

***Youthconnections.com.au***  
**ABN 29 131 297 213 AND CONTROLLED ENTITIES**

**Financial Report  
For The Year Ended  
30 June 2013**

**Youthconnections.com.au**  
**ABN 29 131 297 213 and Controlled Entities**

---

**Financial Report**  
**For The Year Ended**  
**30 June 2013**

	<i>Page Number</i>
<i>Director's Report</i> .....	3
<i>Auditor's Independence Declaration</i> .....	5
<i>Statement of Comprehensive Income</i> .....	6
<i>Statement of Financial Position</i> .....	7
<i>Statement of Changes In Members' Funds</i> .....	8
<i>Statement of Cash Flows</i> .....	9
<i>Notes to the Financial Statements</i> .....	10
<i>Directors Declaration</i> .....	21
<i>Independent Audit Report</i> .....	22

# Youthconnections.com.au

## ABN 29 131 297 213 and Controlled Entities

---

### Director's Report

Your directors present their report on the Youthconnections.com.au and its controlled entities for the year ended 30 June 2013.

#### Directors

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

<b>Name</b>	<b>Qualifications and period of directorship</b>
Patrick James Lewis	Chair (Appointed November 2008)
David Ella	Deputy Chair (Resigned September 2013)
Niel Richard Jacobsen	Secretary (Resigned September 2012)
David Hope	Director (Resigned September 2012)
Sharryn Browlee	Director (Resigned September 2012)
Ian Carruthers	Director (Appointed September 2012)
Maj Kong	Director (Appointed September 2012)
Andy Grauner	Director (Appointed September 2012)

The company is incorporated under the *Corporations Act 2001* and is a company limited by guarantee. If the company is wound up, the constitution states that each member is required to contribute a maximum of \$5.00 each towards meeting any outstanding obligations of the company.

#### Principal Activities

The principle activities of the consolidated group during the year were to provide pathways to secondary education and facilitate job placement programmes on the Central Coast through various Government subsidised project. The consolidated group provides group training for residents of the Central Coast, also training and employment opportunities for 'at risk' youth through social enterprise activities such as construction, hospitality, horticulture and mechanical engineering. The consolidated group has also worked extensively to regenerate the land and buildings at Mt Penang Parkland, and to establish social enterprise as a wholesale nursery and facilities to accommodate training programs in the community.

There were no significant changes in the nature of these activities during the year.

#### Short-term and Long-term Objectives

##### Short-term

The short-term objectives are to relocate our disability program to Green Central, establish our social enterprise and implement our production school.

##### Long-term

Long-term objective is to own our own property and to be self sufficient through our social enterprises to ensure continuity of our programs in view of government funding not continuing.

**Youthconnections.com.au**  
**ABN 29 131 297 213 and Controlled Entities**

---

**Director's Report**

**Strategies adopted to meet objectives**

The strategy adopted to meet objectives is establishing partnerships with key stakeholders to ensure we achieve our long term and short term objectives.

**Operating Result**

The operating profit for the company amounted to \$164,366 (2012: Loss \$431,811). The company is exempt from income tax.

**Proceeds on Behalf of the Company**

No person has applied for leave of Court to bring proceedings on behalf of the company or intervene in any proceedings to which the company is a party for the purposes of taking responsibility on behalf of the entity for all or any part of those proceedings.

**Auditor's Independence Declaration**

A copy of the auditor's independence declaration as required under section 307C of the Corporations Act 2001 is set out in page 5.

The director's report is signed in accordance with a resolution of the directors.

Director

Dated: 15-11-13

Director

15.11.13

**Youthconnections.com.au**  
**ABN 29 131 297 213 and Controlled Entities**

---

**Auditor's Independence Declaration Under Section 307C of the Corporations Act 2001  
to the Directors of Youthconnections.com.au and Controlled Entities**

I declare that, to the best of my knowledge and belief, during the financial year ended 30 June 2013, there have been:

- (i) no contraventions of the auditor independence requirements as set out in the Corporations Act 2001 in relation to the audit; and
- (ii) no contraventions of any applicable code of professional conduct in relation to the audit.

