

Multicultural Youth South Australia Inc

ABN 39 891 067 565

Financial Statements - 30 June 2020

Multicultural Youth South Australia Inc

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30 June 2020

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General information

The financial statements cover Multicultural Youth South Australia Inc as an individual entity. The financial statements are presented in Australian dollars, which is Multicultural Youth South Australia Inc's functional and presentation currency.

Multicultural Youth South Australia Inc is a not-for-profit incorporated association, incorporated and domiciled in Australia.

A description of the nature of the Association's operations and its principal activities are included in the Committee's Report, which is not part of the financial statements.

The financial statements were authorised for issue on 29 October 2020.

**Multicultural Youth South Australia Inc
Committee Members' report
30 June 2020**

The Committee Members present their report, together with the financial statements, on the Association for the year ended 30 June 2020.

Committee Members

The following persons were Committee Members of the Association during the whole of the financial year and up to the date of this report, unless otherwise stated:

Harry Savelsberg (Chairperson)
Melanie Burton (Deputy Chairperson) Resigned 31 March 2020
Joanna Farmer (Treasurer)
Shepard Masocha

Principal activities

During the financial year the principal continuing activities of the Association consisted of:

- Multicultural Youth South Australia (MYSA)'s primary service area is the provision of direct relief, support and development of young refugees and migrants
- MYSA is committed to supporting the community sector, government and local communities to effectively respond to the needs of refugee and migrant young people

The principal continuing activities of the Association's subsidiary, Miss MYSA Events Pty Ltd consisted of:

- providing training and employment opportunities for young refugee people
- engaging the corporate sector and expanding and developing MYSA's partnerships
- providing an income stream that is independent of government funding to be invested into programs and services for young refugee people and their communities.

Benefits as a result of contracts

During the financial year, there were no benefits received or entitled to be received as a result of a contract between an officer, firm or body corporate and the Association.

Payments and other benefits

No payments or benefits of a pecuniary value, other than remuneration in respect of their employment with the Association, were received by any officers of the Association during the financial year.

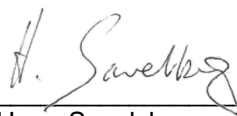
Operating results

The loss for the Association for the financial year amounted to \$26,960 (2019: \$86,011 profit).

Signed in accordance with a resolution of the Members of the Committee:



Joanna Farmer
Treasurer



Harry Savelsberg
Chairperson

29 October 2020

Multicultural Youth South Australia Inc
Statement of profit or loss and other comprehensive income
For the year ended 30 June 2020

	Note	2020 \$	2019 \$
Revenue			
Government Grants		1,422,221	1,466,522
Interest received		6,372	9,259
Other income	2	214,970	250,193
Expenses			
Depreciation and amortisation expense		(105,745)	(42,451)
Repairs and maintenance		(3,411)	(5,473)
Employee benefits expense		(1,020,676)	(908,414)
Interest expense		(20,301)	-
Other operating expenses	3	(520,390)	(683,625)
Net Profit/(Loss) for the year	14	(26,960)	86,011
Other comprehensive income for the year		-	-
Total comprehensive income for the year		<u>(26,960)</u>	<u>86,011</u>

The above statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes

Multicultural Youth South Australia Inc
Statement of financial position
As at 30 June 2020

	Note	2020 \$	2019 \$
Assets			
Current assets			
Cash and cash equivalents	4	492,866	310,565
Trade and other receivables	5	52,542	34,260
Total current assets		<u>545,408</u>	<u>344,825</u>
Non-current assets			
Investments in subsidiaries	8	10	10
Property, plant and equipment	7	133,065	167,587
Right-of-use assets	6	370,022	-
Total non-current assets		<u>503,097</u>	<u>167,597</u>
Total assets		<u>1,048,505</u>	<u>512,422</u>
Liabilities			
Current liabilities			
Trade and other payables	9	51,609	27,604
Lease liabilities	10	62,973	-
Employee benefits	11	61,287	35,451
Grants received in advance		124,287	-
Other accruals		14,800	14,000
Total current liabilities		<u>314,956</u>	<u>77,055</u>
Non-current liabilities			
Lease liabilities	10	325,142	-
Total non-current liabilities		<u>325,142</u>	-
Total liabilities		<u>640,098</u>	<u>77,055</u>
Net assets		<u>408,407</u>	<u>435,367</u>
Equity			
General reserve	13	24,000	24,000
Retained profits	14	384,407	411,367
Total equity		<u>408,407</u>	<u>435,367</u>

