

# **Centre for Multicultural Youth**

ABN 82 127 444 713

## **Financial Statements**

For the Year Ended 30 June 2021

# Centre for Multicultural Youth

ABN 82 127 444 713

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For the Year Ended 30 June 2021

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## Statement of Profit or Loss and Other Comprehensive Income

### For the Year Ended 30 June 2021

		2021	2020
	Note	\$	\$
Revenue	5	13,130,400	8,787,958
Other income	5	537,603	1,167,667
Employee benefits expense		(7,568,874)	(9,363,454)
Depreciation and amortisation expense	6	(153,700)	(232,636)
Repairs and maintenance expense		(1,374)	(9,500)
Utilities expense		(19,157)	(30,008)
Rental expense		(109,155)	(71,039)
Training and welfare expense		(12,413)	(39,082)
Audit, legal and consultancy expense		(218,836)	(150,982)
Other expenses		(2,679,240)	(2,935,969)
Finance costs		(3,392)	(6,608)
<b>Surplus/(deficit) for the year</b>		<b>2,901,862</b>	<b>(2,883,653)</b>
<b>Other comprehensive income</b>			
<b>Items that will not be reclassified subsequently to profit or loss</b>		-	-
<b>Items that will be reclassified to profit or loss when specific conditions are met</b>		-	-
<b>Total comprehensive income for the year</b>		<b>2,901,862</b>	<b>(2,883,653)</b>

## Statement of Financial Position

### As At 30 June 2021

	Note	2021 \$	2020 \$
<b>ASSETS</b>			
<b>CURRENT ASSETS</b>			
Cash and cash equivalents	7	4,729,597	2,624,028
Trade and other receivables	8	195,765	121,103
Other financial assets	9	11,935,201	8,564,388
Contract assets	10(a)	160,146	90,616
Other assets	11	65,721	57,520
<b>TOTAL CURRENT ASSETS</b>		<b>17,086,430</b>	<b>11,457,655</b>
<b>NON-CURRENT ASSETS</b>			
Other financial assets	9	550,000	50,000
Right-of-use assets	12(a)	107,970	279,457
Property, plant and equipment	13	92,173	64,020
<b>TOTAL NON-CURRENT ASSETS</b>		<b>750,413</b>	<b>393,477</b>
<b>TOTAL ASSETS</b>		<b>17,836,573</b>	<b>11,851,132</b>
<b>LIABILITIES</b>			
<b>CURRENT LIABILITIES</b>			
Trade and other payables	14	1,280,258	1,047,74
Lease liabilities		112,910	168,186
Employee benefits	15	1,308,251	1,010,58
Other liabilities	16	140,416	168,083
Contract liabilities	10(b)	6,689,449	3,927,750
<b>TOTAL CURRENT LIABILITIES</b>		<b>9,531,284</b>	<b>6,322,353</b>
<b>NON-CURRENT LIABILITIES</b>			
Lease liabilities		-	106,432
Employee benefits	15	93,443	112,363
<b>TOTAL NON-CURRENT LIABILITIES</b>		<b>93,443</b>	<b>218,795</b>
<b>TOTAL LIABILITIES</b>		<b>9,624,727</b>	<b>6,541,148</b>
<b>NET ASSETS</b>		<b>8,211,846</b>	<b>5,309,984</b>
<b>MEMBERS' FUNDS</b>			
Reserves	17	-	-
Accumulated surplus	18	8,211,846	5,309,984
<b>TOTAL MEMBERS' FUNDS</b>		<b>8,211,846</b>	<b>5,309,984</b>

## Statement of Changes in Members' Funds

### For the Year Ended 30 June 2021

2021

	Note	Accumulated surplus \$	Financial Assets Reserve \$	Unspent Grant Funds Reserve \$	Total \$
<b>Balance at 1 July 2020</b>	18,17	<b>5,309,984</b>	-	-	<b>5,309,984</b>
Net deficit for the year	18	<b>2,901,862</b>	-	-	<b>2,901,862</b>
Transfers to/(from) unspent grant funds reserve	18,17	-	-	-	-
<b>Balance at 30 June 2021</b>	18,17	<b>8,211,846</b>	-	-	<b>8,211,846</b>

