YOUTH INSEARCH FOUNDATION (AUST) INCORPORATED

ABN: 31 886 363 881

Financial Report For The Year Ended 30 June 2020

Youth Insearch Foundation (Aust) Incorporated

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Financial Report For The Year Ended 30 June 2020

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YOUTH INSEARCH FOUNDATION (AUST) INCORPORATED
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COMMITTEE'S REPORT

Your committee members present this report on the Foundation for the financial year ended 30 June 2020.

Committee Members

The names of each person who has been a committee member during the year and to the date of this report are:

Garry Rothwell
Ross Gersbach (Resigned 18 August 2020)
Andrew Gregory
William Gill
Alan Kuczynski
Robert Smith
Luisa Pastrello (Resigned 2 October 2019)
Kylie Green
Alexander (Sandy) Beard (Appointed 18 August 2020

Committee members have been in office since the start of the financial year to the date of this report unless otherwise stated.

Principal Activities
The principal activity of the Foundation during the financial year has been organising and holding youth programs and the furtherance of youth welfare.

Significant Changes
No significant change in the nature of this activity occurred during the year.

Operating Result
The surplus from ordinary activities was $458,280 (2019 deficit: $82,111) .

Subsequent Events
The Committee has assessed the impact of Covid-19 on the Foundation's financial position at 30 June 2020 and results of its financial performance for the year then ended and do not believe it is necessary to adjust its accounts to reflect its impact. The duration and impact of the COVID-19 pandemic, as well as the effectiveness of government and business responses, remains unclear at this time. Therefore, it is not possible to reliably estimate the duration and severity of these consequences, as well as their impact on the financial position and results of the Foundation for future years.

There has not been any other matter or circumstance other than that referred to in the financial statements or notes thereto, that has arisen since the end of the financial year, that has significantly affected, or may significantly affect, the operations of the Foundation, the results of those operations, or the state of affairs of the Foundation in future financial years.

New Accounting Standards Implemented
The Foundation has implemented three new Accounting Standards that are applicable for the current reporting period . AASB 15: *Revenue from Contracts with Customers* , AASB 1058: *Income of Not-for-Profit Entities* and AASB 16: *Leases.* The comparative information has not been restated and continues to be reported under AASB 118: *Revenue* , AASB 117: *Leases* and AASB 1004: *Contributions* . Further information is provided in Note 1.

Committee Members' Emoluments

No Committee Member has received or become entitled to receive, during or since the financial period, a benefit because of a contract made by the Foundation, controlled entity or a related body corporate with the committee member, a firm of which the committee member is a member or an entity in which the member has a substantial financial interest. This statement excludes a benefit included in the aggregate amount of emoluments received or due and receivable by the committee members shown in the Foundation's accounts or the fixed salary and associated on-costs of a full-time employee of the Foundation, controlled entity or related body corporate.

YOUTH INSEARCH FOUNDATION (AUST) INCORPORATED
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COMMITTEE'S REPORT

Proceedings on behalf of the Foundation

The Foundation, has not, during or since the financial period, apart from the circumstances listed below in respect of any person who is or has been an officer or auditor of the Foundation or a related body corporate.

a) Indemnified or made any relevant agreement for indemnifying against a liability, including costs and expenses in successfully defending legal proceedings; or

b) Paid or agreed to pay a premium in respect of a contract insuring against a liability for the costs or expenses to defend legal proceedings.

The Foundation as part of its overall insurance holds Committee Members' and Officers' Liability & Foundation Reimbursement Insurance for its Committee members and officers.

This report is made in accordance with a resolution of the committee and is signed for and on behalf of the committee.

Garry Rothwell

Dated this 18th day of September 2020

Andrew Gregory

Dated this 18th day of September 2020

YOUTH INSEARCH FOUNDATION (AUST) INCORPORATED
ABN: 31 886 363 881
STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED 30 JUNE 2020

	Note	2020	2019
		$	$
Revenue	2	2,405,812	2,229,811
Other income	2	204,639	34,432
Employee benefits expense	3	(1,374,763)	(1,412,095)
Depreciation and amortisation expense	3	(101,644)	(59,940)
Audit, legal and consultancy fees	3	(9,550)	(12,800)
Camp Expenses		(285,307)	(371,012)
Travel and accommodation		(13,350)	(31,403)
Sundry expenses		(367,557)	(459,104)
Current year surplus before income tax		458,280	(82,111)
Income tax expense		-	-
Net current year (deficit)/ surplus		458,280	(82,111)
Net current year surplus attributable to members of the entity		458,280	(82,111)
Other comprehensive income			
Fair value measurement - (losses)/ gains on financial assets		(14,196)	22,044
Total comprehensive surplus/ (loss) for the year		444,084	(60,067)

YOUTH INSEARCH FOUNDATION (AUST) INCORPORATED
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STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2020

