Sharehouse Youth Programs Inc

ABN: 28 652 817 755

Financial Statements

For the Year Ended 30 June 2022

Sharehouse Youth Programs Inc

ABN: 28 652 817 755

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For the Year Ended 30 June 2022

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INDEPENDENCE DECLARATION

TO THE COMMITTEE MEMBERS OF
SHAREHOUSE YOUTH PROGRAMS INC
FOR THE YEAR ENDED 30 JUNE 2022

We declare that, to the best of our knowledge and belief, in relation to the audit of Sharehouse Youth Programs Inc for the year ended 30 June 2022, there have been:

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

Jessups

Paul Sapelli
Partner

Dated: 13 October 2022

Sharehouse Youth Programs Inc

ABN: 28 652 817 755

Statement of Profit or Loss and Other Comprehensive Income
For the Year Ended 30 June 2022

	Note	2022 $	2021 $
Revenue and other income	3	**1,464,847**	1,158,814
Depreciation		**(101,483)**	(112,298)
Employee benefits expense		**(880,886)**	(852,672)
Other expenses	4	**(400,494)**	(422,103)
Profit/ (loss) before income tax		**81,984**	(228,259)
Income tax expense	2(b)	**-**	-
Profit/(loss) after income tax		**81,984**	(228,259)
Other comprehensive income for the year, net of tax		**-**	-
Total comprehensive income for the year		**81,984**	(228,259)

The accompanying notes form part of these financial statements.

Sharehouse Youth Programs Inc

ABN: 28 652 817 755

Statement of Financial Position

As At 30 June 2022

	Note	2022 $	2021 $
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	5	**816,956**	712,956
Trade and other receivables	6	**1,318**	28,440
Other assets	8	**7,826**	7,500
TOTAL CURRENT ASSETS		**826,100**	748,896
NON-CURRENT ASSETS			
Property, plant and equipment	7	**71,653**	53,045
Right-of-use assets	9	**466,108**	526,356
Other assets	8	**9,000**	9,000
TOTAL NON-CURRENT ASSETS		**546,761**	588,401
TOTAL ASSETS		**1,372,861**	1,337,297
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	10	**71,147**	48,866
Lease liabilities	9	**78,740**	72,873
Short-term provisions	11	**18,421**	34,912
TOTAL CURRENT LIABILITIES		**168,308**	156,651
NON-CURRENT LIABILITIES			
Lease liabilities	9	**398,281**	457,177
Long-term provisions	11	**6,671**	5,852
TOTAL NON-CURRENT LIABILITIES		**404,952**	463,029
TOTAL LIABILITIES		**573,260**	619,680
NET ASSETS		**799,601**	717,617
EQUITY			
Retained earnings		**799,601**	717,617
TOTAL EQUITY		**799,601**	717,617

The accompanying notes form part of these financial statements.

Statement of Changes in Equity
For the Year Ended 30 June 2022

2022

	Retained Earnings	Total
	$	$
Balance at 1 July 2021	717,617	717,617
Profit/(loss) for the year	**81,984**	**81,984**
Balance at 30 June 2022	799,601	799,601

2021

	Retained Earnings	Total
	$	$
Balance at 1 July 2020	945,876	945,876
Profit/(loss) for the year	(228,259)	(228,259)
Balance at 30 June 2021	717,617	717,617

Sharehouse Youth Programs Inc

ABN: 28 652 817 755

Statement of Cash Flows

For the Year Ended 30 June 2022

	Note	2022 $	2021 $
CASH FLOWS FROM OPERATING ACTIVITIES:			
Receipts from customers		**1,642,962**	1,130,137
Payments to suppliers and employees		**(1,408,670)**	(1,291,133)
Interest received		**126**	413
Interest paid		**(17,546)**	(8,553)
Net cash provided by/(used in) operating activities		**216,872**	(169,136)
CASH FLOWS FROM INVESTING ACTIVITIES:			
Purchase of property, plant and equipment		**(38,668)**	(8,076)
Net cash provided by/(used in) investing activities		**(38,668)**	(8,076)
CASH FLOWS FROM FINANCING ACTIVITIES:			
Payment of lease liabilities		**(74,204)**	(90,773)
Net cash provided by/(used in) financing activities		**(74,204)**	(90,773)
Net increase/(decrease) in cash and cash equivalents held		**104,000**	(267,985)
Cash and cash equivalents at beginning of year		**712,956**	980,941
Cash and cash equivalents at end of financial year	5	**816,956**	712,956

The accompanying notes form part of these financial statements.

Notes to the Financial Statements

For the Year Ended 30 June 2022

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

The principal activities of the Association for the year ended 30 June 2022 were provision of crisis accommodation, mobile outreach support and case management for young people who are homeless or at risk of homelessness.

The functional and presentation currency of Sharehouse Youth Programs Inc is Australian dollars.

Comparatives are consistent with prior years, unless otherwise stated.

