

Youthconnections.com.au
ABN 29 131 297 213
And Controlled Entities

Financial Report
For The Year Ended
30 June 2015

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

Financial Report
For The Year Ended
30 June 2015

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Director's Report

Your directors present their report on the Youthconnections.com.au and its controlled entities for the year ended 30 June 2015.

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:

Name	Qualifications and Period of Directorship
Patrick Lewis	Chair (Appointed November 2008)
Maj Kong	Secretary (Appointed September 2012)
Richard Hadfield	Director (Appointed November 2013)
Anne Byrne	Director (Appointed November 2013)
Ali Akbarian	Director (Appointed February 2015)
Thuy-Van Dissing	Director (Appointed November 2014)
Jonathan Stokes	Director (Appointed February 2015)
Ian Carruthers	Director (Resigned September 2015)
Victor Lee	Director (Resigned November 2014)
Kevin Armstrong	Director (Resigned November 2014)

The company 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 principal activities of the company during the year were to provide pathways to secondary education and facilitate job replacement programmes on the Central Coast through various government subsidised projects.

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.

Directors 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 \$844,242 (2014: Loss \$8,558). 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

Director

Dated:

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

Auditor's Independence Declaration
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 2015, there have been:

- (i) no contraventions of the auditor independence requirements as set out in the Australian Charities and Not-for-profits Commission Act 2012 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: February 2016

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

Statement of Comprehensive Income
For The Year Ended 30 June 2015

		Consolidated Group	
	Note	2015	2014
		\$	\$
Revenues	2	6,854,153	7,361,065
Employee benefits expense		(4,239,483)	(4,832,767)
Construction expenses		(29,761)	(588,490)
Depreciation expenses		(195,924)	(192,864)
Finance costs		(19,939)	(16,999)
Other expenses from ordinary activities		(1,524,804)	(1,738,503)
Profit/ (loss) before income tax	3	<u>844,242</u>	<u>(8,558)</u>
Income tax expense		-	-
Total comprehensive income/ (loss) for the year		<u>844,242</u>	<u>(8,558)</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 2015

Consolidated Group			
	Note	2015 \$	2014 \$
Assets			
Current Assets			
Cash and cash equivalents	4	538,562	194,940
Trade and other receivables	5	523,299	868,865
Prepayments		39,459	4,031
Total Current Assets		1,101,320	1,067,836
Non-Current Assets			
Property, plant & equipment	6	2,930,916	3,274,542
Intangible assets	7	11,918	-
Investments		10	-
Total Non-Current Assets		2,942,844	3,274,542
Total Assets		4,044,164	4,342,378
Liabilities			
Current Liabilities			
Trade and other payables	8	635,125	796,449
Employee benefits	9	218,777	302,003
Borrowings	10	172,745	268,045
Funding in advance		404,632	1,160,245
Total Current Liabilities		1,431,279	2,526,742
Non-Current Liabilities			
Employee benefits	9	12,435	30,310
Borrowings	10	27,218	55,482
Total Non-Current Liabilities		39,653	85,792
Total Liabilities		1,470,932	2,612,534
Net Assets		2,573,232	1,729,844
Members' Funds			
Retained earnings		(83,768)	(927,156)
Asset revaluation reserve		2,657,000	2,657,000
Total Members' Funds		2,573,232	1,729,844

The accompanying notes form part of these financial statements.

Youthconnections.com.au
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Statement of Changes in Members' Fund
For The Year Ended 30 June 2015

	Asset Revaluation Reserve \$	Retained Earnings \$	Total \$
Balance at 1 July 2013	2,657,000	(918,598)	1,738,402
Deficit for the year	-	(8,558)	(8,558)
Balance at 30 June 2014	<u>2,657,000</u>	<u>(927,156)</u>	<u>1,729,844</u>
Profit for the year	-	844,242	844,242
Adjustment related to prior year	-	(854)	(854)
Balance at 30 June 2015	<u>2,657,000</u>	<u>(83,768)</u>	<u>2,573,232</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 2015

		Consolidated Group	
	Note	2015	2014
		\$	\$
Cash Flow from Operating Activities			
Receipts from customers, grants		6,843,253	7,123,474
Payments to suppliers and employees		(6,273,074)	(7,100,457)
Interest received		983	558
Interest Paid		(19,939)	(11,868)
Net cash used in operating activities	11 (b)	551,223	11,707
Cash Flow from Investing Activities			
Proceeds from sale of property, plant and equipment		10,920	-
Payment for property, plant and equipment		(81,923)	(473,026)
Payment for intangible asset		(13,024)	-
Payment for investment in Joint Venture		(10)	-
Net cash used in investing activities		(84,037)	(473,026)
Cash Flow from Financing Activities			
Borrowings proceeds		-	91,373
Repayment of borrowings		(28,788)	(63,993)
		(28,788)	27,380
Net (decrease)/ increase in cash held		438,398	(433,939)
Cash at beginning of year		(41,832)	392,107
Cash at the End of Financial Year	11(a)	396,566	(41,832)

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 2015

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.