	Note	2020 $	2019 $
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	4	670,614	597,809
Trade and other receivables	5	12,864	54,311
Other current assets	6	84,327	35,416
TOTAL CURRENT ASSETS		767,805	687,535
NON-CURRENT ASSETS			
Financial assets	7	899,014	909,959
Property, plant and equipment	8	191,392	177,812
Right-of-use assets	9	34,465	-
TOTAL NON-CURRENT ASSETS		1,124,871	1,087,771
TOTAL ASSETS		1,892,676	1,775,306
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	10	226,777	549,239
Provisions	11	112,989	148,942
Right-of-use lease liability	12	34,465	-
TOTAL CURRENT LIABILITIES		374,232	698,181
NON-CURRENT LIABILITIES			
Provisions	11	23,525	26,290
TOTAL NON-CURRENT LIABILITIES		23,525	26,290
TOTAL LIABILITIES		397,757	724,470
NET ASSETS		1,494,920	1,050,836
EQUITY			
Revaluation reserve		56,353	70,549
Accumulated Funds and Specific Purpose Funds at the end of the financial year		1,438,567	980,287
TOTAL EQUITY		1,494,920	1,050,836

The accompanying notes form part of these financial statements.

YOUTH INSEARCH FOUNDATION (AUST) INCORPORATED
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STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 JUNE 2020

	Revaluation Surplus	Accumulated Funds and Specific Purpose Funds	Total
	$	$	$
Balance at 1 July 2018	48,505	1,062,398	1,110,903
Deficit for the year		(82,111)	(82,111)
Other comprehensive income for the year	22,044		22,044
Balance at 30 June 2019	70,549	980,287	1,050,836
Balance at 1 July 2019	70,549	980,287	1,050,836
Surplus for the year		458,280	458,280
Other comprehensive income for the year	(14,196)		(14,196)
Total other comprehensive income	(14,196)	458,280	444,084
Balance at 30 June 2020	56,353	1,438,567	1,494,920

The accompanying notes form part of these financial statements.

YOUTH INSEARCH FOUNDATION (AUST) INCORPORATED
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STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE 2020

	Note	2020 $	2019 $
CASH FLOWS FROM OPERATING ACTIVITIES			
Commonwealth, state and local government grants		803,544	420,401
Receipts from donations from other organisations, membership and camp fees		1,512,568	1,595,207
Payments to suppliers and employees		(2,174,834)	(2,229,592)
Dividends received		292	564
Net cash generated from operating activities	15	141,570	(213,420)
CASH FLOWS FROM INVESTING ACTIVITIES			
Proceeds from sale of property, plant and equipment		23,904	12,454
Payment for property, plant and equipment		(103,614)	(55,588)
Payment for financial assets		10,946	10,940
Net cash used in investing activities		(68,764)	(32,194)
Net increase in cash held		72,806	(245,613)
Cash on hand at beginning of the financial year		597,808	843,421
Cash on hand at end of the financial year	4	670,614	597,808

The accompanying notes form part of these financial statements.

Note 1 Summary of Significant Accounting Policies

Basis of Preparation

Youth Insearch Foundation (Aust) Incorporated applies Australian Accounting Standards – Reduced Disclosure Requirements as set out in AASB 1053: Application of Tiers of Australian Accounting Standards.

The financial statements are general purpose financial statements that have been prepared in accordance with Australian Accounting Standards – Reduced Disclosure Requirements of the Australian Accounting Standards Board (AASB) and the Australian Charities and Not-for-profits Commission Act 2012. The entity is a not-for-profit entity for financial reporting purposes under Australian Accounting Standards.

Australian Accounting Standards set out accounting policies that the AASB has concluded would result in financial statements containing relevant and reliable information about transactions, events and conditions. Compliance with Australian Accounting Standards ensures that the financial statements and notes also comply with International Financial Reporting Standards. Material accounting policies adopted in the preparation of the 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 amounts presented in the financial statements have been rounded to the nearest dollar.

The financial statements were authorised for issue on 18th September 2020 by the committee members.

Accounting Policies

(a) Revenue

Revenue recognition

The Foundation has applied AASB 15: *Revenue from Contracts with Customers* (AASB 15) and AASB 1058: *Income of Not-for-Profit Entities* (AASB 1058) using the cumulative effective method of initially applying AASB 15 and AASB 1058 as an adjustment to the opening balance of equity at 1 July 2019. Therefore, the comparative information has not been restated and continues to be presented under AASB 118: Revenue and AASB 1004: Contributions. The details of accounting policies under AASB 118 and AASB 1004 are disclosed separately since they are different from those under AASB 15 and AASB 1058, and the impact of changes is disclosed in Note 1.

In the current year

Operating Grants, Donations and Bequests

When the Foundation receives operating grant revenue, donations or bequests, it assesses whether the contract is enforceable and has sufficiently specific performance obligations in accordance with AASB 15.

When both these conditions are satisfied, the Foundation:

— identifies each performance obligation relating to the grant;

— recognises a contract liability for its obligations under the agreement; and

— recognises revenue as it satisfies its performance obligations.