The above statement of financial position should be read in conjunction with the accompanying notes

Multicultural Youth South Australia Inc
Statement of changes in equity
For the year ended 30 June 2020

	General reserve \$	Retained earnings \$	Total equity \$
Balance at 1 July 2018	24,000	325,356	349,356
Net Profit for the year	-	86,011	86,011
Other comprehensive income for the year	-	-	-
	<hr/>	<hr/>	<hr/>
Total comprehensive income for the year	-	86,011	86,011
	<hr/>	<hr/>	<hr/>
Balance at 30 June 2019	<u>24,000</u>	<u>411,367</u>	<u>435,367</u>

	General reserve \$	Retained earnings \$	Total equity \$
Balance at 1 July 2019	24,000	411,367	435,367
Loss for the year	-	(26,960)	(26,960)
Other comprehensive income for the year	-	-	-
	<hr/>	<hr/>	<hr/>
Total comprehensive income for the year	-	(26,960)	(26,960)
	<hr/>	<hr/>	<hr/>
Balance at 30 June 2020	<u>24,000</u>	<u>384,407</u>	<u>408,407</u>

The above statement of changes in equity should be read in conjunction with the accompanying notes

Multicultural Youth South Australia Inc
Statement of cash flows
For the year ended 30 June 2020

	Note	2020 \$	2019 \$
Cash flows from operating activities			
Receipts from grants		1,701,159	1,646,194
Receipts - other		223,779	275,212
Payments to suppliers and employees		(1,674,727)	(1,777,731)
Interest received		6,372	9,259
Interest paid		(20,301)	-
Net cash from operating activities	17	<u>236,282</u>	<u>152,934</u>
Cash flows from investing activities			
Payments for property, plant and equipment	7	-	(40,588)
Net cash used in investing activities		-	(40,588)
Cash flows from financing activities			
Loans to related parties		(852)	-
Repayment of lease liabilities		(53,129)	-
Net cash used in financing activities		<u>(53,981)</u>	-
Net increase in cash and cash equivalents		182,301	112,346
Cash and cash equivalents at the beginning of the financial year		<u>310,565</u>	<u>198,219</u>
Cash and cash equivalents at the end of the financial year	4	<u><u>492,866</u></u>	<u><u>310,565</u></u>

The above statement of cash flows should be read in conjunction with the accompanying notes

Note 1. Significant accounting policies

The principal accounting policies adopted in the preparation of the financial statements are set out either in the respective notes or below. These policies have been consistently applied to all the years presented, unless otherwise stated.

New or amended Accounting Standards and Interpretations adopted

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

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

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

AASB 16 Leases

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

AASB 1058 Income of Not-for-Profit Entities

The Association has adopted AASB 1058 from 1 July 2019. The standard replaces AASB 1004 'Contributions' in respect to income recognition requirements for not-for-profit entities. The timing of income recognition under AASB 1058 is dependent upon whether the transaction gives rise to a liability or other performance obligation at the time of receipt. Income under the standard is recognised where: an asset is received in a transaction, such as by way of grant, bequest or donation; there has either been no consideration transferred, or the consideration paid is significantly less than the asset's fair value; and where the intention is to principally enable the entity to further its objectives. For transfers of financial assets to the entity which enable it to acquire or construct a recognisable non-financial asset, the entity must recognise a liability amounting to the excess of the fair value of the transfer received over any related amounts recognised. Related amounts recognised may relate to contributions by owners, AASB 15 revenue or contract liability recognised, lease liabilities in accordance with AASB 16, financial instruments in accordance with AASB 9, or provisions in accordance with AASB 137. The liability is brought to account as income over the period in which the entity satisfies its performance obligation. If the transaction does not enable the entity to acquire or construct a recognisable non-financial asset to be controlled by the entity, then any excess of the initial carrying amount of the recognised asset over the related amounts is recognised as income immediately. Where the fair value of volunteer services received can be measured, a private sector not-for-profit entity can elect to recognise the value of those services as an asset where asset recognition criteria are met or otherwise recognise the value as an expense.