1 Basis of Preparation

In the opinion of the Management committee the Association is not a reporting entity since there are unlikely to exist users of the financial statements who are not able to command the preparation of reports tailored so as to satisfy specifically all of their information needs. These special purpose financial statements have been prepared to meet the reporting requirements of the *Australian Charities and Not-for-profits Commission Act 2012.*

The financial statements have been prepared in accordance with the recognition and measurement requirements of the Australian Accounting Standards and Accounting Interpretations, 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* and AASB 1054 *Australian Additional Disclosures*.

The Association is preparing special purpose financial statements as the Management committee are of the opinion that users may obtain the financial information they require upon request.

The financial statements and material accounting policies all comply with the recognition and measurement requirements in Australian Accounting Standards.

2 Summary of Significant Accounting Policies

(a) Revenue and other income

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

1. Identify the contract with the customer

2. Identify the performance obligations

3. Determine the transaction price

4. Allocate the transaction price to the performance obligations

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

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

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

Grant income

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

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

Revenue recognition policy for contracts which are either not enforceable or do not have sufficiently specific performance obligations (AASB 1058)

Amounts arising from grants in the scope of AASB 1058 are recognised at the assets fair value when the asset is received. The Association considers whether there are any related liability or equity items associated with the asset which are recognised in accordance with the relevant accounting standard.

Once the assets and liabilities have been recognised then income is recognised for any remaining asset value at the time that the asset is received.

Capital grants

Capital grants received to enable the company to acquire or construct an item of property, plant and equipment to identified specifications which will be under the Association's control and which is enforceable are recognised as revenue as and when the obligation to construct or purchase is completed.

For construction projects, this is generally as the construction progresses in accordance with costs incurred.

For acquisitions of assets, the revenue is recognised when the asset is acquired and controlled by the Association.

Rental income

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

Other income

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

(b) Income Tax

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

(c) Goods and services tax (GST)

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

Receivables and payable are stated inclusive of GST.

Cash flows in the statement of cash flows are included on a gross basis and the GST component of cash flows arising from investing and financing activities which is recoverable from, or payable to, the taxation authority is classified as operating cash flows.

(d) Property, plant and equipment

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

Items of property, plant and equipment acquired for nil or nominal consideration have been recorded at the acquisition date fair value.

Plant and equipment

Plant and equipment are measured using the cost model.

Depreciation

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

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

Fixed asset class	Depreciation rate
Plant and Equipment	10-40%

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

(e) Financial instruments

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

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

Financial assets

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

Classification

On initial recognition, the Association classifies its financial assets into the following categories, those measured at:

- amortised cost (the Association only has financial assets in this category)
- fair value through profit or loss - FVTPL
- fair value through other comprehensive income - equity instrument (FVOCI - equity)
- fair value through other comprehensive income - debt investments (FVOCI - debt)

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

Amortised cost

Assets measured at amortised cost are financial assets where:

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

The Association's financial assets measured at amortised cost comprise trade and other receivables and cash and cash equivalents in the statement of financial position.

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

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

Impairment of financial assets

Impairment of financial assets is recognised on an expected credit loss (ECL) basis for the following assets:

- financial assets measured at amortised cost

Credit losses are measured as the present value of the difference between the cash flows due to the Association in accordance with the contract and the cash flows expected to be received. This is applied using a probability weighted approach.

Trade receivables

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

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

Other financial assets measured at amortised cost

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

Financial liabilities

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

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

(f) Impairment of non-financial assets

At the end of each reporting period the Association determines whether there is an evidence of an impairment indicator for non-financial assets.

Where an indicator exists and regardless for indefinite life intangible assets and intangible assets not yet available for use, the recoverable amount of the asset is estimated.

Where assets do not operate independently of other assets, the recoverable amount of the relevant cash-generating unit (CGU) is estimated.

The recoverable amount of an asset or CGU is the higher of the fair value less costs of disposal and the value in use. Value in use is the present value of the future cash flows expected to be derived from an asset or cash-generating unit.

Where the recoverable amount is less than the carrying amount, an impairment loss is recognised in profit or loss.

Reversal indicators are considered in subsequent periods for all assets which have suffered an impairment loss.

(g) Cash and cash equivalents

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

(h) Leases

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

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

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

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

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

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

Exceptions to lease accounting

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

(i) Employee benefits

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

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

Notes to the Financial Statements

For the Year Ended 30 June 2022

3 Revenue and Other Income

	2022	2021
	$	$
Grant funding	**1,335,750**	979,848
Rental income	**88,144**	95,396
Recoupments	**19,258**	33,151
QYS lease income	**21,519**	-
Cashflow Boost	**-**	50,000
Sundry income	**176**	418
	1,464,847	1,158,814

4 Other Expenses

	2022	2021
	$	$
Client expenses	**11,655**	99,894
Computer expenses	**33,907**	28,300
Consulting and professional fees	**21,135**	-
Electricity and utilities	**34,070**	37,884
Equipment < $5,000	**58,979**	22,595
Insurance	**30,352**	31,974
Motor vehicle expenses	**15,189**	10,542
Other employee related expenses	**34,325**	23,679
QYS lease expenses	**20,459**	-
Rates and taxes	**12,339**	22,492
Rent expense	**-**	2,690
Repairs and maintenance	**56,021**	47,261
Security costs	**3,180**	13,654
Telephone and fax	**8,182**	10,828
Other expenses	**60,700**	70,311
	400,494	422,103