Where the contract is not enforceable or does not have sufficiently specific performance obligations, the Foundation:

— recognises the asset received in accordance with the recognition requirements of other applicable accounting standards (for example AASB 9. AASB 16, AASB 116 and AASB 138);

— recognises related amounts (being contributions by owners, lease liability, financial instruments, provisions, revenue or contract liability arising from a contract with a customer); and

— recognises income immediately in profit or loss as the difference between the initial carrying amount of the asset and the related amount.

If a contract liability is recognised as a related amount above, the Foundation recognises income in profit or loss when or as it satisfies its obligations under the contract.

Capital Grant

When the Foundation receives a capital grant, it recognises a liability for the excess of the initial carrying amount of the financial asset received over any related amounts (being contributions by owners, lease liability, financial instruments, provisions, revenue or contract liability arising from a contract with a customer) recognised under other Australian Accounting Standards.

The Foundation recognises income in profit or loss when or as the Foundation satisfies its obligations under terms of the grant.

Interest Income

Interest income is recognised using the effective interest method.

Dividend Income

The Foundation recognises dividends in profit or loss only when the Foundation's right to receive payment of the dividend is established.

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

In the comparative period

Non-reciprocal grant revenue is recognised in profit or loss when the entity obtains control of the grant and it is probable that the economic benefits gained from the grant will flow to the Foundation and the amount of the grant can be measured reliably.

If conditions are attached to the grant which must be satisfied before it is eligible to receive the contribution, the recognition of the grant as revenue will be deferred until those conditions are satisfied.

When grant revenue is received whereby the Foundation incurs an obligation to deliver economic value directly back to the contributor, this is considered a reciprocal transaction and the grant revenue is recognised in the statement of financial position as a liability until the service has been delivered to the contributor, otherwise the grant is recognised as income on receipt.

The Foundation receives non-reciprocal contributions of assets from the government and other parties for zero or a nominal value. These assets are recognised at fair value on the date of acquisition in the statement of financial position, with a corresponding amount of income recognised in profit or loss."

Donations and bequests are recognised as revenue when received.

Interest revenue is recognised using the effective interest method, which for floating rate financial assets is the rate inherent in the instrument. Dividend revenue is recognised when the right to receive a dividend has been established.

Revenue from the rendering of a service is recognised upon the delivery of the service to the customers.

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

(b) Property, Plant and Equipment

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

Plant and Equipment

Plant and equipment are measured on the cost basis and are therefore carried at cost less accumulated depreciation and any accumulated impairment losses. In the event the carrying amount of plant and equipment is greater than the estimated recoverable amount, the carrying amount is written down immediately to the estimated recoverable amount and impairment losses are recognised either in profit or loss or as a revaluation decrease if the impairment losses relate to a revalued asset. A formal assessment of recoverable amount is made when impairment indicators are present (refer to Note 1(e) for details of impairment).

Plant and equipment that have been contributed at no cost, or for nominal cost, are valued and recognised at the fair value of the asset at the date it is acquired.

Depreciation

The depreciable amount of all fixed assets, including buildings and capitalised lease assets, is depreciated on a straight-line basis over the asset's useful life to the Foundation commencing from the time the asset is held ready 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.

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

Class of Fixed Asset	Depreciation Rate
Plant and equipment	7.5 - 33 %
Leased motor vehicles	12.5 - 15 %

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 or losses are recognised in profit or loss in the period in which they arise. Gains are not classified as revenue. When revalued assets are sold, amounts included in the revaluation surplus relating to that asset are transferred to retained earnings.

(c) Leases

The Foundation as lessee

At inception of a contract, the Foundation assesses the contract. If there is a lease present, a right-of-use asset and a corresponding lease liability is recognised by the Foundation where the Foundation is a lessee. However all contracts that are classified as short-term leases (lease with remaining lease term of 12 months or less) and leases of low value assets are recognised as an operating expense on a straight-line basis over the term of the lease.

Initially the lease liability is measured at the present value of the lease payments still to be paid at commencement date. The lease payments are discounted at the interest rate implicit in the lease. If this rate cannot be readily determined, the Foundation uses the incremental borrowing rate.

Lease payments included in the measurement of the lease liability are as follows:
— fixed lease payments less any lease incentives;
— variable lease payments that depend on an index or rate, initially measured using the index or rate at the commencement
— the amount expected to be payable by the lessee under residual value guarantees;
— the exercise price of purchase options, if the lessee is reasonably certain to exercise the options;
— lease payments under extension options if lessee is reasonably certain to exercise the options; and
— payments of penalties for terminating the lease, if the lease term reflects the exercise of an option to terminate the lease

The right-of-use assets comprise the initial measurement of the corresponding lease liability as mentioned above, any lease payments made at or before the commencement date as well as any initial direct costs. The subsequent measurement of the right-of-use assets is at cost less accumulated depreciation and impairment losses.