Basis of preparation

In the Committee's opinion, the Association is not a reporting entity because there are no users dependent on general purpose financial statements.

These are special purpose financial statements that have been prepared for the purposes of complying with the Australian Charities and Not-for-profits Commission Act 2012 and South Australian legislation the Associations Incorporation Act 1985 and associated regulations. The Committee Members have determined that the accounting policies adopted are appropriate to meet the needs of the Committee of Multicultural Youth South Australia Inc.

These financial statements have been prepared in accordance with the recognition and measurement requirements specified by the Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') and the disclosure requirements of AASB 101 'Presentation of Financial Statements', AASB 107 'Statement of Cash Flows', AASB 108 'Accounting Policies, Changes in Accounting Estimates and Errors', AASB 1048 'Interpretation of Standards' and AASB 1054 'Australian Additional Disclosures', as appropriate for not-for profit oriented entities.

Multicultural Youth South Australia Inc
Notes to the financial statements
30 June 2020

Note 1. Significant accounting policies (continued)

The financial report has been prepared on an accruals basis and is based on historical costs and does not take into account changing money values, or current valuation of non-current assets, unless specifically stated.

Historical cost convention

The financial statements have been prepared under the historical cost convention, except for, where applicable, the revaluation of financial assets and liabilities at fair value through profit or loss, financial assets at fair value through other comprehensive income, investment properties, certain classes of property, plant and equipment and derivative financial instruments.

Revenue and other income

The Association recognises revenue as follows:

Revenue is recognised when the amount of the revenue can be measured reliably, it is probable that economic benefits associated with the transaction will flow to the entity and specific criteria relating to the type of revenue as noted below, has been satisfied.

Revenue is measured at the fair value of the consideration received or receivable and is presented net of returns, discounts and rebates.

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

Government grants

Income arising from the contribution of an asset (including cash) is recognised when the following conditions have been satisfied:

- (a) the Association obtains control of the contribution or the right to receive the contribution;
- (b) it is probable that the economic benefits comprising the contribution will flow to the Association; and
- (c) the amount of the contribution can be measured reliably at the fair value of the consideration received.

Interest revenue

Interest revenue is recognised as interest accrues using the effective interest method.

Income tax

As the Association is a charitable institution in terms of subsection 50-5 of the Income Tax Assessment Act 1997, as amended, it is exempt from paying income tax.

Current and non-current classification

Assets and liabilities are presented in the statement of financial position based on current and non-current classification.

An asset is classified as current when: it is either expected to be realised or intended to be sold or consumed in the Association's normal operating cycle; it is held primarily for the purpose of trading; it is expected to be realised within 12 months after the reporting period; or the asset is cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least 12 months after the reporting period. All other assets are classified as non-current.

A liability is classified as current when: it is either expected to be settled in the Association's normal operating cycle; it is held primarily for the purpose of trading; it is due to be settled within 12 months after the reporting period; or there is no unconditional right to defer the settlement of the liability for at least 12 months after the reporting period. All other liabilities are classified as non-current.

Financial instruments

Financial instruments are recognised initially using trade date accounting, i.e. on the date that the Association becomes party to the contractual provisions of the instrument.

Financial instruments are initially measured at fair value. Transaction costs are included as part of the initial measurement, except for financial assets at fair value through profit or loss. They are subsequently measured at either amortised cost or fair value depending on their classification. Classification is determined based on the purpose of the acquisition and subsequent reclassification to other categories is restricted.

Note 1. Significant accounting policies (continued)

Financial assets are derecognised when the rights to receive cash flows have expired or have been transferred and the Association has transferred substantially all the risks and rewards of ownership. When there is no reasonable expectation of recovering part or all of a financial asset, its carrying value is written off.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are carried at amortised cost using the effective interest rate method. Gains and losses are recognised in profit or loss when the asset is derecognised or impaired.