2020

	Note	Retained Surpluses \$	Financial Assets Reserve \$	Unspent Grant Funds Reserve \$	Total \$
<b>Balance at 1 July 2019</b>	18,17	6,790,260	-	1,403,377	8,193,637
Net surplus for the year	18	(2,883,653)	-	-	(2,883,653)
Transfer to/(from) unspent grant funds reserve	18,17	1,403,377	-	(1,403,377)	-
<b>Balance at 30 June 2020</b>	18,17	<b>5,309,984</b>	-	-	<b>5,309,984</b>

## Statement of Cash Flows

### For the Year Ended 30 June 2021

	2021	2020
Note	\$	\$
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>		
Receipts from customers	17,369,826	14,929,597
Payments to suppliers and employees	(11,341,052)	(13,631,491)
Dividends received	21,436	22,195
Interest received	98,247	152,465
<b>Net cash provided by/(used in) operating activities</b>	<b>6,148,457</b>	<b>1,472,766</b>
	25	
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>		
Proceeds from sale of plant and equipment	-	-
Proceeds from sale of investment	-	173,666
Purchase of property, plant and equipment	(48,171)	(10,577)
Purchase of financial assets	(3,870,813)	(214,551)
<b>Net cash provided by/(used in) investing activities</b>	<b>(3,918,984)</b>	<b>(51,462)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES:</b>		
Repayment of lease liabilities	(123,904)	(214,165)
<b>Net cash provided by/(used in) financing activities</b>	<b>(123,904)</b>	<b>(214,165)</b>
Net increase/(decrease) in cash and cash equivalents held	2,105,569	1,207,139
Cash and cash equivalents at beginning of year	2,624,028	1,416,889
<b>Cash and cash equivalents at end of financial year</b>	<b>4,729,597</b>	<b>2,624,028</b>
	7(a)	

# Notes to the Financial Statements

## For the Year Ended 30 June 2021

The financial report covers Centre for Multicultural Youth ("the Company") as an individual entity. Centre for Multicultural Youth is a not-for-profit Company limited by guarantee, incorporated and domiciled in Australia.

The functional and presentation currency of Centre for Multicultural Youth is Australian dollars.

The financial report was authorised for issue by the Directors on 18 November 2021.

Comparatives are consistent with prior years, unless otherwise stated.

### 1 Basis of Preparation

The financial statements are general purpose financial statements that have been prepared in accordance with the Australian Accounting Standards - Reduced Disclosure Requirements and the *Australian Charities and Not-for-profits Commission Act 2012* ("ACNC Act 2012").

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

Significant accounting policies adopted in the preparation of these financial statements are presented below and are consistent with prior reporting periods unless otherwise stated.

### 2 Summary of Significant Accounting Policies

#### (a) Income Tax

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

#### (b) Leases

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

This involves an assessment of whether:

- The contract involves the use of an identified asset - this may be explicitly or implicitly identified within the agreement. If the supplier has a substantive substitution right then there is no identified asset.
- The Company has the right to obtain substantially all of the economic benefits from the use of the asset throughout the period of use.

# Notes to the Financial Statements

## For the Year Ended 30 June 2021

### 2 Summary of Significant Accounting Policies (continued)

#### (b) Leases (continued)

- The Company has the right to direct the use of the asset i.e. decision making rights in relation to changing how and for what purpose the asset is used.

#### **Lessee accounting**

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

At the lease commencement, the Company recognises a right-of-use asset and associated lease liability for the lease term. The lease term includes extension periods where the Company 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 Company'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 Company'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 Company 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 Company recognises the payments associated with these leases as an expense on a straight-line basis over the lease term.

