Support and Action for Youth Inc.**

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 management.
- Conclude on the appropriateness of 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 the Board of 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.

.....  
CountPro Audit Pty Ltd

.....  
Jason D. Hargreaves  
Director

180 Eleanor Drive, Lucas

29 August 2023