Financial assets at amortised cost

A financial asset is measured at amortised cost only if both of the following conditions are met: (i) it is held within a business model whose objective is to hold assets in order to collect contractual cash flows; and (ii) the contractual terms of the financial asset represent contractual cash flows that are solely payments of principal and interest.

Financial liabilities

The Association's financial liabilities have been subsequently measured at amortised cost.

Impairment of financial assets

The Association recognises a loss allowance for expected credit losses on financial assets which are either measured at amortised cost or fair value through other comprehensive income. The measurement of the loss allowance depends upon the Association's assessment at the end of each reporting period as to whether the financial instrument's credit risk has increased significantly since initial recognition, based on reasonable and supportable information that is available, without undue cost or effort to obtain.

Where there has not been a significant increase in exposure to credit risk since initial recognition, a 12-month expected credit loss allowance is estimated. This represents a portion of the asset's lifetime expected credit losses that is attributable to a default event that is possible within the next 12 months. Where a financial asset has become credit impaired or where it is determined that credit risk has increased significantly, the loss allowance is based on the asset's lifetime expected credit losses. The amount of expected credit loss recognised is measured on the basis of the probability weighted present value of anticipated cash shortfalls over the life of the instrument discounted at the original effective interest rate.

Goods and Services Tax ('GST') and other similar taxes

Revenues, expenses and assets are recognised net of the amount of associated GST, unless the GST incurred is not recoverable from the tax authority. In this case it is recognised as part of the cost of the acquisition of the asset or as part of the expense.

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 tax authority is included in other receivables or other 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 tax authority, are presented as operating cash flows.

Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the tax authority.

Economic dependence

Multicultural Youth South Australia Inc is dependent on the Government for the majority of its revenue used to operate the business. At the date of this report the committee members have no reason to believe the Government will not continue to support Multicultural Youth South Australia Inc.

Multicultural Youth South Australia Inc
Notes to the financial statements
30 June 2020

Note 2. Other income

The following amounts have been included in the statement of profit or loss and other comprehensive income for the reporting periods presented:

	2020	2019
	\$	\$
Other income	117,318	83,174
Social enterprise (Miss MYSA Events)	97,652	167,019
	<u>214,970</u>	<u>250,193</u>

Note 3. Other operating expenses

The following amounts have been included in the statement of profit or loss and other comprehensive income for the reporting periods presented:

	2020	2019
	\$	\$
Audit fees	15,549	14,490
Accounting fees	39,600	39,600
Advertising	2,031	6,349
Consultancy fees	79,950	188,657
Rent	12,491	77,824
Motor Vehicle expenses	34,057	36,629
Client costs	31,743	10,629
Insurance	22,006	21,315
Travel and meetings	56,115	50,849
Social enterprise (Miss MYSA Events)	6,436	33,114
Sponsorship	13,975	9,975
Other operating expenses	206,437	194,194
Total other operating expenses	<u>520,390</u>	<u>683,625</u>

Note 4. Cash and cash equivalents

	2020	2019
	\$	\$
<i>Current assets</i>		
Cash at bank and in hand	<u>492,866</u>	<u>310,565</u>

Accounting policy for cash and cash equivalents

Cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

Multicultural Youth South Australia Inc
Notes to the financial statements
30 June 2020

Note 5. Trade and other receivables

	2020 \$	2019 \$
<i>Current assets</i>		
Trade receivables	12,500	965
Prepayments	38,930	31,745
Related party receivables	1,080	229
Other receivables	32	1,321
	<u>52,542</u>	<u>34,260</u>
Total trade and other receivables	<u>52,542</u>	<u>34,260</u>

Accounting policy for trade and other receivables

Trade receivables are initially recognised at fair value and subsequently measured at amortised cost, less any allowance for expected credit losses.

The Association has applied the simplified approach to measuring expected credit losses, which uses a lifetime expected loss allowance.

