Brisbane Youth Service Inc.

ABN: 83 967 756 338

Financial report

For the year ended 30 June 2023

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BRISBANE YOUTH SERVICE INC.
ABN: 83 967 756 338

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED 30 JUNE 2023

	Note	2023 $	2022 $
Revenue and other income			
Grant revenue	3	10,419,172	8,812,230
Other revenue	4	901,295	567,564
Other income	4	151,359	100,993
		11,471,826	9,480,787
Less: expenses			
Employee benefits expense	5	(8,116,236)	(7,252,209)
Client support services expense		(1,401,666)	(587,033)
IT costs		(382,382)	(304,040)
Property expenses		(337,360)	(290,769)
Depreciation expense	5	(175,959)	(192,896)
Motor vehicle and travel expenses		(148,795)	(147,518)
Audit, legal and consultancy fees		(208,563)	(115,562)
Insurance expense		(112,358)	(70,824)
Finance costs	5	(5,371)	(2,450)
Financial assets fair value loss		-	(352,902)
Other operating costs		(476,961)	(480,462)
		(11,365,651)	(9,796,665)
Surplus/(loss) before income tax expense		106,175	(315,878)
Income tax expense		-	-
Surplus/(loss) for the year		106,175	(315,878)
Other comprehensive income			
Items that will not be reclassified subsequently to profit and loss			
Revaluation of property, plant and equipment, net of tax	18	100,000	352,300
Net change in fair value of financial assets designated at fair value through other comprehensive income, net of tax	18	51,228	(60,598)
Other comprehensive income for the year		151,228	291,702
Total comprehensive income/(loss)		257,403	(24,176)

The accompanying notes form part of these financial statements.

BRISBANE YOUTH SERVICE INC.
ABN: 83 967 756 338

STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2023

	Note	2023 $	2022 $
Current assets			
Cash and cash equivalents	8	**2,917,884**	3,064,281
Receivables	9	**222,162**	49,704
Other assets	10	**94,541**	75,006
Total current assets		**3,234,587**	3,188,991
Non-current assets			
Receivables	9	**68,227**	9,027
Other financial assets	11	**3,089,887**	2,828,061
Lease assets	13	**93,135**	135,812
Property, plant and equipment	12	**2,455,268**	2,376,406
Total non-current assets		**5,706,517**	5,349,306
Total assets		**8,941,104**	8,538,297
Current liabilities			
Payables	14	**625,439**	822,149
Lease liabilities	13	**100,143**	77,374
Provisions	16	**637,060**	573,032
Contract liabilities	17	**496,649**	291,295
Total current liabilities		**1,859,291**	1,763,850
Non-current liabilities			
Lease liabilities	13	**-**	58,313
Borrowings	15	**238,000**	238,000
Provisions	16	**175,021**	66,745
Total non-current liabilities		**413,021**	363,058
Total liabilities		**2,272,312**	2,126,908
Net assets		**6,668,792**	6,411,389
Equity			
Reserves	18	**1,575,502**	1,424,274
Accumulated surplus		**5,093,290**	4,987,115
Total equity		**6,668,792**	6,411,389

The accompanying notes form part of these financial statements.

BRISBANE YOUTH SERVICE INC.
ABN: 83 967 756 338

STATEMENT OF CHANGES IN MEMBERS FUNDS
FOR THE YEAR ENDED 30 JUNE 2023

	Reserves $	Accumulated surplus $	Total equity $
Balance as at 1 July 2021	1,151,465	5,284,100	6,435,565
Loss for the year	-	(315,878)	(315,878)
Other comprehensive income for the year	291,702	-	291,702
Total comprehensive income/(loss) for the year	291,702	(315,878)	(24,176)
Transfers to retained earnings, upon disposal of financial assets designated at fair value through other comprehensive income	(18,893)	18,893	-
Balance as at 30 June 2022	1,424,274	4,987,115	6,411,389
Balance as at 1 July 2022	**1,424,274**	**4,987,115**	**6,411,389**
Surplus for the year	**-**	**106,175**	**106,175**
Other comprehensive income for the year	**151,228**	**-**	**151,228**
Total comprehensive income for the year	**151,228**	**106,175**	**257,403**
Balance as at 30 June 2023	**1,575,502**	**5,093,290**	**6,668,792**

The accompanying notes form part of these financial statements.