Basis of Preparation

These general purpose financial statements have been prepared in accordance with the Australian Charities and Not-for-profits Commission Act 2012 and the Australian Accounting Standards - Reduced Disclosure Requirements and Interpretations issued by the Australian Accounting Standards Board ('AASB') and other law requirements.

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 12 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.

Notes To The Financial Statements
For The Financial Year Ended 30 June 2015

Note 1. Statement of Significant Accounting Policies (cont'd)

(d) Depreciation

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%

(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.

Notes To The Financial Statements
For The Financial Year Ended 30 June 2015

Note 1. Statement of Significant Accounting Policies (cont'd)

(e) Financial Instruments (cont'd)

(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.

(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

Notes To The Financial Statements
For The Financial Year Ended 30 June 2015

Note 1. Statement of Significant Accounting Policies (cont'd)

(e) Financial Instruments (cont'd)

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.

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 the 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.

Notes To The Financial Statements
For The Financial Year Ended 30 June 2015

Note 1. Statement of Significant Accounting Policies (cont'd)

(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 of 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 re-valued amount in accordance with another Standard (e.g. in accordance with the revaluation model in AASB 116). Any impairment or loss of a re-valued asset is treated as a revaluation decrease in accordance with that other standard.

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.

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

Notes To The Financial Statements
For The Financial Year Ended 30 June 2015

Note 1. Statement of Significant Accounting Policies (cont'd)

(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.

(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) Going Concern

As at the date of this report the company is currently dependent upon funding received from the Department of Education and Workplace Relations. The retention of this funding is essential for the company to continue its current operations.

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

Notes To The Financial Statements
For The Financial Year Ended 30 June 2015

Consolidated Group

	2015 \$	2014 \$
Note 2. Revenue		
Operating activities		
Funding received	4,604,997	4,157,715
Construction income	3,402	739,408
Training revenue	1,482,261	1,432,755
Incentives received	68,721	171,161
Rebates and recoveries	4,018	2,706
Donations	34,389	68,455
Other income	655,382	788,411
	<hr/> 6,853,170	<hr/> 7,360,611
Non-operating activities		
Interest received	983	454
Total Revenue	<hr/> 6,854,153	<hr/> 7,361,065

Note 3. Profit from Ordinary Activities

Profit from ordinary activities has been determined after:

(a) Expenses		
Borrowing costs	19,939	16,999
Depreciation	197,565	192,864
	<hr/>	<hr/>

Note 4. Cash and Cash Equivalents

Cash on hand	7,055	9,371
Cash at bank	531,507	185,569
	<hr/> 538,562	<hr/> 194,940

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

Notes To The Financial Statements
For The Financial Year Ended 30 June 2015

	Consolidated Group	
	2015	2014
	\$	\$
Note 5. Trade and Other Receivables		
Trade debtors	491,206	501,123
Bonds	28,664	28,664
Other debtors	933	338,224
GST receivables	2,496	854
	523,299	868,865
Note 6. Property, Plant & Equipment		
Land	-	204,056
Leasehold improvements - at directors' valuation (a)	2,657,000	2,657,000
	112,035	51,360
Leasehold improvements – at cost	(218,489)	(138,722)
Less accumulated depreciation	2,550,546	2,569,638
	757,043	774,239
Plant and equipment – at cost	(448,896)	(352,499)
Less accumulated depreciation	308,147	421,740
	246,901	238,782
Motor vehicle – at cost	(174,678)	(159,674)
Less accumulated depreciation	72,223	79,108
	2,930,916	3,274,542

(a) The leasehold improvements at Green Central, Kariiong were valued by the directors on 30 June 2014.