**FORTUNITY ASSURANCE**



**T R Davidson**  
Partner

155 The Entrance Road  
ERINA NSW 2250

Dated: *15 November, 2013*

**Youthconnections.com.au**  
**ABN 29 131 297 213 and Controlled Entities**

---

**Statement of Comprehensive Income**  
**For The Year Ended 30 June 2013**

<b>Consolidated Group</b>			
	<b>Note</b>	<b>2013</b>	<b>2012</b>
		<b>\$</b>	<b>\$</b>
Revenues	2	6,527,325	6,549,390
Employee benefits expense		(4,469,808)	(3,927,135)
Construction expenses		(657,718)	(1,420,305)
Depreciation expenses		(132,925)	(99,701)
Finance costs		(28,809)	(18,797)
Other expenses from ordinary activities		(1,073,699)	(1,515,263)
<b>Loss before income tax</b>	3	<u>164,366</u>	<u>(431,811)</u>
Income tax expense		-	-
<b>Net loss for the year</b>		<u>164,366</u>	<u>(431,811)</u>
Other comprehensive income:			
Net gain on revaluation of property		-	2,657,000
<b>Total comprehensive income for the year</b>		<u>164,366</u>	<u>2,225,189</u>

The accompanying notes form part of these financial statements.

**Youthconnections.com.au**  
**ABN 29 131 297 213 and Controlled Entities**

**Statement of Financial Position**  
**As At 30 June 2013**

<b>Consolidated Group</b>			
	Note	2013 \$	2012 \$
<b>ASSETS</b>			
<b><i>Current Assets</i></b>			
Cash and cash equivalents	4	565,520	93,488
Trade and other receivables	5	241,070	246,196
Prepayments		16,598	-
<b><i>Total Current Assets</i></b>		823,188	339,684
<b><i>Non-Current Assets</i></b>			
Property, plant & equipment	6	2,994,380	3,118,080
<b><i>Total Non-Current Assets</i></b>		2,994,380	3,118,080
<b><i>Total Assets</i></b>		3,817,568	3,457,764
<b>LIABILITIES</b>			
<b><i>Current Liabilities</i></b>			
Trade and other payables	7	576,565	242,053
Employee benefits	8	244,852	226,821
Borrowings	9	228,757	207,786
Other		8,272	-
<b><i>Total Current Liabilities</i></b>		1,058,446	676,660
<b><i>Non-Current Liabilities</i></b>			
Employee benefits	8	40,604	56,568
Borrowings	9	-	65,908
<b><i>Total Non-Current Liabilities</i></b>		40,604	122,476
<b><i>Total Liabilities</i></b>		1,099,050	799,136
<b><i>Net Assets</i></b>		2,718,518	2,658,628
<b><i>Members' Funds</i></b>			
Retained earnings		61,518	1,628
Asset revaluation reserve		2,657,000	2,657,000
<b><i>Total Members' Funds</i></b>		2,718,518	2,658,628

The accompanying notes form part of these financial statements.

**Youthconnections.com.au**  
**ABN 29 131 297 213 and Controlled Entities**

---

**Statement of Changes in Members' Fund**  
**For The Year Ended 30 June 2013**

	<b>Asset Revaluation Reserve</b>	<b>Retained Earnings</b>	<b>Total</b>
		\$	\$
<b>Balance at 1 July 2011</b>	-	486,050	486,050
Deficit for the year	-	(431,811)	(431,811)
Adjustment related to prior year	-	(52,611)	(52,611)
Revaluation increments	2,567,000	-	2,657,000
<b>Balance at 30 June 2012</b>	<u>2,657,000</u>	<u>1,628</u>	<u>2,658,628</u>
Deficit for the year	-	164,366	164,366
Adjustment related to prior year	-	(104,476)	(104,476)
Revaluation increments			
<b>Balance at 30 June 2013</b>	<u>2,657,000</u>	<u>61,518</u>	<u>2,718,518</u>

The accompanying notes form part of these financial statements.