Note 6. Right-of-use assets

	2020 \$	2019 \$
<i>Non-current assets</i>		
Buildings - right-of-use	441,244	-
Less: Accumulated depreciation	<u>(71,222)</u>	<u>-</u>
	<u>370,022</u>	<u>-</u>

Accounting policy for right-of-use assets

A right-of-use asset is recognised at the commencement date of a lease. The right-of-use asset is measured at cost, which comprises the initial amount of the lease liability, adjusted for, as applicable, any lease payments made at or before the commencement date net of any lease incentives received, any initial direct costs incurred, and, except where included in the cost of inventories, an estimate of costs expected to be incurred for dismantling and removing the underlying asset, and restoring the site or asset.

Right-of-use assets are depreciated on a straight-line basis over the unexpired period of the lease or the estimated useful life of the asset, whichever is the shorter. Where the Association expects to obtain ownership of the leased asset at the end of the lease term, the depreciation is over its estimated useful life. Right-of use assets are subject to impairment or adjusted for any remeasurement of lease liabilities.

The Association has elected not to recognise a right-of-use asset and corresponding lease liability for short-term leases with terms of 12 months or less and leases of low-value assets. Lease payments on these assets are expensed to profit or loss as incurred.

Multicultural Youth South Australia Inc
Notes to the financial statements
30 June 2020

Note 7. Property, plant and equipment

	2020 \$	2019 \$
<i>Non-current assets</i>		
Plant and equipment - at cost	47,079	47,079
Less: Accumulated depreciation	<u>(38,116)</u>	<u>(35,451)</u>
Total plant and equipment	<u>8,963</u>	<u>11,628</u>
Motor vehicles - at cost	305,559	305,559
Less: Accumulated depreciation	<u>(212,856)</u>	<u>(181,955)</u>
Total motor vehicles	<u>92,703</u>	<u>123,604</u>
Office equipment - at cost	18,472	18,472
Less: Accumulated depreciation	<u>(17,413)</u>	<u>(17,296)</u>
Total office equipment	<u>1,059</u>	<u>1,176</u>
Improvements - at cost	33,574	33,574
Less: Accumulated depreciation	<u>(3,234)</u>	<u>(2,395)</u>
Total improvements	<u>30,340</u>	<u>31,179</u>
Total property, plant and equipment	<u><u>133,065</u></u>	<u><u>167,587</u></u>

Movements in carrying amounts of property, plant and equipment

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

	Plant and Equipment \$	Motor Vehicles \$	Office Equipment \$	Improvements \$	Total \$
Balance at 1 July 2018	16,278	123,627	1,307	28,238	169,450
Additions	-	36,808	-	3,780	40,588
Depreciation expense	<u>(4,650)</u>	<u>(36,831)</u>	<u>(131)</u>	<u>(839)</u>	<u>(42,451)</u>
Balance at 30 June 2019	11,628	123,604	1,176	31,179	167,587
Depreciation expense	<u>(2,665)</u>	<u>(30,901)</u>	<u>(117)</u>	<u>(839)</u>	<u>(34,522)</u>
Balance at 30 June 2020	<u><u>8,963</u></u>	<u><u>92,703</u></u>	<u><u>1,059</u></u>	<u><u>30,340</u></u>	<u><u>133,065</u></u>

Accounting policy for 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 of losses.

Where the cost model is used, the asset is carried at its cost less any accumulated depreciation and any impairment losses. Costs include purchase price, other directly attributable costs and the initial estimate of the costs of dismantling and restoring the asset, where applicable.

Plant and equipment

Plant and equipment are measured using the cost model.

Depreciation

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

Multicultural Youth South Australia Inc
Notes to the financial statements
30 June 2020

Note 8. Investments in subsidiaries

Miss MYSAs Events Pty Ltd is a wholly owned subsidiary of Multicultural Youth South Australia Inc.

	2020 \$	2019 \$
<i>Non-current assets</i>		
Shares - Miss MYSAs Events Pty Ltd	10	10

Note 9. Trade and other payables

	2020 \$	2019 \$
<i>Current liabilities</i>		
Trade payables	7,855	6,086
GST payable	9,982	74
Other payables	33,772	21,444
Total trade and other payables	51,609	27,604

Accounting policy for trade and other payables

These amounts represent liabilities for goods and services provided to the Association prior to the end of the financial year and which are unpaid. Due to their short-term nature they are measured at amortised cost and are not discounted.