BRISBANE YOUTH SERVICE INC.
ABN: 83 967 756 338

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2023

	Note	2023 $	2022 $
Cash flow from operating activities			
Receipts from grantors, donors and tenants		**12,244,981**	9,995,475
Payments to suppliers and employees		**(12,293,103)**	(9,733,331)
Dividends received		**120,011**	142,861
Interest received		**22,270**	5,608
Finance costs		**(5,371)**	(2,450)
Net cash provided by operating activities		**88,788**	408,163
Cash flow from investing activities			
Proceeds from sale of property, plant and equipment		**-**	5,000
Proceeds from sale of investments		**173,976**	690,956
Payment for property, plant and equipment		**(44,200)**	(62,035)
Payment for investments		**(261,473)**	(925,278)
Net cash used in investing activities		**(131,697)**	(291,357)
Cash flow from financing activities			
Payment for lease liabilities		**(103,488)**	(110,943)
Net cash used in financing activities		**(103,488)**	(110,943)
Reconciliation of cash			
Cash at beginning of the financial year		**3,064,281**	3,058,418
Net increase / (decrease) in cash held		**(146,397)**	5,863
Cash at end of financial year	8	**2,917,884**	3,064,281

The accompanying notes form part of these financial statements.

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

The financial report is a general purpose financial report that has been prepared in accordance with the *Associations Incorporation Act 1981* and the *Australian Charities and Not-for-profits Commission Act 2012*, and Australian Accounting Standards - Simplified Disclosures, Interpretations and other applicable authoritative pronouncements of the Australian Accounting Standards Board. This includes compliance with the recognition and measurement requirements of all Australian Accounting Standards, Interpretations and other authoritative pronouncements of the Australian Accounting Standards Board and the disclosure requirements of AASB 1060 *General Purpose Financial Statements - Simplified Disclosures for For-Profit and Not-for-Profit Tier 2 Entities*.

The financial report covers Brisbane Youth Service Inc. as an individual entity. Brisbane Youth Service Inc. is an association, formed and domiciled in Australia. Brisbane Youth Service Inc. is a not-for-profit entity for the purpose of preparing the financial statements.

The principal activities of the association is to support homeless and vulnerable young people, and their children, to secure and maintain housing, address physical and mental health issues, establish successful relationships and support networks, and access pathways to education and employment.

The financial report was approved by the committee on the date of signing this report. .

The following are the significant accounting policies adopted by the association in the preparation and presentation of the financial report. The accounting policies have been consistently applied, unless otherwise stated.

(a) Basis of preparation of the financial report

Historical cost convention

The financial report has been prepared under the historical cost convention, as modified by revaluations to fair value for certain classes of assets and liabilities as described in the accounting policies.

Fair value measurement

For financial reporting purposes, 'fair value' is the price that would be received to sell an asset, or paid to transfer a liability, in an orderly transaction between market participants (under current market conditions) at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique.

When estimating the fair value of an asset or liability, the entity uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs. Inputs to valuation techniques used to measure fair value are categorised into three levels according to the extent to which the inputs are observable:

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

Significant accounting estimates and judgements

The preparation of the financial report requires the use of certain estimates and judgements in applying the association's accounting policies. Those estimates and judgements significant to the financial report are disclosed in Note 2 to the financial statements.

(b) Economic dependency

The association is dependant on government funding to operate. As at the date of this report the committee has no reason to believe the government will not continue to support the organisation.

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(c) Cash and cash equivalents

Cash and cash equivalents include cash on hand and at banks, short-term deposits with an original maturity of three months or less held at call with financial institutions, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities in the statement of financial position.

(d) Donations and grant revenue

The association derives income from donations and operating grants.

Donations

Cash donations are recognised as income when the association obtains control of the asset. Cash is recognised at the fair value of the consideration received.

Operating grants

Grants under arrangements that contain enforceable and sufficiently specific performance obligations are initially recognised as a liability (unspent grants funds), and subsequently recognised as income as, or when, the association satisfies the conditions under the grant agreement. The liability is unwound when the costs are incurred on the grant.

Assets arising under arrangements that do not contain enforceable and sufficiently specific performance obligations are recognised at fair value in income when the association obtains control of the asset.

(e) Other revenue and other income

Dividend and other distributions

Dividend and other distribution revenue is recognised when the right to receive a dividend or other distribution has been established.

Interest

Interest revenue is measured in accordance with the effective interest method.

Leases

Lease revenue from operating leases is recognised on either a straight-line basis or another systematic basis (if that basis is more representative of the pattern in which benefit from the use of the underlying asset is diminished).