**Youthconnections.com.au**  
**ABN 29 131 297 213 and Controlled Entities**

---

**Statement of Cash Flows**  
**For The Year Ended 30 June 2013**

		<b>Consolidated Group</b>	
	<b>Note</b>	<b>2013</b>	<b>2012</b>
		<b>\$</b>	<b>\$</b>
<b><i>Cash Flow from Operating Activities</i></b>			
Receipts from customers, grants		6,539,485	6,458,873
Payments to suppliers and employees		(5,876,644)	(6,583,491)
Interest received		1,238	9,772
Net cash used in operating activities	10 (b)	664,079	(114,846)
<b><i>Cash Flow from Investing Activities</i></b>			
Proceeds from sale of property, plant and equipment		9,000	-
Payment for property, plant and equipment		(156,110)	(150,948)
Net cash used in investing activities		(147,110)	(150,948)
<b><i>Cash Flow from Financing Activities</i></b>			
Borrowings proceeds		-	19,834
Repayment of borrowings		(61,367)	(68,685)
		(61,367)	(48,851)
Net (decrease)/ increase in cash held		455,602	(314,645)
Cash at beginning of year		(63,495)	251,150
<b><i>Cash at the End of Financial Year</i></b>	10(a)	392,107	(63,495)

The accompanying notes form part of these financial statements.

**Youthconnections.com.au**  
**ABN 29 131 297 213 and Controlled Entities**

**Notes To The Financial Statements**  
**For The Financial Year Ended 30 June 2013**

**Note 1. Statement of Significant Accounting Policies**

The consolidated financial statements and notes represent those of Youthconnections.com.au and controlled entities (the 'consolidated group' or 'group'). Youthconnections.com.au is incorporated and domiciled in New South Wales, Australia. Youthconnections.com.au is a company limited by guarantee.

The separate financial statements of the parent entity, Youthconnections.com.au have not been presented within this financial report as permitted by amendments made to the Corporations Act 2001 effective as at 28 June 2010.

**Basis of Preparation**

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 and the Corporations Act 2001.

Material accounting policies adopted in the preparation of these financial statements are presented below and have been consistently applied unless otherwise stated.

The financial statements 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.

**(a) Principles of Consolidation**

The consolidated financial statements incorporated the assets, liabilities and results of entities controlled by Youthconnections.com.au at the end of the reporting period. A controlled entity is any entity over which Youthconnections.com.au has power to govern the financial and operating policies so as to obtain benefits from its activities.

In preparing the consolidated financial statements, all intra-group balances and transactions between entities in the consolidated group have been eliminated in full on consolidation. A list of controlled entities is contained in Note 13 to the financial statements.

**(b) Income Tax**

The consolidated group is exempt from income tax.

**(c) Property, Plant and Equipment**

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

**(d) Depreciation**

The depreciable amount of all fixed assets are depreciated on a straight line basis over the useful lives of the assets to the association commencing from the time the asset is held ready for use.

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

Class of Asset	Depreciation Rate
Leasehold improvements	20%
Motor Vehicle	20-40%
Plant and Equipment	30%
Furniture and fittings	20%

**Youthconnections.com.au**  
**ABN 29 131 297 213 and Controlled Entities**

---

**Notes To The Financial Statements**  
**For The Financial Year Ended 30 June 2013**

**(e) Financial Instruments**

**Classification and Subsequent Measurement**

Financial instruments are subsequently measured at fair value, amortised cost using the effective interest rate method, or cost. Where available, quoted prices in an active market are used to determine fair value. In other circumstances, valuation techniques are adopted.

Amortised cost is calculated as the amount at which the financial asset or financial liability is measured at initial recognition less principal repayments and reduction for impairment, and adjusted for any cumulative amortisation of the difference between that initial amount and the maturity amount calculated using the effective interest method.

The effective interest method is used to allocate interest income or interest expense over the relevant period and is equivalent to the rate that exactly discounts estimated future cash payments or receipts (including fees, transaction costs and other premiums or discounts) through the expected life (or when this cannot be reliably predicted, the contractual term) of the financial instrument to the net carrying amount of the financial asset or financial liability. Revisions to expected future net cash flows will necessitate an adjustment to the carrying amount with a consequential recognition of an income or expense item in profit or loss.