Note 10. Lease liabilities

	2020 \$	2019 \$
<i>Current liabilities</i>		
Lease liability - Buildings	62,973	-
<i>Non-current liabilities</i>		
Lease liability - Buildings	325,142	-
	388,115	-

Accounting policy for lease liabilities

A lease liability is recognised at the commencement date of a lease. The lease liability is initially recognised at the present value of the lease payments to be made over the term of the lease, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Association's incremental borrowing rate. Lease payments comprise of fixed payments less any lease incentives receivable, variable lease payments that depend on an index or a rate, amounts expected to be paid under residual value guarantees, exercise price of a purchase option when the exercise of the option is reasonably certain to occur, and any anticipated termination penalties. The variable lease payments that do not depend on an index or a rate are expensed in the period in which they are incurred.

Lease liabilities are measured at amortised cost using the effective interest method. The carrying amounts are remeasured if there is a change in the following: future lease payments arising from a change in an index or a rate used; residual guarantee; lease term; certainty of a purchase option and termination penalties. When a lease liability is remeasured, an adjustment is made to the corresponding right-of use asset, or to profit or loss if the carrying amount of the right-of-use asset is fully written down.

Multicultural Youth South Australia Inc
Notes to the financial statements
30 June 2020

Note 11. Employee benefits

	2020 \$	2019 \$
<i>Current liabilities</i>		
Annual leave	58,044	32,287
Long service leave	3,243	3,164
	<u>61,287</u>	<u>35,451</u>
Total employee benefit provisions	<u>61,287</u>	<u>35,451</u>

Accounting policy for employee benefits

A provision is made for the Association's liability for employee benefits arising from services rendered by employees to the end of the reporting period. Employee benefits that are expected to be settled within one year have been measured at the amounts expected to be paid when the liability is settled.

Employee benefits expected to be settled more than twelve months 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. Changes in the measurement of the liability are recognised in profit or loss.

Employee benefits are presented as current liabilities in the statement of financial position if the Association does not have an unconditional right to defer settlement of the liability for at least 12 months after the reporting date regardless of the classification of the liability for measurement purposes under AASB 119.

Note 12. Provisions

Accounting policy for employee benefits

Other long-term employee benefits

The liability for annual leave and long service leave not expected to be settled within 12 months of the reporting date are measured at the present value of expected future payments to be made in respect of services provided by employees up to the reporting date using the projected unit credit method. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using market yields at the reporting date on national government bonds with terms to maturity and currency that match, as closely as possible, the estimated future cash outflows.

Note 13. General reserve

Long Term Maintenance

The general reserve of \$24,000 (2019: \$24,000) records funds set aside for the future restoration of the 28 Hindley Street, Adelaide premises of Multicultural Youth South Australia Inc. to its original condition.

	2020 \$	2019 \$
General reserve	<u>24,000</u>	<u>24,000</u>

Note 14. Retained profits

	2020 \$	2019 \$
Retained profits at the beginning of the financial year	411,367	325,356
Net Profit/(Loss) for the year	<u>(26,960)</u>	<u>86,011</u>
Retained profits at the end of the financial year	<u>384,407</u>	<u>411,367</u>

Multicultural Youth South Australia Inc
Notes to the financial statements
30 June 2020

Note 15. Contingencies

In the opinion of the Committee of Management, the Association did not have any contingencies at 30 June 2020 (2019: None).

Note 16. Events after the reporting period

During the year ended 30 June 2020, the Directors of Miss MYSA Events Pty Ltd resolved to de-register the company. The application for voluntary de-registration of the company was submitted to ASIC on 16 July 2020 and was finalised by ASIC on 21 September 2020.

No other matter or circumstance has arisen since 30 June 2020 that has significantly affected, or may significantly affect the Association's operations, the results of those operations, or the Association's state of affairs in future financial years.