Right-of-use assets are depreciated over the lease term or useful life of the underlying asset whichever is the shortest. Where a lease transfers ownership of the underlying asset or the cost of the right-of-use asset reflects that the Foundation anticipates to exercise a purchase option, the specific asset is depreciated over the useful life of the underlying asset.

(d) Financial Instruments

Initial recognition and measurement

Financial assets and financial liabilities are recognised when the entity becomes a party to the contractual provisions to the instrument. For financial assets, this is the date that the entity commits itself to either the purchase or sale of the asset (i.e. trade date accounting is adopted).

Financial instruments (except for trade receivables) are initially measured at fair value plus transaction costs, except where the instrument is classified as “at fair value through profit or loss”, in which case transaction costs are expensed to profit or loss immediately. Where available, quoted prices in an active market are used to determine fair value. In other circumstances, valuation techniques are adopted.

Trade receivables are initially measured at the transaction price if the trade receivables do not contain a significant financing component or if the practical expedient was applied as specified in AASB 15: Revenue from Contracts with Customers.

Classification and subsequent measurement

Financial liabilities

Financial liabilities are subsequently measured at:
— amortised cost; or
— fair value through profit or loss.

A financial liability is measured at fair value through profit or loss if the financial liability is:
— a contingent consideration of an acquirer in a business combination to which AASB 3: Business Combinations applies;
— held for trading; or
— initially designated as at fair value through profit or loss.

All other financial liabilities are subsequently measured at amortised cost using the effective interest method.

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest expense over in profit or loss over the relevant period.

The effective interest rate is the internal rate of return of the financial asset or liability. That is, it is the rate that exactly discounts the estimated future cash flows through the expected life of the instrument to the net carrying amount at initial recognition.

A financial liability is held for trading if it is:
— incurred for the purpose of repurchasing or repaying in the near term;
— part of a portfolio where there is an actual pattern of short-term profit-taking; or
— a derivative financial instrument (except for a derivative that is in a financial guarantee contract or a derivative that is in effective hedging relationships).

Any gains or losses arising on changes in fair value are recognised in profit or loss to the extent that they are not part of a designated hedging relationship.

The change in fair value of the financial liability attributable to changes in the issuer’s credit risk is taken to other comprehensive income and is not subsequently reclassified to profit or loss. Instead, it is transferred to retained earnings upon derecognition of the financial liability.

A financial liability cannot be reclassified.

Financial assets

Financial assets are subsequently measured at:
— amortised cost;
— fair value through other comprehensive income; or
— fair value through profit or loss.

Measurement is on the basis of two primary criteria:
— the contractual cash flow characteristics of the financial asset; and
— the business model for managing the financial assets.

A financial asset that meets the following conditions is subsequently measured at amortised cost:
- the financial asset is managed solely to collect contractual cash flows; and
- the contractual terms within the financial asset give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding on specified dates.

A financial asset that meets the following conditions is subsequently measured fair value through other comprehensive income:
- the contractual terms within the financial asset give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding on specified dates; and
- the business model for managing the financial asset comprises both contractual cash flows collection and the selling of the financial asset.

By default, all other financial assets that do not meet the measurement conditions of amortised cost and fair value through other comprehensive income are subsequently measured at fair value through profit or loss.

The Foundation initially designates a financial instrument as measured at fair value through profit or loss if:
- it eliminates or significantly reduces a measurement or recognition inconsistency (often referred to as an "accounting mismatch") that would otherwise arise from measuring assets or liabilities or recognising the gains and losses on them on different bases;
- it is in accordance with the documented risk management or investment strategy and information about the groupings is documented appropriately, so the performance of the financial liability that is part of a group of financial liabilities or financial assets can be managed and evaluated consistently on a fair value basis; and
- it is a hybrid contract that contains an embedded derivative that significantly modifies the cash flows otherwise required by the contract.

The initial designation of financial instruments to measure at fair value through profit or loss is a one-time option on initial classification and is irrevocable until the financial asset is derecognised.

Equity instruments

At initial recognition, as long as the equity instrument is not held for trading or is not a contingent consideration recognised by an acquirer in a business combination to which AASB 3 applies, the Foundation made an irrevocable election to measure any subsequent changes in fair value of the equity instruments in other comprehensive income, while the dividend revenue received on underlying equity instruments investment will still be recognised in profit or loss.

Regular way purchases and sales of financial assets are recognised and derecognised at settlement date in accordance with the company's accounting policy.

Derecognition

Derecognition refers to the removal of a previously recognised financial asset or financial liability from the statement of financial position.

Derecognition of financial liabilities

A liability is derecognised when it is extinguished (i.e. when the obligation in the contract is discharged, cancelled or expires). An exchange of an existing financial liability for a new one with substantially modified terms, or a substantial modification to the terms of a financial liability, is treated as an extinguishment of the existing liability and recognition of a new financial liability.

The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss.

Derecognition of financial assets

A financial asset is derecognised when the holder's contractual rights to its cash flows expires, or the asset is transferred in such a way that all the risks and rewards of ownership are substantially transferred.