Fair value is determined based on current bid prices for all quoted investments. Valuation techniques are applied to determine the fair value for all unlisted securities, including recent arm's length transactions, reference to similar instruments and option pricing models.

*(i) Financial assets at fair value through profit or loss.*

Financial assets are classified at "fair value through profit or loss" when they are held for trading for the purpose of short term profit taking, derivatives not held for hedging purposes, or when they are designated as such to avoid an accounting mismatch or to enable performance evaluation where a group of financial assets is managed by key management personnel on a fair value basis in accordance with a documented risk management or investment strategy. Such assets are subsequently measured at fair value with changes in carrying amount being included in profit or loss.

*(ii) Loans and receivables*

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and are subsequently measured at amortised cost. Gains or losses are recognised in profit or loss through the amortisation process and when the financial asset is derecognised.

**Notes To The Financial Statements**  
**For The Financial Year Ended 30 June 2013**

**1. Summary of Significant Accounting Policies (cont'd)**

**(e) Financial Instruments (cont'd)**

*(iii) Held-to-maturity investments*

Held-to-maturity investments are non-derivative financial assets that have fixed maturities and fixed or determinable payments, and it is the company's intention to hold these investments to maturity. They are subsequently measured at amortised cost. Gains or losses are recognised in profit or loss through the amortisation process and when the financial asset is derecognised.

*(iv) Available-for-sale financial assets*

Available-for-sale financial assets are non-derivative financial assets that are either not capable of being classified into other categories of financial assets due to their nature or they are designated as such by management. They comprise investments in the equity of other entities where there is neither a fixed maturity nor fixed or determinable payments.

They are subsequently measured at fair value with any re-measurements other than impairment losses and foreign exchange gains and losses recognised in other comprehensive income. When the financial asset is derecognised, the cumulative gain or loss pertaining to that asset previously recognised in other comprehensive income is reclassified into profit or loss.

Available-for-sale financial assets are classified as non-current assets when they are expected to be sold after 12 months from the end of the reporting period. All other available for sale financial assets are classified as current assets.

*(v) Financial liabilities*

Non-derivative financial liabilities other than financial guarantees are subsequently measured at amortised cost. Gains or losses are recognised in profit or loss through the amortisation process and when the financial liability is derecognised.

**Impairment**

At the end of each reporting period, the company assesses whether there is objective evidence that a financial asset has been impaired. A financial asset (or a group of financial assets) is deemed to be impaired if, and only if, there is objective evidence of impairment as a result of one or more events (a "loss event") having occurred, which has an impact on the estimated future cash flows of the financial asset(s).

In the case of available-for-sale financial assets, a significant or prolonged decline in the market value of the instrument is considered a loss event. Impairment losses are recognised in profit or loss immediately. Also, any cumulative decline in fair value previously recognised in other comprehensive income is reclassified to profit or loss at this point.

**Notes To The Financial Statements**  
**For The Financial Year Ended 30 June 2013**

**1. Summary of Significant Accounting Policies (cont'd)**

**(e) Financial Instruments (cont'd)**

In the case of financial assets carried at amortised cost, loss events may include: indications in debtors or a group of debtors are experiencing significant financial difficulty, default or delinquency in interest or principal payments; indications that they will enter into bankruptcy or other financial reorganisation; and changes in arrears or economic conditions that collate with defaults.

For financial assets carried at at amortised cost (including loans and receivables), a separate allowance account is used to reduce the carrying amount of the financial assets impaired by credit losses. After having undertaken all possible measures of recovery, if management establishes that the carrying amount cannot be recovered by any means, at that point the written-off of amounts are charged to the allowance account or the carrying amount of impaired financial assets is reduced directly if no impairment amount was previously recognised in the allowance accounts.

When the term financial assets that would otherwise have been past due or impaired have been renegotiated, the company recognises the impairment for such financial assets taking into the account the original terms as if the terms have not been renegotiated so that the loss events that have occurred are duly considered.