5 Cash and Cash Equivalents

	2022	2021
	$	$
Short-term deposits	**26,830**	26,738
Bank balances	**790,126**	686,218
	816,956	712,956

Notes to the Financial Statements

For the Year Ended 30 June 2022

6 Trade and other receivables

	2022 $	2021 $
Trade receivables	**1,318**	1,076
Government subsidies receivable	**-**	27,364
	1,318	28,440

7 Property, plant and equipment

	2022 $	2021 $
Plant and equipment		
At cost	**79,302**	76,425
Accumulated depreciation	**(63,796)**	(60,491)
Total plant and equipment	**15,506**	15,934
Motor vehicles		
At cost	**105,878**	70,087
Accumulated depreciation	**(49,731)**	(32,976)
Total motor vehicles	**56,147**	37,111
Total property, plant and equipment	**71,653**	53,045

8 Other Assets

	2022 $	2021 $
CURRENT		
Prepaid rent	**7,826**	7,500
	7,826	7,500
NON-CURRENT		
Rental premises deposit	**9,000**	9,000
	9,000	9,000

Notes to the Financial Statements

For the Year Ended 30 June 2022

9 Leases

Right-of-use assets

	Buildings $	Total $
Year ended 30 June 2022		
Balance at beginning of year	**526,356**	**526,356**
Depreciation	**(81,423)**	**(81,423)**
Additions	**21,175**	**21,175**
Balance at end of year	**466,108**	**466,108**

	Buildings $	Total $
Year ended 30 June 2021		
Balance at the beginning of the year	61,377	61,377
Depreciation	(94,690)	(94,690)
Additions	559,669	559,669
Balance at end of year	526,356	526,356

Lease liabilities

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

	< 1 year $	1 - 5 years $	> 5 years $	Total undiscounted lease liabilities $	Lease liabilities included in this Statement Of Financial Position $
2022					
Lease liabilities	**93,906**	**375,625**	**54,779**	**524,310**	**477,021**
2021					
Lease liabilities	90,000	360,000	142,500	592,500	530,050

10 Trade and Other Payables

	2022 $	2021 $
Trade payables	**4,742**	6,304
Credit card	**4,548**	2,332
Superannuation payable	**5,120**	10,380
GST and PAYG payable	**39,502**	29,849
Deferred grant income	**17,234**	-
	71,147	48,866

Notes to the Financial Statements
For the Year Ended 30 June 2022

11 Provisions

	2022	2021
	$	$
CURRENT		
Provision for annual leave	**18,421**	34,912
	18,421	34,912
NON-CURRENT		
Long service leave	**6,671**	5,852
	6,671	5,852

12 Contingencies

In the opinion of the Management committee, the Association did not have any contingencies at 30 June 2022 (30 June 2021:None).

13 Events Occurring After the Reporting Date

The financial report was authorised for issue on the date that the Responsible Persons' Declaration was signed by the Management Committee.

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

Sharehouse Youth Programs Inc

ABN: 28 652 817 755

Responsible Persons' Declaration

The responsible persons declare that in the responsible persons' opinion:

- there are reasonable grounds to believe that the registered entity is able to pay all of its debts, as and when they become due and payable; and

- the financial statements and notes satisfy the requirements of the *Australian Charities and Not-for-profits Commission Act 2012.*

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

Responsible person ....

Dated 13/10/2022

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INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF SHAREHOUSE YOUTH PROGRAMS INC FOR THE YEAR ENDED 30 JUNE 2022

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of Sharehouse Youth Programs Inc (the registered entity), which comprises the statement of financial position as at 30 June 2022, 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, and notes to the financial statements, including a summary of significant accounting policies, and the responsible persons' declaration.

In our opinion, the accompanying financial report of the registered entity is in accordance with Division 60 of the *Australian Charities and Not-for-profits Commission Act 2012* (ACNC Act), including:

- giving a true and fair view of the registered entity's financial position as at 30 June 2022 and of its financial performance for the year then ended; and
- complying with Australian Accounting Standards, 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 registered entity in accordance with the ACNC Act and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110: *Code of Ethics for Professional Accountants* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We 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 registered entity's financial reporting responsibilities under the ACNC Act. As a result, the financial report may not be suitable for another purpose. Our opinion is not modified in respect of this matter.

Responsibilities of the Committee for the Financial Report

The committee members of the registered entity are responsible for the preparation of the financial report that gives a true and fair view and have determined that the basis of preparation in Note 1 to the financial report is appropriate to meet the requirements of the ACNC Act and is appropriate to meet the needs of the members. The committees' responsibility also includes such internal control as the committee members determine is necessary to enable the preparation of a 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 committee members are responsible for assessing the registered entity's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless the committee members either intend to liquidate the registered entity or to cease operations, or have no realistic alternative but to do so.

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.

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards website at: http://www.auasb.gov.au/auditors_responsibilities/ar4.pdf. This description forms part of our auditor's report.

Jessups

Paul Sapelli
Partner

Level 1, 211 Sturt Street, Townsville, QLD 4810

Dated: 13 October 2022