All the following criteria need to be satisfied for the derecognition of a financial asset:
- the right to receive cash flows from the asset has expired or been transferred;
- all risk and rewards of ownership of the asset have been substantially transferred; and
- the Foundation no longer controls the asset (i.e. has no practical ability to make unilateral decision to sell the asset to a third party).

On derecognition of a financial asset measured at amortised cost, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognised in profit or loss.

On derecognition of a debt instrument classified as fair value through other comprehensive income, the cumulative gain or loss previously accumulated in the investment revaluation reserve is reclassified to profit or loss.

On derecognition of an investment in equity which the Foundation elected to classify under fair value through other comprehensive income, the cumulative gain or loss previously accumulated in the investments revaluation reserve is not reclassified to profit or loss, but is transferred to retained earnings.

The Foundation recognised a loss allowance for expected credit losses on:
- financial assets that are measured at amortised cost or fair value through other comprehensive income;
- lease receivables;
- contract assets (e.g. amount due from customers under construction contracts);
- loan commitments that are not measured at fair value through profit or loss; and
- financial guarantee contracts that are not measured at fair value through profit or loss.

Loss allowance is not recognised for:
- financial assets measured at fair value through profit or loss; or
- equity instruments measured at fair value through other comprehensive income.

Expected credit losses are the probability-weighted estimate of credit losses over the expected life of a financial instrument. A credit loss is the difference between all contractual cash flows that are due and all cash flows expected to be received, all discounted at the original effective interest rate of the financial instrument.

The Foundation recognised a loss allowance for expected credit losses on:
- the general approach;
- the simplified approach;
- the purchased or originated credit-impaired approach; and
- low credit risk operational simplification.

General approach
Under the general approach, at each reporting period, the Foundation assesses whether the financial instruments are credit-impaired, and:
- if the credit risk of the financial instrument has increased significantly since initial recognition, the Foundation measures the loss allowance of the financial instruments at an amount equal to the lifetime expected credit losses; and
- if there is no significant increase in credit risk since initial recognition, the Foundation measures the loss allowance for that financial instrument at an amount equal to 12-month expected credit losses.

Simplified approach
The simplified approach does not require tracking of changes in credit risk at every reporting period, but instead requires the recognition of lifetime expected credit loss at all times.

This approach is applicable to:
- trade receivables; and
- lease receivables.

In measuring the expected credit loss, a provision matrix for trade receivables was used taking into consideration various data to get to an expected credit loss (i.e. diversity of its customer base, appropriate groupings of its historical loss experience, etc.).

Purchased or originated credit-impaired approach
For financial assets that are considered to be credit-impaired (not on acquisition or originations), the Foundation measured any change in its lifetime expected credit loss as the difference between the asset's gross carrying amount and the present value of estimated future cash flows discounted at the financial asset's original effective interest rate. Any adjustment is recognised in profit or loss as an impairment gain or loss.

Evidence of credit impairment includes:
- significant financial difficulty of the issuer or borrower;
- a breach of contract (e.g. default or past due event);
- a lender has granted to the borrower a concession, due to the borrower's financial difficulty, that the lender would not otherwise consider;
- the likelihood that the borrower will enter bankruptcy or other financial reorganisation; and
- the disappearance of an active market for the financial asset because of financial difficulties.

Low credit risk operational simplification approach
If a financial asset is determined to have low credit risk at the initial reporting date, the Foundation assumed that the credit risk has not increased significantly since initial recognition and, accordingly, can continue to recognise a loss allowance of 12-month expected credit loss.

In order to make such a determination that the financial asset has low credit risk, the Foundation applied its internal credit risk ratings or other methodologies using a globally comparable definition of low credit risk.

A financial asset is considered to have low credit risk if:
- there is a low risk of default by the borrower;
- the borrower has a strong capacity to meet its contractual cash flow obligations in the near term; and
- adverse changes in economic and business conditions in the longer term, may, but not necessarily, reduce the ability of the borrower to fulfil its contractual cash flow obligations.

A financial asset is not considered to carry low credit risk merely due to existence of collateral, or because a borrower has a lower risk of default than the risk inherent in the financial assets, or relative to the credit risk of the jurisdiction in which it operates.

Recognition of expected credit losses in financial statements
At each reporting date, the Foundation recognises the movement in the loss allowance as an impairment gain or loss in the statement of profit and loss and other comprehensive income.

The carrying amount of financial assets measured at amortised cost includes the loss allowance relating to that asset.

Assets measured at fair value through other comprehensive income are recognised at fair value with changes in fair value recognised in other comprehensive income. The amount in relation to change in credit risk is transferred from other comprehensive income to profit or loss at every reporting period.

For financial assets that are unrecognised (e.g. loan commitments yet to be drawn, financial guarantees), a provision for loss allowance is created in the statement of financial position to recognise the loss allowance.