Note 17. Reconciliation of net profit/(loss) to net cash from operating activities

	2020	2019
	\$	\$
Net Profit/(Loss) for the year	(26,960)	86,011
Adjustments for:		
Depreciation and amortisation	105,745	42,451
Change in operating assets and liabilities:		
Decrease/(increase) in trade and other receivables	(10,245)	32,703
Increase in prepayments	(7,184)	-
Increase/(decrease) in trade and other payables	24,004	(14,808)
Increase in employee benefits	25,835	6,577
Increase in other accruals	800	-
Increase in grants in advance	124,287	-
Net cash from operating activities	<u>236,282</u>	<u>152,934</u>

Note 18. Association Details

The registered office of the Association is:

28 Hindley Street, Adelaide SA 5000

The principal places of business of the Association are:

28 Hindley Street, Adelaide SA 5000
255 Torrens Road, West Croydon SA 5008

Multicultural Youth South Australia Inc
Committee Members' declaration
30 June 2020

In the opinion of the committee the financial report as set out on pages 4 to 14:

- the Association is not a reporting entity because there are no users dependent on general purpose financial statements. Accordingly, as described in note 1 to the financial statements, the attached special purpose financial statements have been prepared for the purposes of complying with the Australian Charities and Not-for-profits Commission Act 2012 and South Australian legislation the Associations Incorporation Act 1985 and associated regulations;
- the attached financial statements and notes comply with the Accounting Standards as described in note 1 to the financial statements;
- the attached financial statements and notes give a true and fair view of the Association's financial position as at 30 June 2020 and of its performance for the financial year ended on that date; and
- there are reasonable grounds to believe that the Association will be able to pay its debts as and when they become due and payable.

This statement is made in accordance with a resolution of the committee and is signed in accordance with subsection 60.15(2) of the Australian Charities and Not-for-profit Commission Regulation 2013, for and on behalf of the committee by:



Joanna Farmer
Treasurer



Harry Savelsberg
Chairperson

29 October 2020

MULTICULTURAL YOUTH SOUTH AUSTRALIA INC

ABN 39 891 067 565

AUDITOR'S INDEPENDENCE DECLARATION

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

HLB Mann Judd

**HLB Mann Judd Audit (SA) Pty Ltd
Chartered Accountants**



**Jon Colquhoun
Director**

Adelaide, South Australia

29 October 2020

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**Independent Auditor's Report
To the Members of Multicultural Youth South Australia Inc**

Opinion

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

In our opinion, the accompanying financial report of the Association is in accordance with Division 60 of the *Australian Charities and Not-for-profits Commission Act 2012* and the *Associations Incorporation Act (SA) 1985*, including:

- a) giving a true and fair view of the Association's financial position as at 30 June 2020 and of its financial performance and cash flows for the year then ended; and
- b) complying with Australian Accounting Standards to the extent described in Note 1 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 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.

Emphasis of Matter – Basis of Accounting

We draw attention to Note 1 to the financial report, which describes the basis of accounting. The financial report has been prepared for the purpose of fulfilling the financial reporting responsibilities under the *Australian Charities and Not-for-profits Commission Act 2012* and the *Associations Incorporation Act (SA) 1985*. As a result, the financial report may not be suitable for another purpose. Our opinion is not modified in respect of this matter.

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Responsibilities of Management and Committee members for the Financial Report

Management is responsible for the preparation of the special purpose financial report that gives a true and fair view in accordance with the relevant Australian Accounting Standards in accordance with the *Australian Charities and Not-for Profits Commission Regulations 2013* and the *Australian Charities and Not-for-profits Commission Act 2012* and the *Associations Incorporation Act (SA) 1985* and for such internal control as management determines is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error.

In preparing the special purpose financial report, management is responsible for assessing the Association's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intend to liquidate the Association or to cease operations, or have no realistic alternative but to do so.

Committee members are 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 this financial report.

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Association's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of the management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Association's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's

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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 Committee members regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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

HLB Mann Judd

HLB Mann Judd Audit (SA) Pty Ltd
Chartered Accountants

Adelaide, South Australia
29 October 2020



Jon Colquhoun
Director

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