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

(f) Employee benefits

(i) Short-term employee benefit obligations

Liabilities arising in respect of wages and salaries, annual leave and other employee benefits (other than termination benefits) expected to be settled wholly before twelve months after the end of the reporting period are measured at the (undiscounted) amounts based on remuneration rates which are expected to be paid when the liability is settled. The expected cost of short-term employee benefits in the form of compensated absences such as annual leave is recognised in the provision for employee benefits. All other short-term employee benefit obligations are presented as payables in the statement of financial position.

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(f) Employee benefits (Continued)

(ii) Long-term employee benefit obligations

The provision for other long-term employee benefits, including obligations for long service leave and annual leave, which are not expected to be settled wholly before twelve months after the end of the reporting period, are measured at the present value of the estimated future cash outflow to be made in respect of the services provided by employees up to the reporting date. Expected future payments incorporate anticipated future wage and salary levels, durations of service and employee turnover, and are discounted at rates determined by reference to market yields at the end of the reporting period on government bonds that are denominated in the currency in which the benefits will be paid. Any remeasurements for changes in assumptions of obligations for other long-term employee benefits are recognised in profit or loss in the periods in which the change occurs.

Other long-term employee benefit obligations are presented as current liabilities in the statement of financial position if the association does not have an unconditional right to defer settlement for at least twelve months after the reporting date, regardless of when the actual settlement is expected to occur. All other long-term employee benefit obligations are presented as non-current liabilities in the statement of financial position.

(iii) Retirement benefit obligations

Defined contribution superannuation plan

The association makes superannuation contributions to the employee's defined contribution superannuation plan of choice in respect of employee services rendered during the year. These superannuation contributions are recognised as an expense in the same period when the related employee services are received. The association's obligation with respect to employee's defined contributions entitlements is limited to its obligation for any unpaid superannuation guarantee contributions at the end of the reporting period. All obligations for unpaid superannuation guarantee contributions are measured at the (undiscounted) amounts expected to be paid when the obligation is settled and are presented as current liabilities in the statement of financial position.

(g) Income tax

No provision for income tax has been raised as the association is exempt from income tax under Division 50 of the *Income Tax Assessment Act 1997*.

(h) Financial instruments

Initial recognition and measurement

Financial assets and financial liabilities are recognised when the association becomes a party to the contractual provisions of the instrument. For financial assets, this is equivalent to the date that the association commits itself to either the purchase or sale of the asset (i.e. trade date accounting is adopted).

Financial instruments are initially measured at fair value adjusted for transaction costs, except where the instrument is classified as fair value through profit or loss, in which case transaction costs are immediately recognised as expenses in profit or loss.

Classification of financial assets

Financial assets recognised by the association are subsequently measured in their entirety at either amortised cost or fair value, subject to their classification and whether the association irrevocably designates the financial asset on initial recognition at fair value through other comprehensive income (FVtOCI) in accordance with the relevant criteria in AASB 9.

Financial assets not irrevocably designated on initial recognition at FVtOCI are classified as subsequently measured at amortised cost, FVtOCI or fair value through profit or loss (FVtPL) on the basis of both:

(a) the association’s business model for managing the financial assets; and

(b) the contractual cash flow characteristics of the financial asset.

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(h) Financial instruments (Continued)

Classification of financial liabilities

Financial liabilities classified as held-for-trading, contingent consideration payable by the association for the acquisition of a business, and financial liabilities designated at FVtPL, are subsequently measured at fair value.

All other financial liabilities recognised by the association are subsequently measured at amortised cost.

Investment in managed funds

The association holds investments in managed funds which are puttable financial instruments as the right to redeem the units directly with the issuer creates an obligation for the managed fund to repurchase or redeem that instrument for cash or another financial asset.

Puttable financial instruments are accounted for at fair value through profit or loss in accordance with the relevant criteria in AASB 9.

Long-term equity instruments

Long-term equity instruments comprise ordinary shares in listed entities that are not held for trading. On initial recognition, investments identified by the association as long-term equity instruments are irrevocably designated (and measured) at fair value through other comprehensive income. This election has been made as the directors' believe that to otherwise recognise changes in the fair value of these investments in profit or loss would be inconsistent with the objective of holding the investments for the long term.

(i) Property, plant and equipment

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

Properties that are held for strategic purpose or to provide a social service and generate cash inflows where the rental revenue is incidental to the purpose for holding the property. Properties do not meet the definition of investment properties and are classified as properties in accordance with AASB 116.