#### (c) Revenue and other income

##### **Rendering of services**

Revenue in relation to rendering of services is recognised depending on whether the outcome of the services can be estimated reliably. If the outcome can be estimated reliably then the stage of completion of the services is used to determine the appropriate level of revenue to be recognised in the period.

If the outcome cannot be reliably estimated then revenue is recognised to the extent of expenses recognised that are recoverable.

# Notes to the Financial Statements

## For the Year Ended 30 June 2021

### 2 Summary of Significant Accounting Policies (continued)

#### (c) Revenue and other income (continued)

##### Grant revenue

Grant revenue is recognised in the statement of profit or loss and other comprehensive income when the Company obtains control of the grant, it is probable that the economic benefits gained from the grant will flow to the Company and the amount of the grant can be measured reliably.

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

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

##### Revenue from contracts with customers

##### For the current year

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 Company 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.

##### Revenue from contracts with customers (continued)

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

# Notes to the Financial Statements

## For the Year Ended 30 June 2021

### 2 Summary of Significant Accounting Policies

(continued) (c) Revenue and other income

(continued)

#### Specific revenue streams

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

#### Rendering of services

Revenue from provision of services is recognised in the accounting period in which the services are rendered. For fixed price contracts, revenue is recognised based on the actual services provided to the end of the reporting period as a proportion of the total services to be provided as the customer receives and uses the benefit simultaneously.

#### Statement of financial position balances relating to revenue recognition

##### Contract assets and liabilities

Where the amounts billed to customers are based on the achievement of various milestones established in the contract, the amounts recognised as revenue in a given period do not necessarily coincide with the amounts billed to or certified by the customer.

When a performance obligation is satisfied by transferring a promised good or service to the customer before the customer pays consideration or the before payment is due, the Company presents the contract as a contract asset, unless the Company's rights to that amount of consideration are unconditional, in which case the Company recognises a receivable.

When an amount of consideration is received from a customer prior to the entity transferring a good or service to the customer, the Company presents the contract as a contract liability.

##### Grant revenue

Government grants are recognised at fair value where there is reasonable assurance that the grant will be received and all grant conditions will be met. Grants relating to expense items are recognised as income over the periods necessary to match the grant to the costs they are compensating. Grants relating to assets are credited to deferred income at fair value and are credited to income over the expected useful life of the asset on a straight-line basis.

##### Donations

Donations and bequests are recognised as revenue when received.

##### Interest revenue

Interest is recognised using the effective interest method.

# Notes to the Financial Statements

## For the Year Ended 30 June 2021

### 2 Summary of Significant Accounting Policies (continued)

#### (c) Revenue and other income (continued)

##### Dividend revenue

Dividends are recognised when the entity's right to receive payment is established.

##### Other income

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

#### (d) 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.

Bank overdrafts also form part of cash equivalents for the purpose of the statement of cash flows and are presented within current liabilities on the statement of financial position.

#### (e) Financial instruments

Financial instruments are recognised initially on the date that the Company 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 Company classifies its financial assets into the following categories, those measured at:

- amortised cost; and
- fair value through profit or loss - FVTPL.

Financial assets are not reclassified subsequent to their initial recognition unless the Company 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

# Notes to the Financial Statements

## For the Year Ended 30 June 2021

### 2 Summary of Significant Accounting Policies (continued)

#### (e) Financial instruments (continued)

##### Financial assets (continued)

- the contractual terms give rise on specified dates to cash flows are solely payments of principal and interest on the principal amount outstanding.

The Company'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.

##### **Financial assets through profit or loss**

All financial assets not classified as measured at amortised cost or fair value through other comprehensive income as described above are measured at FVTPL.

Net gains or losses, including any interest or dividend income are recognised in profit or loss (refer to hedging accounting policy for derivatives designated as hedging instruments.)

The Company holds derivative financial instruments to hedge its foreign currency and interest rate risk exposures. Embedded derivatives are separated from the host contract and accounted for separately if the host contract is not a financial asset and certain criteria are met.

##### *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.

When determining whether the credit risk of a financial assets has increased significant since initial recognition and when estimating ECL, the Company considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis based on the Company's historical experience and informed credit assessment and including forward looking information.