(e) Impairment of Assets

At the end of each reporting period, the Foundation reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have been impaired. If such an indication exists, the recoverable amount of the asset, being the higher of the asset's fair value less costs of disposal and value in use, is compared to the asset's carrying amount. Any excess of the asset's carrying amount over its recoverable amount is recognised in profit or loss.

Where the assets are not held primarily for their ability to generate net cash inflows – that is, they are specialised assets held for continuing use of their service capacity – the recoverable amounts are expected to be materially the same as fair value.

Where it is not possible to estimate the recoverable amount of an individual asset, the Foundation estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Where an impairment loss on a revalued individual asset is identified, this is recognised against the revaluation surplus in respect of the same class of asset to the extent that the impairment loss does not exceed the amount in the revaluation surplus for that class of asset.

(f) Employee Benefits

Short-term employee benefits

Provision is made for the company's obligation for short-term employee benefits. Short-term employee benefits are benefits (other than termination benefits) that are expected to be settled wholly within 12 months after the end of the annual reporting period in which the employees render the related service, including wages, salaries and sick leave. Short-term employee benefits are measured at the (undiscounted) amounts expected to be paid when the obligation is settled.

The company's obligations for short-term employee benefits such as wages, salaries and sick leave are recognised as part of current trade and other payables in the statement of financial position.

Other long-term employee benefits

The entity classifies employees' long service leave and annual leave entitlements as other long-term employee benefits as they are not expected to be settled wholly within 12 months after the end of the annual reporting period in which the employees render the related service. Provision is made for the company's obligation for other long-term employee benefits, which are measured at the present value of the expected future payments to be made to employees. Expected future payments incorporate anticipated future wage and salary levels, durations of service and employee departures, and are discounted at rates determined by reference to market yields at the end of the reporting period on high quality corporate bonds that have maturity dates that approximate the terms of the obligations. Upon the remeasurement of obligations for other long-term employee benefits, the net change in the obligation is recognised in profit or loss classified under employee benefits expense.

The Foundation's obligations for long-term employee benefits are presented as non-current liabilities in its statement of financial position, except where the Foundation does not have an unconditional right to defer settlement for at least 12 months after the end of the reporting period, in which case the obligations are presented as current liabilities.

(g) Cash and Cash Equivalents

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

(h) Trade and Other Debtors

Trade and other debtors include amounts due from members as well as amounts receivable from customers for goods sold.

Receivables expected to be collected within 12 months of the end of the reporting period are classified as current assets. All other receivables are classified as non-current assets.

Accounts receivable are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method, less any provision for impairment. Refer to Note 1(e) for further discussion on the determination of impairment losses.

(i) Goods and Services Tax (GST)

Revenues, 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) Income Tax

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

(k) Provisions

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

(l) Comparative Figures

When required by Accounting Standards comparative figures have been adjusted to conform to changes in presentation for the current financial year.

(m) Fair Value of Assets and Liabilities

The Foundation measures some of its assets and liabilities at fair value on either a recurring or non-recurring basis, depending on the requirements of the applicable Accounting Standard.

“Fair value” is the price the Foundation would receive to sell an asset or would have to pay to transfer a liability in an orderly (i.e. unforced) transaction between independent, knowledgeable and willing market participants at the measurement date.

As fair value is a market-based measure, the closest equivalent observable market pricing information is used to determine fair value. Adjustments to market values may be made having regard to the characteristics of the specific asset or liability. The fair values of assets and liabilities that are not traded in an active market are determined using one or more valuation techniques. These valuation techniques maximise, to the extent possible, the use of observable market data.

To the extent possible, market information is extracted from the principal market for the asset or liability (i.e. the market with the greatest volume and level of activity for the asset or liability). In the absence of such a market, market information is extracted from the most advantageous market available to the Foundation at the end of the reporting period (i.e. the market that maximises the receipts from the sale of the asset or minimises the payments made to transfer the liability, after taking into account transaction costs and transport costs).

For non-financial assets, the fair value measurement also takes into account a market participant's ability to use the asset in its highest and best use or to sell it to another market participant that would use the asset in its highest and best use.

The fair value of liabilities and the Foundation’s own equity instruments (if any) may be valued, where there is no observable market price in relation to the transfer of such financial instrument, by reference to observable market information where such instruments are held as assets. Where this information is not available, other valuation techniques are adopted and where significant, are detailed in the respective note to the financial statements.

(n) New and Amended Accounting Standards Adopted by the Company

Initial application of AASB 15 and AASB 1058

The Foundation has applied AASB 15: *Revenue from Contracts with Customers* and AASB 1058: *Income of Not-for-Profit Entities* . The comparative information has not been restated and continues to be presented under AASB 118: *Revenue* and AASB 1004: *Contributions* .