Property

Freehold land and buildings are measured at revalued amounts, being the fair value at the date of the revaluation, less any subsequent accumulated depreciation and any accumulated impairment losses. At each reporting date the carrying amount of each asset is reviewed to ensure that it does not differ materially from the asset's fair value at reporting date. Where necessary, the asset is revalued to reflect its fair value.

Increases in the carrying amounts arising on revaluation of land and buildings are recognised in other comprehensive income and accumulated in equity. To the extent that the increase reverses a decrease of the same class of asset previously recognised in profit or loss, the increase is recognised in profit or loss. Decreases that offset previous increases of the same class of asset are recognised in other comprehensive income; all other decreases are recognised in profit or loss.

Plant and equipment

Plant and equipment is measured on the cost basis.

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(i) Property, plant and equipment (Continued)

Depreciation

Land is not depreciated. The depreciable amount of all other property, plant and equipment is depreciated over their estimated useful lives commencing from the time the asset is held available for use, consistent with the estimated consumption of the economic benefits embodied in the asset.

Leasehold improvements are depreciated over the shorter of either the unexpired period of the lease or the estimated useful lives of the improvements.

The depreciable amount of all fixed assets are depreciated over the useful lives of the assets to the association commencing from the time the asset was held ready for use.

Class of fixed asset	Useful lives	Depreciation basis
Leasehold improvements at cost	4 years	Straight line
Motor vehicles at cost	4-5 years	Straight line
Office equipment at cost	4 years	Straight line
Furniture, fixtures and fittings at cost	4 years	Straight line

(j) Impairment of non-financial assets

For impairment assessment purposes, assets are generally grouped at the lowest levels for which there are largely independent cash flows ('cash generating units'). Accordingly, most assets are tested for impairment at the cash-generating unit level.

Assets are assessed for impairment whenever events or circumstances arise that indicate the asset may be impaired.

An impairment loss is recognised when the carrying amount of an asset or cash generating unit exceeds the asset's or cash generating unit's recoverable amount. The recoverable amount of an asset or cash generating unit is defined as the higher of its fair value less costs to sell and value in use (where ‘value in use’ is determined as the present value of the future cash flows expected to be derived from an asset or cash-generating unit).

Impairment losses in respect of individual assets are recognised immediately in profit or loss unless the asset is measured at a revalued amount, in which case the impairment loss is treated as a revaluation decrease and is recognised in other comprehensive income to the extent that it does not exceed the amount in the revaluation surplus for the same class of asset. Impairment losses are allocated on a pro rata basis to the assets comprising the relevant cash generating unit.

A reversal of an impairment loss for an asset measured at cost is recognised in profit or loss. A reversal of an impairment loss for an asset measured at a revalued amount is treated as a revaluation increase and is recognised in other comprehensive income, except to the extent that an impairment loss on the same class of asset was previously recognised in profit or loss, in which case a reversal of that impairment loss is also recognised in profit or loss.

(k) Leases

At the commencement date of a lease (other than leases of 12-months or less and leases of low value assets), the association recognises a lease asset representing its right to use the underlying asset and a lease liability representing its obligation to make lease payments.

Lease assets

Lease assets are initially recognised at cost, comprising the amount of the initial measurement of the lease liability, any lease payments made at or before the commencement date of the lease, less any lease incentives received, any initial direct costs incurred by the association, and an estimate of costs to be incurred by the association in dismantling and removing the underlying asset, restoring the site on which it is located or restoring the underlying asset to the condition required by the terms and conditions of the lease, unless those costs are incurred to produce inventories.

Subsequent to initial recognition, lease assets are measured at cost (adjusted for any remeasurement of the associated lease liability), less accumulated depreciation and any accumulated impairment loss.

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(k) Leases (Continued)

Lease assets are depreciated over the shorter of the lease term and the estimated useful life of the underlying asset, consistent with the estimated consumption of the economic benefits embodied in the underlying asset.

Lease liabilities

Lease liabilities are initially recognised at the present value of the future lease payments (i.e., the lease payments that are unpaid at the commencement date of the lease). These lease payments are discounted using the interest rate implicit in the lease, if that rate can be readily determined, or otherwise using the association's incremental borrowing rate.

Subsequent to initial recognition, lease liabilities are measured at the present value of the remaining lease payments (i.e., the lease payments that are unpaid at the reporting date). Interest expense on lease liabilities is recognised in profit or loss (presented as a component of finance costs). Lease liabilities are remeasured to reflect changes to lease terms, changes to lease payments and any lease modifications not accounted for as separate leases.