The Company uses the presumption that an asset which is more than 30 days past due has seen a significant increase in credit risk.

The Company uses the presumption that a financial asset is in default when:

- the other party is unlikely to pay its credit obligations to the Company in full, without recourse to the Company to actions such as realising security (if any is held); or
- the financial assets is more than 90 days past due.

# Notes to the Financial Statements

## For the Year Ended 30 June 2021

### 2 Summary of Significant Accounting Policies (continued)

#### (e) Financial instruments (continued)

##### Financial assets (continued)

Credit losses are measured as the present value of the difference between the cash flows due to the Company 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 Company 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.

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

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

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

##### Financial liabilities

The Company 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 Company comprise trade and other payables.

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

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

##### Depreciation

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

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

# Notes to the Financial Statements

## For the Year Ended 30 June 2021

### 2 Summary of Significant Accounting Policies (continued)

#### (f) Property, plant and equipment (continued)

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

<b>Fixed asset class</b>	<b>Depreciation rate</b>
Furniture, Fixtures and Fittings (Reducing balance)	20% - 25%
Office furniture and equipment (Reducing balance)	40% - 50%
Property improvements (Reducing balance)	20%

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.

#### (g) Impairment of non-financial assets

At the end of each reporting period the Company determines whether there is any evidence of impairment for its 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.

#### (h) Employee benefits

##### Short-term employee benefits

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

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

# Notes to the Financial Statements

## For the Year Ended 30 June 2021

### 2 Summary of Significant Accounting Policies (continued)

#### (h) Employee benefits (continued)

##### Other long-term employee benefits

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

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

#### (i) 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 payables 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.

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

The Company has adopted all standards which became effective for the first time at 30 June 2020, the adoption of these standards has not caused any material adjustments to the reported financial position, performance or cash flow of the Company or refer to Note 2 for details of the changes due to standards adopted.

#### (k) New accounting standards for application in future periods

The AASB has issued new and amended Accounting Standards and Interpretations that have mandatory application dates for future reporting periods. The directors have decided against early adoption of these Standards, but does not expect the adoption of these standards to have any impact on the reported position or performance of the Company.

# Notes to the Financial Statements

## For the Year Ended 30 June 2021

### 3 Critical Accounting Estimates and Judgements

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

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

The significant estimates and judgements made have been described below.

The directors have not made any significant accounting estimates or judgements which are likely to affect the future results of the Company.

### 4 Key judgements - Impact of COVID-19

Judgement has been exercised in considering the impacts that the Coronavirus (COVID-19) pandemic has had, or may have, on the Company based on known information. There does not currently appear to be either any significant impact upon the financial statements or any significant uncertainties with respect to events or conditions which may impact the Company unfavourably as at the reporting date as a result of the Coronavirus (COVID-19) pandemic.

## Notes to the Financial Statements

### For the Year Ended 30 June 2021

#### 5 Revenue and Other Income

##### Revenue from continuing operations

	2021	2020
	\$	\$
<b>Revenue</b>		
- grants received	13,127,001	8,774,943
- donations received	3,399	13,015
<b>Total revenue</b>	<u>13,130,400</u>	<u>8,787,958</u>
<b>Other income</b>		
- interest received	98,247	152,465
- dividend received	21,436	22,195
- fair value adjustments on financial assets	91,932	13,331
- cash flow boost	50,000	50,000
- other revenue	275,988	929,676
<b>Total other income</b>	<u>537,603</u>	<u>1,167,667</u>
<b>Total revenue and other income</b>	<u>13,668,003</u>	<u>9,955,625</u>

#### 6 Result for the Year

The result for the year includes the following specific expenses:

	2021	2020
	\$	\$
<b>Depreciation expenses:</b>		
Office furniture and equipment	10,960	12,488
Furniture and fittings	1,476	1,844
Property improvements	7,582	8,977
Right-of-use assets	133,682	209,326
<b>Total depreciation expenses</b>	<u>153,700</u>	<u>232,635</u>
<b>Rental expense on operating leases:</b>		
Property and workspace leases	109,155	71,039
Short term rental - vehicles	198,018	227,984
<b>Total rental expense on operating leases</b>	<u>307,173</u>	<u>299,023</u>

## Notes to the Financial Statements

### For the Year Ended 30 June 2021

#### 7 Cash and Cash Equivalents

	2021	2020
Note	\$	\$
Cash on hand	23,619	17,226
Bendigo bank accounts	3,703,129	1,716,676
Westpac bank accounts	884,887	863,851
Managed funds cash account	117,972	26,275
<b>Total cash and cash equivalents</b>	<b>4,729,597</b>	<b>2,624,028</b>

#### (a) Reconciliation of cash

Cash and cash equivalents reported in the statement of cash flows are reconciled to the equivalent items in the statement of financial position as follows:

Cash and cash equivalents	7	4,729,597	2,624,028
<b>Balance as per statement of cash flows</b>		<b>4,729,597</b>	<b>2,624,028</b>

#### 8 Trade and Other Receivables

	2021	2020
	\$	\$
CURRENT		
Trade receivables	187,521	115,358
Other receivables	8,244	5,745
<b>Total current trade and other receivables</b>	<b>195,765</b>	<b>121,103</b>

The carrying value of trade receivables is considered a reasonable approximation of fair value due to the short-term nature of the balances.

The maximum exposure to credit risk at the reporting date is the fair value of each class of receivable in the financial statements.

## Notes to the Financial Statements

### For the Year Ended 30 June 2021

#### 9 Other Financial Assets

	2021	2020
Note	\$	\$
<b>CURRENT</b>		
Financial assets at amortised cost	9(a) 10,306,391	7,957,466
Financial assets at fair value through profit or loss	9(b) 1,628,810	606,922
<b>Total current other financial assets</b>	<b>11,935,201</b>	<b>8,564,388</b>
<b>NON-CURRENT</b>		
Financial assets at amortised cost	9(a) 550,000	50,000
Held to maturity financial assets	-	-
<b>Total non-current other financial assets</b>	<b>550,000</b>	<b>50,000</b>
<b>(a) Financial assets at amortised cost</b>		
<b>CURRENT</b>		
Term deposits	10,306,391	7,957,466
<b>NON-CURRENT</b>		
Term deposits	550,000	50,000
<b>Total financial assets at amortised cost</b>	<b>10,856,391</b>	<b>8,007,466</b>
<b>(b) Financial assets at fair value through profit or loss</b>		
<b>CURRENT</b>		
Managed funds	1,628,810	606,922
<b>Total financial assets at fair value through profit or loss</b>	<b>1,628,810</b>	<b>606,922</b>

#### 10 Contract Balances

<b>(a) Current contract assets</b>		
	2021	2020
	\$	\$
<b>CURRENT</b>		
Accrued income	160,146	90,616
<b>Total current contract assets</b>	<b>160,146</b>	<b>90,616</b>
<b>(b) Current contract liabilities</b>		
<b>CURRENT</b>		
Grants received in advance	6,689,449	3,927,750
<b>Total current contract liabilities</b>	<b>6,689,449</b>	<b>3,927,750</b>

## Centre for Multicultural Youth

ABN 82 127 444 713

### Notes to the Financial Statements For the Year Ended 30 June 2021

#### 11 Other Assets

	2021	2020
	\$	\$
CURRENT		
Prepayments	43,389	31,423
Accrued income	-	-
Rental bond	22,332	26,097
<b>Total current other assets</b>	<b>65,721</b>	<b>57,520</b>

#### 12 Leases

##### Company as a lessee

The Company has a number of leases over its office premises.

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

##### *Terms and conditions of leases*

The Company leases buildings and property for their corporate offices and buildings, the leases are generally 2-3 years and some of the leases include a renewal option to all the Company to renew for up to twice the non-cancellable lease terms.