**Derecognition**

Financial assets are derecognised where the contractual rights to receipt of cash flows expire or the asset is transferred to another party whereby the entity no longer has any significant continuing involvement in the risks and benefits associated with the asset. Financial liabilities are derecognised where the related obligations are discharged, cancelled or expired. The difference between the carrying amount of the financial liability, which is extinguished or transferred to another party, and the fair value of consideration paid, including the transfer of non-cash assets or liabilities assumed, is recognised in profit or loss.

**(f) Impairment of Assets**

At the end of each reporting period, the entity assesses whether there is any indication that an asset may be impaired. If such indication exists, an impairment test is carried out on the asset by comparing the recoverable amount if an asset, being the higher of the asset's fair value less costs to sell and value in use, to the asset's carrying amount. Any excess of the asset's carrying amount over its recoverable amount is recognised immediately in profit and loss, unless the asset is carried at a revalued amount in accordance with another Standard (e.g. in accordance with the revaluation model in AASB 116). Any impairment or loss of a revalued asset is treated as a revaluation decrease in accordance with that other standard.

**Youthconnections.com.au**  
**ABN 29 131 297 213 and Controlled Entities**

---

**Notes To The Financial Statements**  
**For The Financial Year Ended 30 June 2013**

**1. Summary of Significant Accounting Policies (cont'd)**

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

Impairment testing is performed annually for goodwill and intangible assets with indefinite lives.

**(g) Employee Entitlements**

Provision is made for the group's liability for employee benefits arising from services rendered by employees to balance date. 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, plus related on-costs. Employee benefits payable later than one year have been measured at the present value of the estimated future cash outflows to be made for their benefits.

**(h) 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.

**(i) Trade and Other Receivables**

Trade and other receivables include amounts due from members as well as amounts receivable from customers for goods sold in ordinary course of business. 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. Trade and other receivables are initially recognised at fair value and subsequently measured at amortised cost using the effective interest rate method, less any provision for impairment. Refer to note 1(f) for further discussion on the determination of impairment losses.

**(j) 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 Tax Office (ATO).

**(k) Trade and Other Payables**

Trade and other payables represent the liabilities for goods and services received by the company during the reporting period that remain unpaid at the end of the reporting period. The balance is recognised as a current liability with the amounts normally paid within 30 days of recognition of the liability.

**Youthconnections.com.au**  
**ABN 29 131 297 213 and Controlled Entities**

---

**Notes To The Financial Statements**  
**For The Financial Year Ended 30 June 2013**

**1. Summary of Significant Accounting Policies (cont'd)**

**(l) Economic Independence**

Youthconnections.com.au and the group are dependent upon the Department of Education, Employment and Workplace Relations for the majority of its revenues to operate the business. At the date of this report the Board of Directors has no reason to believe the Department will not continue to support Youthconnections.com.au.

**(m) Critical Accounting Estimates and Judgements**

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that may have a financial impact on the entity and that are believed to be reasonable under the circumstances.

**(n) New Accounting Standards and Interpretations**

Certain new accounting standards and interpretations have been published that are not mandatory for 31 December 2012 reporting periods. The Group's assessment of the impact of these new standards and interpretations is that their adoption is not expected to have a material impact on future financial statements.

	<b>Consolidated Group</b>	
	<b>2013</b>	<b>2012</b>
	<b>\$</b>	<b>\$</b>
<b>Note 2. Revenue</b>		
Operating activities		
Funding received	4,002,587	3,627,174
Construction income	815,043	1,249,082
Training revenue	1,105,847	1,066,861
Incentives received	87,798	111,757
Rebates and recoveries	2,915	4,040
Donations	6,119	74,927
Other income	505,778	405,777
	6,526,087	6,539,618
Non-operating activities		
Interest received	1,238	9,772
	6,527,325	6,549,390
<b>Total Revenue</b>	<b>6,527,325</b>	<b>6,549,390</b>