Variable lease payments not included in the measurement of lease liabilities are recognised as an expense when incurred.

Leases of 12-months or less and leases of low value assets

Lease payments made in relation to leases of 12-months or less and leases of low value assets (for which a lease asset and a lease liability has not been recognised) are recognised as an expense on a straight-line basis over the lease term.

(l) Provisions

Provisions are recognised when the association has a legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will result and that outflow can be reliably measured.

The amount recognised as a provision is the best estimate of the expenditure required to settle the present obligation at the end of the reporting period.

(m) Goods and services tax (GST)

Revenues, expenses and purchased assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Tax Office. In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense. Receivables and payables in the statement of financial position are shown inclusive of GST.

Cash flows are presented in the statement of cash flows on a gross basis, except for the GST component of investing and financing activities, which are disclosed as operating cash flows.

(n) Comparatives

Where necessary, comparative information has been reclassified and repositioned for consistency with current year disclosures.

(o) Events after the reporting period

Events after the reporting period are those events, favourable and unfavourable, that occur between the end of the reporting period and the date when the financial report is authorised for issue.

The amounts recognised in the financial statements reflect events after the reporting period that provide evidence of conditions that existed at the reporting date. Whereas, events after the reporting period that are indicative of conditions that arose after the reporting period (i.e., which did not exist at the reporting date) are excluded from the determination of the amounts recognised in the financial statements.

NOTE 2: SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGEMENTS

In the process of applying the association's accounting policies, management makes various judgements that can significantly affect the amounts recognised in the financial statements. In addition, the determination of carrying amounts of some assets and liabilities require estimation of the effects of uncertain future events. Outcomes within the next financial year that are different from the assumptions made could require a material adjustment to the carrying amounts of those assets and liabilities affected by the assumption.

The following outlines the major judgements made by management in applying the association's accounting policies and/or the major sources of estimation uncertainty, that have the most significant effect on the amounts recognised in the financial statements and/or have a significant risk of resulting in a material adjustment to the carrying amount of assets and liabilities within the next financial year:

(a) Impairment of non-financial assets

All assets are assessed for impairment at each reporting date by evaluating whether indicators of impairment exist in relation to the continued use of the asset by the association. Impairment triggers include declining product or manufacturing performance, technology changes, adverse changes in the economic or political environment and future product expectations. If an indicator of impairment exists the recoverable amount of the asset is determined.

No impairment indicators were identified by management at balance date.

(b) Fair value of financial assets and land and buildings

The association fair values its land and buildings and investment in managed investment funds and equity securities in accordance with the fair value heirarchy discussed in note 1(a). Refer to note 11 and 12 for the fair value methods.

(c) Leases assets and lease liabilities

At the commencement date of a lease (other than leases of 12-months or less and leases of low value assets), the association recognises a lease asset representing its right to use the underlying asset and a lease liability representing its obligation to make lease payments. In order to measure a lease asset and corresponding lease liability, the association is required to make a determination of the lease term. This determination includes an assessment of whether the association is reasonably certain to exercise an option to extend the lease or to purchase the underlying asset, or not to exercise an option to terminate the lease. In making this judgement, the association considers all relevant facts and circumstances that create an economic incentive for the association to exercise, or not to exercise, the option, including any expected changes in facts and circumstances from the commencement date of the lease until the exercise date of the option.

Where the interest rate implicit in a lease cannot be readily determined, an incremental borrowing rate is estimated to discount future lease payments to measure the present value of the lease liability at the lease commencement date. Such a rate is based on what the association estimates it would have to pay a third party to borrow the funds necessary to obtain an asset of a similar value to the right-of-use asset, with similar terms, security and economic environment.

	2023 $	2022 $
NOTE 3: GRANT REVENUE		
Grant revenue (recognised over time)	**10,419,172**	8,812,230
Revenue by type of customer:		
- Federal Government	**645,892**	640,048
- State Government	**9,052,455**	7,366,393
- Local Government	**150,000**	301,382
- Other	**570,825**	504,407
	10,419,172	8,812,230
Revenue by Department:		
- QLD Department of Communities, Housing and Digital Economy	**7,725,471**	6,080,641
- QLD Department of Children, Youth Justice and Multicultural Affairs	**840,378**	797,729
- Partners 4 Health Ltd trading as Brisbane North Primary Health Network	**645,892**	640,048
- Hand Heart Pocket	**356,325**	320,407
- Brisbane City Council	**150,000**	301,382
- QLD Department of Justice and Attorney-General	**243,223**	256,385
- QLD Department of Health	**243,383**	231,638
- Perpetual Impact	**120,000**	120,000
- Other funding sources	**-**	64,000
- Communify	**94,500**	-
	10,419,172	8,812,230