##### (a) Right-of-use assets

	Office Premises	Total
	\$	\$
<b>Year ended 30 June 2021</b>		
Balance at beginning of year	279,457	279,457
Additions to right-of-use assets		
Disposal of right-of-use assets	(37,805)	(37,805)
Depreciation charge	(133,682)	(133,682)
<b>Balance at end of year</b>	<b>107,970</b>	<b>107,970</b>
<b>Year ended 30 June 2020</b>		
Balance at beginning of year	488,783	488,783
Depreciation charge	(209,326)	(209,326)
<b>Balance at end of year</b>	<b>279,457</b>	<b>279,457</b>

## Notes to the Financial Statements

### For the Year Ended 30 June 2021

#### 13 Property, plant and equipment

	2021	2020
	\$	\$
<b>Furniture and fittings</b>		
At cost	70,827	70,827
Accumulated depreciation	(64,925)	(63,449)
<b>Total furniture and fittings</b>	<b>5,902</b>	<b>7,378</b>
<b>Office furniture and equipment</b>		
At cost	188,392	140,221
Accumulated depreciation	(132,448)	(121,488)
<b>Total office furniture and equipment</b>	<b>55,944</b>	<b>18,733</b>
<b>Property improvements</b>		
At cost	94,594	94,594
Accumulated amortisation	(64,267)	(56,685)
<b>Total property improvements</b>	<b>30,327</b>	<b>37,909</b>
<b>Total property, plant and equipment</b>	<b>92,173</b>	<b>64,020</b>

#### (a) Movements in Carrying Amounts

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

	Furniture & Fittings	Office Furniture & Equipment	Property Improvements	Total
	\$	\$	\$	\$
<b>Year ended 30 June 2021</b>				
Balance at the beginning of the year	7,378	18,733	37,909	64,020
Additions	-	48,171	-	48,171
Depreciation expense	(1,476)	(10,960)	(7,582)	(20,018)
<b>Balance at the end of the year</b>	<b>5,902</b>	<b>55,944</b>	<b>30,727</b>	<b>64,020</b>

## Notes to the Financial Statements

### For the Year Ended 30 June 2021

#### 14 Trade and Other Payables

	2021	2020
	\$	\$
CURRENT		
Trade payables	88,183	164,864
GST payable	435,212	266,950
Sundry payables and accrued expenses	402,819	290,806
Withholding taxes payable	142,402	113,462
Superannuation payable	211,642	211,663
Westpac corporate card	-	-
<b>Total current trade and other payables</b>	<b>1,280,258</b>	<b>1,047,745</b>

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

#### 15 Employee Benefits

	2021	2020
	\$	\$
CURRENT		
Long service leave	423,126	328,227
Annual leave	885,115	682,362
<b>Total current employee benefits</b>	<b>1,308,251</b>	<b>1,010,589</b>
NON-CURRENT		
Long service leave	93,443	112,363
<b>Total non-current employee benefits</b>	<b>93,443</b>	<b>112,363</b>

#### (a) Analysis of total provisions

	Employee Benefits
	\$
Opening balance at 1 July 2020	1,122,952
Additional provisions raised during the year	278,742
Amounts used	-
<b>Closing balance at 30 June 2021</b>	<b>1,401,694</b>

## Notes to the Financial Statements

### For the Year Ended 30 June 2021

#### 15 Employee Benefits (continued)

##### (b) Provision for employee benefits

Provision for employee benefits represents amounts accrued for annual leave and long service leave.

The current portion for this provision includes the total amount accrued for annual leave entitlements and the amounts accrued for long service leave entitlements that have vested due to employees having completed the required period of service. Based on past experience, the Company does not expect the full amount of annual leave or long service leave balances classified as current liability to be settled within the next 12 months. However, these amounts must be classified as current liabilities since the Company does not have an unconditional right to defer the settlement of these amounts if these amounts in the event employees wish to use their leave entitlement.