**Youthconnections.com.au**  
**ABN 29 131 297 213 and Controlled Entities**

---

**Notes To The Financial Statements**  
**For The Financial Year Ended 30 June 2013**

**Consolidated Group**

	<b>2013</b>	<b>2012</b>
	<b>\$</b>	<b>\$</b>
<b>Note 3. Profit from Ordinary Activities</b>		
Profit from ordinary activities has been determined after:		
(a) Expenses		
Borrowing costs	28,809	18,797
Depreciation	166,816	99,701
	<hr/>	<hr/>
<b>Note 4. Cash and cash equivalents</b>		
Cash on hand	4,033	3,450
Cash at bank	561,487	90,038
	<hr/>	<hr/>
	565,520	93,488
	<hr/>	<hr/>
<b>Note 5. Trade and other receivables</b>		
Trade debtors	232,464	237,661
Bonds	7,751	7,751
Other debtors	1	1
GST receivables	854	783
	<hr/>	<hr/>
	241,070	246,196
	<hr/>	<hr/>



**Youthconnections.com.au**  
**ABN 29 131 297 213 and Controlled Entities**

---

**Notes To The Financial Statements**  
**For The Year Ended 30 June 2013**

**Consolidated Group**

**2013**  
**\$**

**2012**  
**\$**

**Note 6. Property, Plant & Equipment**

Leasehold improvements - at directors' valuation (a)	2,657,000	2,657,000
	<hr/>	<hr/>
Leasehold improvements – at cost	51,360	38,298
Less accumulated depreciation	(71,009)	(3,295)
	<hr/>	<hr/>
	2,637,351	2,692,003
	<hr/>	<hr/>
Plant and equipment – at cost	511,457	494,887
Less accumulated depreciation	(252,291)	(186,754)
	<hr/>	<hr/>
	259,166	308,133
	<hr/>	<hr/>
Motor vehicle – at cost	232,594	232,894
Less accumulated depreciation	(134,731)	(114,950)
	<hr/>	<hr/>
	97,863	117,944
	<hr/>	<hr/>
	2,994,380	3,118,080
	<hr/>	<hr/>

a) The leasehold improvements at Green Central, Kariong were valued by the directors on 30 June 2013.

b)

**Note 7. Trade and other payables**

Trade payables	120,694	3,097
Other payables and accruals	279,580	158,781
GST payable	176,291	80,175
	<hr/>	<hr/>
	576,565	242,053
	<hr/>	<hr/>

**Youthconnections.com.au**  
**ABN 29 131 297 213 and Controlled Entities**

---

**Notes To The Financial Statements**  
**For The Year Ended 30 June 2013**

	<b>Consolidated Group</b>	
	<b>2013</b>	<b>2012</b>
	<b>\$</b>	<b>\$</b>
<b>Note 8. Employee Benefits</b>		
Current:		
Annual leave	203,951	210,885
Long service leave	40,901	15,936
	<u>244,852</u>	<u>226,821</u>
Non-Current:		
Annual leave	40,604	31,603
Long service leave	-	24,965
	<u>40,604</u>	<u>56,568</u>
<b>Note 9. Borrowings</b>		
Current:		
Bank overdraft	173,413	156,983
Hire purchase liabilities	55,344	50,803
	<u>228,757</u>	<u>207,786</u>
Non-Current:		
Hire purchase liabilities	-	65,908
	<u>-</u>	<u>65,908</u>

**Youthconnections.com.au**  
**ABN 29 131 297 213 and Controlled Entities**

---

**Notes To The Financial Statements**  
**For The Year Ended 30 June 2013**

**Consolidated Group**

	<b>2013</b>	<b>2012</b>
	<b>\$</b>	<b>\$</b>
<b>Note 10. Cash Flow Statement</b>		
<b>(a) Reconciliation of Cash</b>		
Cash at the end of the financial year as shown in the statements of cash flows is reconciled to items in the statements of financial position as follows.		
Cash on hand	4,033	3,450
Cash at bank	561,487	90,038
Bank overdrafts	(173,413)	(156,983)
	392,107	(63,495)
<b>(b) Reconciliation of net cash provided by operating activities to operating profit after income tax.</b>		
Operating (loss) /profit for the year	164,366	(431,811)
Non-cash flows in profit from ordinary activities		
Depreciation and amortisation	166,816	99,701
Profit on sale of non-current assets	(482)	-
Changes in net assets and liabilities:		
Trade and other receivables	5,126	(2,382)
Prepayments	(16,598)	10,401
Trade and other payables	334,512	222,887
Employee benefits	2,067	75,122
Funding in advance	8,272	(88,764)
	664,079	(114,846)