NOTE 4: OTHER REVENUE AND OTHER INCOME

	2023 $	2022 $
Other revenue		
Dividend income	**120,011**	142,861
Interest income	**22,270**	5,608
Donation revenue	**457,917**	173,869
Medicare revenue	**57,834**	56,149
Rental revenue	**243,263**	189,077
	901,295	567,564
Other income		
Profit on sale of property, plant and equipment	**-**	5,000
Financial asset fair value gain	**123,101**	-
Other income	**28,258**	95,993
	151,359	100,993

	2023 $	2022 $
NOTE 5: OPERATING PROFIT		
Surplus/(loss) before income tax has been determined after:		
Finance costs:		
- Interest expense on lease liabilities	**5,371**	2,450
Employee benefits expense:		
- Short term benefits	**7,183,763**	6,398,183
- Superannuation guarantee contributions	**726,704**	613,872
- Other employee benefits	**205,769**	240,154
	8,116,236	7,252,209
Loss on fair value of borrowings	**-**	86,564
Realised loss on sale of investments	**-**	29,462
Unrealised (gain)/loss on sale of investments	**-**	323,440
Depreciation:		
- Motor vehicles	**65,338**	80,779
- Furniture, fixtures and fittings	**-**	389
- Lease assets	**110,621**	111,728
	175,959	192,896

NOTE 6: REMUNERATION OF AUDITORS

	2023	2022
Audit and assurance services		
- Audit of the financial report	**18,000**	17,000
Other services		
- Compilation of the financial report	**3,000**	3,000
- Grant acquittal audits	**9,240**	8,800
	30,240	28,800

NOTE 7: KEY MANAGEMENT PERSONNEL COMPENSATION

	2023	2022
Total compensation paid or payable to key management personnel	537,865	448,120

	2023 $	2022 $

NOTE 8: CASH AND CASH EQUIVALENTS

(a) Reconciliation of cash

Cash at the end of the financial year as shown in the statement of cash flows is reconciled to the related items in the statement of financial position as follows:

	2023 $	2022 $
Cash on hand	-	70
Cash at bank	2,917,884	3,064,211
	2,917,884	3,064,281

(b) Non-cash financing and investing activities

During the year, the association entered into the following non-cash investing and financing transactions (which are not included in the Statement of Cash Flows):

The association commenced new leases of premises during the finanical year, resulting in the recognition of additional lease assets of $67,944 (2022: $153,127) and a corresponding lease liability of $67,944 (2022: $153,127).

NOTE 9: RECEIVABLES

	2023 $	2022 $
CURRENT		
Trade receivables	**184,682**	37,388
Other receivables	**37,480**	12,316
	222,162	49,704
NON CURRENT		
Other receivables	**68,227**	9,027

NOTE 10: OTHER ASSETS

	2023 $	2022 $
CURRENT		
Prepayments	**83,020**	64,245
Other current assets	**11,521**	10,761
	94,541	75,006

NOTE 11: OTHER FINANCIAL ASSETS

	2023 $	2022 $
NON CURRENT		
Financial assets at fair value through profit or loss		
Investment in managed investment funds	**2,360,719**	2,155,221
Financial assets at fair value through other comprehensive income		
Investment in equity securities	**729,168**	672,840
	3,089,887	2,828,061

Basis of determing fair value

Investments in managed investment funds and equity securities are valued using a level 1 fair value measurement, being the quoted market price at the reporting date.

NOTE 11: OTHER FINANCIAL ASSETS (CONTINUED)

Net change in fair value of financial assets

The net change in fair value recognised in other comprehensive income for the financial year in relation to financial assets designated at fair value through other comprehensive income was an unrealised gain of $51,228 (2022: unrealised loss of $60,598).

The net change in fair value recognised in the profit or loss for the financial year in relation to financial assets designated at mandatorily designated at fair value through profit or loss was an unrealised gain of $131,140 (2022: unrealised loss of $323,440).