The non-current portion for this provision includes amounts accrued for long service leave entitlements that have not yet vested in relation to those employees who have not yet completed the required period of service.

In calculating the present value of future cash flows in respect of long service leave, the probability of long service leave being taken is based upon historical data. The measurement and recognition criteria for employee benefits have been discussed in Note 3(h).

#### 16 Other Liabilities

	2021	2020
	\$	\$
<b>CURRENT</b>		
Grants received in advance	-	-
Other liabilities	140,416	168,083
<b>Total current other liabilities</b>	<b>140,416</b>	<b>168,083</b>

#### 17 Reserves

	Note	2021	2020
		\$	\$
<b>Financial assets reserve</b>			
Opening balance		-	-
Transfer to retained surpluses on adoption of AASB 9	18	-	-
<b>Restated opening balance</b>		-	-
<b>Closing balance</b>		-	-
<b>Unspent grant funds reserve</b>			
Opening balance		-	1,403,377
Transfers from/(to) retained surpluses	18	-	(1,403,377)
<b>Closing balance</b>		-	-
<b>Total reserves</b>		-	-

##### (a) Financial assets reserve

The financial assets reserve records changes in fair value that arise on remeasurement of available-for-sale financial assets.

## Notes to the Financial Statements

### For the Year Ended 30 June 2021

#### 17 Reserves (continued)

##### (b) Unspent grant funds reserve

The unspent grant funds reserve records grant funds that have been received and recognised as revenue, but have not been expended on the required activity as at balance date. These funds have been fully allocated to the programs/ budgets and will be expended in the following year.

#### 18 Retained Surpluses

	2021	2020
Note	\$	\$
Retained surpluses at the beginning of the financial year	5,309,984	6,790,260
Transfer from financial assets reserve on adoption of AASB 9	17 -	-
<b>Restated opening balance</b>	<b>5,309,984</b>	6,790,260
Net surplus for the year	2,901,862	(2,883,653)
Transfers from/(to) unspent grant funds reserve	17 -	1,403,37
<b>Retained surpluses at end of the financial year</b>	<b>8,211,846</b>	5,309,984

#### 19 Financial Risk Management

The Company's principal financial instruments comprise of deposits with banks, managed funds, term deposits, accounts receivable and payable and leases.

The totals for each category of financial instruments, measured in accordance with AASB 9/AASB139 as detailed in the accounting policies to these financial statements, are as follows:

	2021	2020
Note	\$	\$
<b>Financial assets</b>		
<i>Financial assets at amortised cost:</i>		
- Cash and cash equivalents	7 4,729,597	2,624,028
- Trade and other receivables	8 195,765	121,103
- Term deposits	9(a) 10,856,391	8,007,466
<i>Financial assets at fair value through profit or loss:</i>		
- Managed funds	9(b) 1,628,810	606,922
<b>Total financial assets</b>	<b>17,410,563</b>	11,359,519
<b>Financial liabilities</b>		
<i>Financial liabilities at amortised cost:</i>		
- Trade and other payables	14 1,280,257	1,047,745
- Lease liabilities	206,355	274,618
<b>Total financial liabilities</b>	<b>1,486,612</b>	1,322,363

## Notes to the Financial Statements

### For the Year Ended 30 June 2021

#### 20 Fair Value Measurement

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

- Financial assets
  - Other Financial Assets (Managed funds)

#### Fair value hierarchy

AASB 13 *Fair Value Measurement* requires all assets and liabilities measured at fair value to be assigned to a level in the fair value hierarchy as follows:

Level 1	Unadjusted quoted prices in active markets for identical assets or liabilities that the entity can access at the measurement date.
Level 2	Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.
Level 3	Unobservable inputs for the asset or liability.