**Note 11. Controlled Entities**

**Controlled Entities Consolidated**

Subsidiaries of Youthconnections.com.au:  
- YC Industry Link Pty Ltd  
- YG Enterprises Pty Ltd  
- BISEE Pty Ltd

**Youthconnections.com.au**  
**ABN 29 131 297 213 and Controlled Entities**

---

**Notes To The Financial Statements**  
**For The Year Ended 30 June 2013**

**Note 12. Parent Information**

The following information has been extracted from the books and records of the parent and has been prepared in accordance with Australian Accounting Standards.

	2013 \$	2012 \$
<b>STATEMENT OF FINANCIAL POSITION</b>		
<b>Assets</b>		
Current assets	1,876,111	730,773
Non-current assets	2,830,534	2,932,760
<b>Total Assets</b>	<u>4,706,645</u>	<u>3,663,533</u>
<b>Liabilities</b>		
Current liabilities	667,086	439,252
Non-current liabilities	38,960	121,692
<b>Total Liabilities</b>	<u>706,046</u>	<u>560,944</u>
<b>Members' Funds</b>		
Retained earnings	1,343,599	445,589
Asset revaluation reserve	2,657,000	2,657,000
<b>Total Members' Funds</b>	<u>4,000,599</u>	<u>3,102,589</u>
<b>STATEMENT OF COMPREHENSIVE INCOME</b>		
Total profit/(loss) for the year	<u>1,002,486</u>	<u>188,682</u>
Total comprehensive income for the year	<u>1,002,486</u>	<u>2,845,682</u>

**Youthconnections.com.au**  
**ABN 29 131 297 213 and Controlled Entities**

---

**Directors' Declaration**

The directors of Youthconnections.com.au declare that:


1. The financial statements and notes, as set out on pages 6 to 20 are in accordance with the Corporations Act 2001:
  - (a) comply with Accounting Standards and the Corporations Regulations 2001; and
  - (b) give a true and fair view of the financial position as at 30 June 2013 and of the performance for the year ended on that date.
2. In the directors' opinion there are reasonable grounds to believe that the consolidated group will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the Board of Directors.

Director

Tuggerah

Dated: 15-11-13

  
Director  
15-11-13

# **Independent Audit Report To The Members Of Youthconnections.com.au And Controlled Entities**

---

## Report on the Financial Report

We have audited the accompanying financial report of Youthconnections.com.au and its controlled entities, which comprises the statement of financial position as at 30 June 2013 and the statement of comprehensive income, statement of changes in members funds and statement of cash flows for the year ended on that date, a summary of significant accounting policies and other explanatory notes and the directors' declaration of the controlled entity comprising the company and the entities it controlled at the year's end or from time to time during the financial year.

## Directors' Responsibility for the Financial Report

The directors of the company are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards - Reduced Disclosure Requirements (including the Australian Accounting Interpretations) and the Corporations Act 2001. This responsibility includes establishing and maintaining internal control relevant to the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error, selecting and applying appropriate accounting policies and making accounting estimates, that are reasonable in the circumstances.

## Auditors Responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. These Auditing Standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the company's preparation and fair presentation of the financial report 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 controlled entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial report.

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

## Independence

In conducting our audit, we have complied with the independence requirements of the Corporations Act 2001 and Australian professional ethical pronouncements.

# Independent Audit Report To The Members Of Youthconnections.com.au and Controlled Entities

---

## Audit Opinion

In our opinion, the financial report of Youthconnections.com.au is in accordance with, the Corporations Act 2001, including:

- (i) giving a true and fair view of the consolidated entity's financial position as at 30 June 2013 and of its performance for the year ended on that date; and
- (ii) complying with Australian Accounting Standards - Reduced Disclosure Requirements (including the Australian accounting Interpretations) and the Corporations Regulations 2001.

**FORTUNITY ASSURANCE**



**T R Davidson**  
Partner

155 The Entrance Road  
Erina NSW 2250

Dated: *15 November*, 2013