Note 2 Revenue and Other Income

	2020	2019
Revenue	$	$
Revenue from grants		
— State/federal government grants – operating	803,544	420,401
— Other organisations	1,473,243	1,650,970
— Membership fees	520	440
— Camp fees	128,505	158,000
Total revenue	2,405,812	2,229,811
Other income		
— Gain on disposal of property, plant and equipment	497	5,446
— Dividends received	292	564
— Interest received	2,710	4,692
— Portfolio income	10,473	22,167
— Jobkeeper and cashflow boost	185,096	-
— Other	5,572	1,563
Total other income	204,639	34,432
Total revenue and other income	2,610,451	2,264,244

Note 3 Surplus for the year

	2020	2019
	$	$
Expenses		
Employee benefits expense:		
— contributions to defined contribution superannuation funds	1,374,763	1,412,095
Total employee benefits expense	1,374,763	1,412,095
Depreciation and amortisation:		
— motor vehicles	35,517	34,626
— furniture and equipment	30,614	25,314
— Right-of-use asset	35,514	-
Total depreciation and amortisation	101,645	59,940
Audit fees:		
— audit services	9,550	12,800
Total auditors' remuneration	9,550	12,800

Note 4 Cash and Cash Equivalents

	2020	2019
	$	$
CURRENT		
Cash at bank	670,506	597,700
Cash on hand	108	108
	670,614	597,809

Note 5 Trade and Other Receivables

	2020	2019
	$	$
CURRENT		
Trade receivables	12,864	54,311
Total current accounts receivable and other debtors	12,864	54,311

Note 6 Other Assets

	2020	2019
	$	$
Accrued Income	45,000	-
Prepayments	39,326	35,416
	84,326	35,416

Note 7 Financial Assets

	2020	2019
	$	$
NON-CURRENT		
Investments in equity instruments designated as at fair value through other comprehensive income	899,014	909,959
Total non-current assets	899,014	909,959

Note 8 Property, Plant and Equipment

	2020 $	2019 $
PLANT AND EQUIPMENT		
Plant and equipment:		
At cost	181,407	142,943
Less accumulated depreciation	(89,729)	(64,974)
	91,678	77,969
Motor vehicles		
At cost	169,384	174,798
(Accumulated depreciation)	(69,670)	(74,955)
	99,714	99,843
Total plant and equipment	191,392	177,812
Total property, plant and equipment	191,392	177,812

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:

	Motor Vehicles $	Plant and Equipment $	Total $
2019			
Balance at the beginning of the year	124,197	63,247	187,444
Additions at cost	15,646	39,942	55,588
Disposals	(5,375)	-	(5,375)
Depreciation expense	(34,626)	(25,219)	(59,845)
Carrying amount at the end of the year	99,842	77,970	177,812
2020			
Balance at the beginning of the year	99,842	77,970	177,812
Additions at cost	59,291	44,323	103,614
Disposals	(23,903)	-	(23,903)
Depreciation expense	(35,517)	(30,614)	(66,130)
Carrying amount at the end of the year	99,713	91,679	191,392

Note 9 Right-of-use assets

	2020 $	2019 $
Leased building	69,980	-
Accumulated depreciation	(35,514)	-
	34,465	-

The Foundation's lease portfolio includes buildings. These leases have an average of 2 years as their lease term. This lease is measured at cost in accordance with the Foundation's accounting policy as outlined in Note 1.

Note 10 Trade and Other Payables

	2020 $	2019 $
CURRENT		
Trade payables	58,984	83,151
GST	(6,900)	(1,657)
PAYG Withholding	15,110	17,603
Superannuation Payable	8,439	8,212
Deferred income	151,144	441,929
	226,777	549,238

Note 11 Provisions

	2020	2019
CURRENT	$	$
Provision for employee benefits: annual leave	112,989	148,942
	112,989	148,942
NON-CURRENT		
Provision for employee benefits: long service leave	23,525	26,290
	23,525	26,290
	136,514	175,232

Note 12 Right-of-Use Lease Liability

	2020	2019
CURRENT	$	$
Right-of-Use Lease liability	34,465	-
	34,465	-

Note 13 Events After the Reporting Period

The Committee has assessed the impact of Covid-19 on the Foundation's financial position at 30 June 2020 and results of its financial performance for the year then ended and do not believe it is necessary to adjust its accounts to reflect its impact. The duration and impact of the COVID-19 pandemic, as well as the effectiveness of government and business responses, remains unclear at this time. Therefore, it is not possible to reliably estimate the duration and severity of these consequences, as well as their impact on the financial position and results of the Foundation for future years.

There has not been any other matter or circumstance other than that referred to in the financial statements or notes thereto, that has arisen since the end of the financial year, that has significantly affected, or may significantly affect, the operations of the Foundation, the results of those operations, or the state of affairs of the Foundation in future financial years.

Note 14 Other Related Party Transactions

There are no identified related party transactions.