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

Notes To The Financial Statements
For The Financial Year Ended 30 June 2015

Consolidated Group

2015 2014
 \$ \$

Note 6. Property, Plant & Equipment (cont'd)

Movements in Carrying Amounts

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

	Land	Leasehold Improvement- at directors valuation	Plant & Equipment - at cost	Motor vehicle- at cost	Total
Balance at beginning of year	204,056	2,569,638	421,740	79,108	3,274,542
Additions	16,636	15,960	27,518	21,809	81,923
Disposals/Transfers	(220,692)	33,535	(33,535)	(10,039)	(230,731)
Depreciation expense	-	(68,587)	(107,576)	(18,655)	(194,818)
Carrying amount at the end of the year	-	2,550,546	307,877	72,223	2,930,916

Note 7. Intangible assets

RTO Intellectual property – at cost	13,024	-
Less accumulated depreciation	(1,106)	-
	11,918	-

Note 8. Trade and Other Payables

Trade payables	141,789	235,050
Other payables and accruals	296,474	402,574
GST payable	196,862	158,825
	635,125	796,449

Youthconnections.com.au
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Notes To The Financial Statements
For The Financial Year Ended 30 June 2015

Consolidated Group

	2015	2014
	\$	\$
Note 9. Employee Benefits		
Current:		
Annual leave	188,040	261,102
Long service leave	30,737	40,901
	218,777	302,003
Non-Current:		
Annual leave	-	-
Long service leave	12,435	30,310
	12,435	30,310
Note 10. Borrowings		
Current:		
Bank overdraft	141,996	236,772
Hire purchase liabilities	30,749	31,273
	172,745	268,045
Non-Current:		
Hire purchase liabilities	27,218	55,482
	27,218	55,482
Note 11. Cash Flow Statement		
(a) Reconciliation of Cash		
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	7,055	9,371
Cash at bank	531,507	185,569
Bank overdrafts	(141,996)	(236,772)
Balance as per statement of cash flows	396,566	(41,832)

Youthconnections.com.au
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Notes To The Financial Statements
For The Financial Year Ended 30 June 2015

	Consolidated Group	
	2015	2014
	\$	\$
Note 11. Cash Flow Statement (cont'd)		
(b) Reconciliation of net cash provided by operating activities to operating profit after income tax.		
Operating (loss) /profit for the year	844,242	(8,558)
Non-cash flows in profit from ordinary activities		
Depreciation and amortisation	195,924	192,864
Profit on sale of non-current assets	(881)	-
Transfer of property, plant and equipment	220,692	-
Effect of prior period adjustment	(854)	-
Changes in net assets and liabilities:		
Trade and other receivables	345,566	(627,795)
Prepayments	(35,428)	12,567
Trade and other payables	(161,324)	223,915
Employee benefits	(101,101)	46,857
Funding in advance	(755,613)	171,857
Net cash used in operating activities	551,223	11,707

Note 12. 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
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Notes To The Financial Statements
For The Financial Year Ended 30 June 2015

Note 13. 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.

	2015	2014
	\$	\$
Statement of Financial Position		
Assets		
Current assets	2,834,940	2,112,198
Non-current assets	2,829,302	3,138,556
Total Assets	<u>5,664,242</u>	<u>5,250,754</u>
Liabilities		
Current liabilities	949,901	1,895,403
Non-current liabilities	39,653	85,792
Total Liabilities	<u>898,554</u>	<u>1,981,195</u>
Members' Funds		
Retained earnings	2,017,688	612,559
Asset revaluation reserve	2,657,000	2,657,000
Total Members' Funds	<u>4,674,688</u>	<u>3,269,559</u>
Statement of Comprehensive Income		
Total profit/(loss) for the year	1,405,129	249,076
Total comprehensive income for the year	<u>1,405,129</u>	<u>249,076</u>

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

Directors' Declaration

In accordance with a resolution of the directors of Youthconnections.com.au made pursuant to Section 60.15 of the Australian Charities and Not-for-profits Regulations 2013, the directors of the company declare that:

1. The financial statements and notes, as set out on pages 6 to 21 are in accordance with the Australian Charities and Not-for-profits Commission Act 2012:
 - (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 2015 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

Director

Tuggerah

Dated:

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 2015 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 Australian Charities and Not-for-profits Commission Act 2012. 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 Australian Charities and Not-for-profits Commission Act 2012 and Australian professional ethical pronouncements.

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

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 Division 60 of the Australian Charities and Not-for-profits Commission Act 2012, including:

- (i) giving a true and fair view of the consolidated entity's financial position as at 30 June 2015 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 Division 60 of the Australian Charities and Not-for profits Regulations 2013.

FORTUNITY ASSURANCE

T R Davidson
Partner

155 The Entrance Road
Erina NSW 2250

Dated: February, 2016