The table below shows the assigned level for each asset and liability held at fair value by the company:

	Note	Level 1 \$	Level 2 \$	Level 3 \$	Total \$
<b>30 June 2021</b>					
<b>Recurring fair value measurements</b>					
<b>Financial assets</b>					
Managed funds	9(b)	1,628,810	-	-	1,628,810
<b>Total</b>		<b>1,628,810</b>	<b>-</b>	<b>-</b>	<b>1,628,810</b>
<b>30 June 2020</b>					
<b>Recurring fair value measurements</b>					
<b>Financial assets</b>					
Managed funds	9(b)	606,922	-	-	606,922
<b>Total</b>		<b>606,922</b>	<b>-</b>	<b>-</b>	<b>606,922</b>

#### Transfers between levels of the hierarchy

There were no transfers between levels of the fair value hierarchy.

#### Highest and best use

The current use of each asset measured at fair value is considered to be its highest and best use.

## Notes to the Financial Statements

### For the Year Ended 30 June 2021

#### 21 Key Management Personnel Remuneration

Key management personnel includes any person(s) having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including any director (whether executive or otherwise) of that entity, is considered key management personnel.

The total remuneration paid to key management personnel of the Company is \$1,064,899 (2020 \$1,104,314).

#### 22 Members' Guarantee

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 \$100 each towards meeting any outstandings and obligations of the Company. At 30 June 2021 the number of members was 1 (2020: 1)

#### 23 Contingencies

In the opinion of the Directors, the Company did not have any contingencies at 30 June 2021 (30 June 2020: None).

#### 24 Cash Flow Information

##### (a) Reconciliation of result for the year to cashflows from operating activities

Reconciliation of net income to net cash provided by operating activities:

	2021	2020
	\$	\$
Surplus/(deficit) for the year	2,901,862	(2,883,654)
Cash flows excluded from surplus/(deficit) attributable to operating activities		
Non-cash flows in profit:		
- depreciation	153,700	232,636
- net gain on disposal of property, plant and equipment		
- realised loss on financial assets	-	-
Changes in assets and liabilities:		
- (increase)/decrease in trade and other receivables	(74,662)	345,733
- (increase)/decrease in other assets	(77,731)	125,169
- (increase)/decrease in grants received in advance	2,734,033	3,370,712
- increase/(decrease) in trade and other payables	232,513	68,958
- increase/(decrease) in provisions	278,742	213,212
Cashflows from operations	<u>6,148,457</u>	<u>1,472,766</u>

## **Notes to the Financial Statements**

### **For the Year Ended 30 June 2021**

#### **25 Events after the end of the Reporting Period**

The financial report was authorised for issue on 18 November 2021 by the Board of Directors.

The COVID-19 pandemic has created unprecedented economic uncertainty. Actual economic events and conditions in the future may be materially different from those estimated by the Company at the reporting date. As responses by the government continue to evolve, management recognises that it is difficult to reliably estimate with any degree of certainty the potential impact of the pandemic after the reporting date on its operations, its future results and financial position. The state of emergency in Victoria was declared on 16 March 2020 and has been extended to 18 November 2021. The current stay at home directions in Victoria came into force on 2 September 2021 and is ended on 21 October 2021.

Except for the above, no other matters or circumstances have arisen since the end of the financial year which significantly affected or could significantly affect the operations of the Company, the results of those operations or the state of affairs of the Company in future financial years.

#### **26 Statutory Information**

The registered office and principal place of business of the Company is:

Centre for Multicultural Youth  
304 Drummond Street  
Carlton VIC 3053

## Directors' Declaration

The directors of the Company declare that:

1. The financial statements and notes, as set out on pages 1 to 29, are in accordance with the *Australian Charities and Not-for-profits Commission Act 2012* and:
  - a. comply with Australian Accounting Standards - Reduced Disclosure Requirements; and
  - b. give a true and fair view of the financial position as at 30 June 2021 and of the performance for the year ended on that date of the Company.
2. In the directors' opinion, there are reasonable grounds to believe that the Company 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 under subdivision 60.15(2) of the *Australian Charities and Not-for-profits Commission Regulation 2013*.

Director .....

Dated this 18<sup>th</sup> day of November 2021

**Centre for Multicultural Youth**

**Independent Audit Report to the members of Centre for Multicultural Youth**