NOTE 12: PROPERTY, PLANT AND EQUIPMENT

	2023 $	2022 $
Land and buildings		
Land and buildings at fair value	**2,275,000**	2,175,000
Accumulated depreciation	**-**	-
	2,275,000	2,175,000
Leasehold improvements		
Leasehold improvements at cost	**140,027**	140,027
Accumulated depreciation	**(140,027)**	(140,027)
	-	-
Total land and buildings	**2,275,000**	2,175,000
Plant and equipment		
Motor vehicles at cost	**686,707**	642,507
Accumulated depreciation	**(506,439)**	(441,101)
	180,268	201,406
Office equipment at cost	**401,470**	401,470
Accumulated depreciation	**(401,470)**	(401,470)
	-	-
Furniture, fixtures and fittings at cost	**45,188**	45,188
Accumulated depreciation	**(45,188)**	(45,188)
	-	-
Total plant and equipment	**180,268**	201,406
Total property, plant and equipment	**2,455,268**	2,376,406

(a) Valuations

The fair value of freehold land and buildings has been determined by management with an effective date of 30 June 2023. The fair value was determined using comparable sales for suburbs in which the properties are owned. Such valuations are determined using a level 3 fair value measurement, being the amounts for which the assets could be exchanged between market participants in an arm's length transaction at the valuation date.

(b) Reconciliations

	2023 $	2022 $
Land and buildings		
Opening carrying amount	**2,175,000**	1,822,700
Net revaluation increments	**100,000**	352,300
Closing carrying amount	**2,275,000**	2,175,000

	2023 $	2022 $

NOTE 12: PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

(b) Reconciliations (Continued)

	2023 $	2022 $
Motor vehicles		
Opening carrying amount	**201,406**	220,150
Additions	**44,200**	62,035
Depreciation expense	**(65,338)**	(80,779)
Closing carrying amount	**180,268**	201,406

NOTE 13: LEASE ASSETS AND LEASE LIABILITIES

(a) Lease assets

	2023 $	2022 $
Land and buildings under lease	**313,711**	262,654
Accumulated depreciation	**(220,576)**	(126,842)
Total carrying amount of lease assets	**93,135**	135,812

Reconciliations

	2023 $	2022 $
Land and buildings		
Opening carrying amount	**135,812**	94,413
Additions	**67,944**	153,127
Depreciation	**(110,621)**	(111,728)
Closing carrying amount	**93,135**	135,812

(b) Lease liabilities

	2023 $	2022 $
CURRENT		
Land and buildings under lease	**100,143**	77,374
NON CURRENT		
Land and buildings under lease	**-**	58,313

(c) Maturity analysis of future lease payments

	2023 $	2022 $
- Not later than 1 year	**100,143**	77,374
- Later than 1 year and not later than 5 years	**-**	58,313
Total future lease payments at the reporting date	**100,143**	135,687

The lease of land and buildings is for a average term of 2 years, with an average effective interest rate of 3.69% per annum. The final lease ends on 30 June 2024.

	2023 $	2022 $

NOTE 14: PAYABLES

	2023 $	2022 $
CURRENT		
Unsecured liabilities		
Trade creditors	**36,407**	139,166
GST payables	**134,747**	163,731
Sundry creditors and accruals	**454,285**	519,252
	625,439	822,149

Trade payables are non-interest bearing and are generally due for payment within 30 days of the invoice date.

NOTE 15: BORROWINGS

	2023 $	2022 $
NON CURRENT		
Secured liabilities		
Mortgage loans	**238,000**	238,000

The association is party to a mortgage agreement with the Department of Public Works and Housing ("the Department"). The association is required to repay the mortgage if it is in default of the terms of the agreement and/or the property has been sold. The agreement is in effect until it is either terminated by the Department or repaid in full.

The repayment amount is equal to 68% of the market value/sale value of the property. The movement in the value of the mortgage is recognised as income or expense in the period to which it relates. No interest is attached to the mortgage.

NOTE 16: PROVISIONS

	2023 $	2022 $
CURRENT		
Annual leave	**462,200**	385,852
Long service leave	**167,569**	180,627
Other employee entitlements	**7,291**	6,553
	637,060	573,032
NON CURRENT		
Long service leave	**175,021**	66,745

NOTE 17: CONTRACT LIABILITIES

	2023 $	2022 $
CURRENT		
Unspent grant funds	**496,649**	291,295

A contract liability represents the association's obligation to transfer services under contractual arrangements that contain enforceable and sufficiently specific performance obligations for which the association has received consideration (or an amount of consideration is due) in advance of those services being provided. Amounts recorded as contract liabilities are subsequently recognised as revenue as performance obligations are satisfied. Services are generally provided by the association within the term of the grant agreement.