Note 15 Cash Flow Information

	2020	2019
	$	$
Reconciliation of Cash Flows from Operating Activities with Net Current Year Surplus		
Net current year surplus/ (deficit)	458,280	(82,111)
Adjustment for:		
Depreciation and amortisation expense	101,644	59,845
Gain on disposal of property, plant and equipment	497	5,446
Movement in working capital changes:		
(Increase)/decrease in accounts receivable and other debtors	41,447	(40,581)
Increase/(decrease) in accounts payable and other payables	(42,724)	12,669
(Increase)/decrease in income received in advance	(295,480)	(207,490)
(Increase)/decrease in accrued income	(45,000)	-
Increase/(decrease) in employee provisions	(38,718)	27,288
(Increase)/decrease in Right-of-use assets	(34,465)	-
(Increase)/decrease in prepayments and other assets	(3,911)	11,514
	141,570	(213,420)

Note 16 Financial Risk Management

The Foundation’s financial instruments consist mainly of deposits with banks, local money market instruments, short-term and long-term investments, accounts receivable and payable, and lease liabilities.

The totals for each category of financial instruments, measured in accordance with AASB 9: *Financial Instruments* as detailed in the accounting policies to these financial statements, are as follows:

	Note	2020 $	2019 $
Financial assets			
Financial assets at amortised cost:			
— cash and cash equivalents	4	670,614	597,809
— trade and other receivables	5	12,864	54,311
Investments in equity instruments designated as at fair value through other comprehensive income	7	899,014	909,959
Total financial assets		1,582,492	1,562,078
Financial liabilities			
Financial liabilities at amortised cost:			
— trade and other payables	10	226,777	549,238
Total financial liabilities		226,777	549,238

Note 17 Entity Details

The registered office and the principal place of the Foundation is:

Youth Insearch Foundation (Aust) Incorporated
Unit 7
9 Hudson Avenue
Castle Hill NSW 2154

YOUTH INSEARCH FOUNDATION (AUST) INCORPORATED
ABN: 31 886 363 881
STATEMENT BY COMMITTEE MEMEBRS

In accordance with a resolution of the committee members of Youth Insearch Foundation (Aust) Incorporated, the committee members of the Foundation declare that:

1. The financial statements and notes, as set out on pages 3 to 17, are in accordance with the Australian Charities and Not-for-profits Commission Act 2012 and:

   (a) comply with Australian Accounting Standards - Reduced Disclosure Requirements; and

   (b) give a true and fair view of the financial position of the registered entity as at 30 June 2020 and of its performance for the year ended on that date.

2. There are reasonable grounds to believe that the registered Foundation will be able to pay its debts as and when they become due and payable.

This declaration is signed in accordance with subs 60.15(2) of the Australian Charities and Not-for-profits Commission Regulation 2013.

Garry Rothwell

Dated this 18th day of September 2020

Andrew Gregory

Dated this 18th day of September 2020

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YBG Your Business Group

YOUTH INSEARCH FOUNDATION (AUST) INCORPORATED

ABN: 31 886 363 881

Independent Auditor's report to the members of the Committee of Youth Insearch Foundation (Aust) Incorporated

Report on the Financial Report

We have audited the financial report of **Youth Insearch Foundation (Aust) Incorporated** (the Foundation), which comprises the statement of financial position as at 30 June 2020, the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information, and the Committee Members' declaration.

Opinion

In our opinion the accompanying financial report of **Youth Insearch Foundation (Aust) Incorporated** is in accordance Div. 60 of the Australian Charities and Not-for-profits Commission Act 2012, including:

a) giving a true and fair view of the Foundation's financial position as at 30 June 2020 and of its financial performance for the year then ended; and

b) complying with Australian Accounting Standards, and Div. 60 of the Australian Charities and Not-for-profits Commission Regulation 2013.

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YOUTH INSEARCH FOUNDATION (AUST) INCORPORATED
ABN: 31 886 363 881
Independent Audit Report to the members of the Committee of Youth Insearch Foundation (Aust) Incorporated
(Continued)

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

Information Other than the Financial Report and Auditor's Report Thereon

The members of the Committee are responsible for the other information. The other information comprises the information included in the foundation's annual report for the year ended 30 June 2020 but does not include the financial report and our auditor's report thereon. Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon. In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information; we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Members of the Committee for the Financial Report

The members of the Committee of the foundation are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the Corporations Act 2001 and for such internal control as the members of the Committee determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the members of the Committee are responsible for assessing the foundation'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 members of the Committee either intend to liquidate the foundation or to cease operations, or have no realistic alternative but to do so.

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YOUTH INSEARCH FOUNDATION (AUST) INCORPORATED
ABN: 31 886 363 881
Independent Audit Report to the members of the Committee of Youth Insearch Foundation (Aust) Incorporated
(Continued)

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 the 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 foundation's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the members of the Committee.
- Conclude on the appropriateness of the members of the Committee'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 foundation'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 foundation 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.

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Independent Audit Report to the members of the Committee of Youth Insearch Foundation (Aust) Incorporated
(Continued)

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the foundation to express an opinion on the financial report. We are responsible for the direction, supervision and performance of the foundation audit. We remain solely responsible for our audit opinion.

We communicate with the members of the Committee 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.

Your Business Group Pty Ltd
Chartered Accountants

Vishnu Naidu
Director

18 September 2020