		2023 $	2022 $

NOTE 18: RESERVES

		2023 $	2022 $
Asset revaluation reserve	18(a)	**1,522,838**	1,422,838
Financial assets at fair value through other comprehensive income reserve	18(b)	**52,664**	1,436
		1,575,502	1,424,274

(a) Asset revaluation reserve

The asset revaluation reserve is used to record increments and decrements on the revaluation of non-current assets.

Movements in reserve	2023 $	2022 $
Opening balance	**1,422,838**	1,070,538
Revaluation of property, plant and equipment, net of tax	**100,000**	352,300
Closing balance	**1,522,838**	1,422,838

(b) Financial assets at fair value through other comprehensive income reserve

The financial assets at fair value through other comprehensive income reserve is used to record changes in the fair value of financial assets classified or designated at fair value through other comprehensive income.

Movements in reserve	2023 $	2022 $
Opening balance	**1,436**	80,927
Net change in fair value of financial assets designated at fair value through other comprehensive income	**51,228**	(60,598)
Transfers to retained earnings, upon disposal of financial assets designated at fair value through other comprehensive income	**-**	(18,893)
Closing balance	**52,664**	1,436

NOTE 19: RELATED PARTY TRANSACTIONS

(a) Transactions with key management personnel of the entity

The association is not party to any related party transactions except for those disclosed in note 7.

NOTE 20: CONTINGENT LIABILITIES

The company had no contingent liabilities as at 30 June 2023.

NOTE 21: EVENTS SUBSEQUENT TO REPORTING DATE

There has been no matter or circumstance, which has arisen since 30 June 2023 that has significantly affected or may significantly affect:

(a) the operations, in financial years subsequent to 30 June 2023, of the association, or
(b) the results of those operations, or
(c) the state of affairs, in financial years subsequent to 30 June 2023, of the association.

NOTE 22: ASSOCIATION DETAILS

The registered office of the association is:

Brisbane Youth Service Inc.
42 McLachlan Street
Fortitude Valley QLD 4006

NOTE 23: COMMITMENTS

Amounts payable under managed services contracts:		
- not later than one year	16,620	16,620
- later than one year and not later than five years	31,855	48,475
	48,475	65,095

BRISBANE YOUTH SERVICE INC.
ABN: 83 967 756 338

STATEMENT BY MEMBERS OF THE COMMITTEE

The committee of the association declare that:

1. In the committee's opinion, the financial statements and notes thereto, as set out on pages 1 - 19, satisfy the requirements of the *Australian Charities and Not-for-profits Commission Act 2012*, including:

   (a) complying with Australian Accounting Standards - Simplified Disclosures and the *Australian Charities and Not-for-profits Commission Regulations 2022*; and

   (b) giving a true and fair view of the financial position as at 30 June 2023 and performance for the year ended on that date of the association.

2. In the committee opinion, there are reasonable grounds to believe that the association is able to pay all of its debts, as and when they become due and payable.

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

President: ______________________

Mark Wheatley

Dated this 28th day of September 2023

PITCHER PARTNERS

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Brisbane, QLD 4001

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INDEPENDENT AUDITOR'S REPORT
To the Members of Brisbane Youth Service Inc.

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of Brisbane Youth Service Inc. (the "Registered Entity"), which comprises the statement of financial position as at 30 June 2023, the statement of profit or loss and other comprehensive income, statement of changes in members funds and statement of cash flows for the year then ended, notes to the financial statements including a summary of significant accounting policies, and the directors' declaration.

In our opinion the financial report of Brisbane Youth Service Inc. has been prepared in accordance with Division 60 of the *Australian Charities and Not-for-profits Commission Act 2012*, including:

(a) giving a true and fair view of the Registered Entity's financial position as at 30 June 2023 and of its financial performance for the year then ended; and

(b) 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 auditor independence requirements of the *Australian Charities and Not for-profits Commission Act 2012* ("ACNC Act") and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* ("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.

Other Information

Those charged with governance are responsible for the other information. The other information comprises the information included in the Registered Entity's annual report for the year ended 30 June 2023, but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon. In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Members and Those Charged with Governance for the Financial Report.

The Members of the Registered Entity are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards and the ACNC Act, and for such internal control as the responsible entities determine is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error.

In preparing the financial report, responsible entities are responsible for assessing the Registered Entity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the responsible entities either intends to liquidate the Registered Entity or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Registered Entity's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial report.

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

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

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

PITCHER PARTNERS

CHERYL MASON
Partner

Brisbane, Queensland
28 September 2023