

YOUTURN LIMITED

ABN 58 114 781 065

Financial Report – For the year ended 30 June 2022

**Youturn Limited
Directors' report
30 June 2022**

The directors present their report, together with the financial statements, on the company for the year ended 30 June 2022.

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:

Paula Holden
Mitchell Evans
Greg Livingstone (resigned 12/11/2021)
Dr Oscar Modesto Ramirez
Katherine Acheson
Aaron Minton (appointed 16/11/2021)
Georgia O'Keeffe (appointed 25/01/2022)
Scott Orpin (appointed 19/10/2021)

Objectives

Our Vision is to be trusted to create safe, inclusive and supportive communities,
Our mission is to support young people in their times of need to live a healthy and meaningful life.

Strategy for achieving the objectives

The company is principally supported through state and federal government grants.

Principal activities

Youturn provides health and social services supporting young people and their families. The principle activities of the company during the financial year traverse across four health and social service sectors; Youth Homelessness, Child Safety, Mental Health and Suicide Prevention. The company describes these services by the sectors in which they operate.

Youth Homelessness:

The company employs dedicated Case Managers and support staff to work with young people and provide a range of homelessness services committed to supporting; young people whose living conditions make it intolerable to remain at home and young families who can't afford secure and appropriate housing. These Services are funded by the Queensland Department of Communities Housing and Digital Economy and Department of Social Services (Federal).

Child Safety:

The company supports young people and families who have been affected by a range of unique challenges that have the potential to impact on the safety of children and young people. Through the delivery of child safety services the company supports; children who cannot remain living safely with their parents and vulnerable families to help them to maintain the family unit (where the young person is safe). These services are funded by the Queensland Department of Children, Youth Justice and Multicultural Affairs.

Mental Health:

The company is the lead agent for five headspace centres across Southern Queensland that focus on early intervention for young people through a range of mental health services to ensure they receive support. Funding for these headspace centres is obtained on a regional basis through the Primary Health Networks and Medical Benefits Schedule Billing.

Suicide Prevention:

The company delivers StandBy Support After Suicide services across Australia to people bereaved and impacted by suicide. This StandBy service is Australia's leading provider of support after suicide, providing free face-to-face and telephone support to individuals, families, workplaces, groups and the wider community. This service is primarily funded by the National Suicide Prevention Leadership and Support Program (Federal) and NSW Ministry of Health (New NSW Funding).

Each of these services have the prime objective of delivering the organisation's mission to support young people in their times of need to live a healthy and meaningful life.

The provision of these services is underpinned by a strategic plan that maps a sustainable pathway to continue best practice, build capacity and extend the organisation's reach within each of the four sectors. This strategy outlines objectives focused around five key result areas; engagement; service excellence; capacity and capability; financial sustainability; and quality and compliance.

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Performance measures

The company measures its performance in terms of funds raised, services delivered, clients supported and the number of hours and outcomes delivered for each funding program.

Information Information on directors

Name:	Paula Holden
Title:	Director and Chair of the Board (appointed as Chair 20 April 2021)
Qualifications:	FCPHR MBA B.Man MAICD AFIML JP (Qual)
Experience and expertise:	As an established board director and Senior Executive, Paula brings over 25 years' experience in various 'for profit' and 'for purpose' organisations. She has built her professional practice in People and Culture, and Safety, always seeking to build capability and synergise the people experience with the overall business strategy. Paula is deeply passionate about helping others see their potential in themselves. Having completed various postgraduate qualifications in human resources, business, strategy and leadership Paula also holds membership with a number of professional associations including fellowship of the Australian Human Resources Institute and a graduate of the Australian Institute of Company Directors.
Name:	Greg Livingstone
Title:	Director (resigned as Chair 20 April 2021 and resigned as Director 12 November 2021)
Qualifications:	Master of Commerce
Experience and expertise:	Greg has worked in Australia and New Zealand and has extensive experience in general management, strategy, finance and HR in a large agribusiness and consumer products company. Since leaving his corporate role, Greg has worked with a range of organisations in the fields of sustainability, economic development and the support of vulnerable members of the community. He is currently also a non-executive director of The Pinnacle Foundation. Greg has a Master of Commerce degree from the University of New South Wales.

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Name:

Mitchell Evans

Title:

Deputy Chair (appointed Deputy Chair 20 April 2022)

Qualifications:

MBA

Diploma of International Business

Diploma of Business Administration

Experience and expertise:

Mitchell has more than 18 years' experience working within the recruitment and talent acquisition industry across Australia, UK and Germany, 8 of which he ran his own organisation. Mitchell now works as the QLD and NSW Corporate Sales Manager at SEEK, developing SEEKs engagement strategy and working with some of Australia's largest organisations.

Mitchell also currently sits on the Corporate Advisory Board for the Department of Family and Domestic Violence and the Advisory Board for the Department of Employment and Small Business. Mitchell holds a Diploma of International Business, a Diploma of Business Administration and finalizing a Master of Business Administration.

Name:

Dr Oscar Modesto Ramirez

Title:

Director

Qualifications:

MFT

PhDPsych

Experience and expertise:

Oscar is currently working as an academic, researcher and Course Coordinator at the Australian Catholic University (ACU) and has worked in the education sector for more than 15 years.

Oscar is a registered psychologist with a Masters Degree in Family Therapy and PhD in Psychology. Oscar has more than 20 year experience working in Mental Health settings and in non-for profit organisations where he has held senior roles overseeing a range of services including: post separation, family violence, counselling and psychoeducation, and men's services among others.

Oscar has sat in different community organisation management committee and has a keen interest in organisations that facilitate community growth and improved wellbeing.

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Name: **Katie Acheson**
Title: Director (appointed as Director 14 January 2021)
Qualifications: Masters SocSc (International Dev)
GradDip SocSc (CommServMgt)
Bach SocSc
Experience and expertise: Katie is the CEO of the Youth Advocacy Centre and the Co-founder of Numbers and People Synergy. With over two decades working on the ground with children and youth, she represents their interests in major state, national and international processes.

Katie has an in-depth and comprehensive understanding of the issues facing children and young people and the benefits that flow from engaging young Australians. This has been developed through her extensive experience in the community sector, various levels of government and globally with international development organisations.

Katie's qualifications include a Master of International Development: Social Policy and Social Development (Manchester University); Graduate Diploma of Community Services Management (Community Education and Development); Associate of Arts (University of the Nations); and a Bachelor of Social Work (Royal Melbourne Institute of Technology).

Name: **Aaron Minton**
Title: Director (appointed 16 November 2021)
Qualifications: Bachelor of Information Technology
MBA
Experience and expertise: Aaron has over 20 years' experience in the technology and supply chain industries, focused on digital capability and business improvement projects across the globe, primarily in Asia Pacific, Europe and the US.

Aaron now works as the Digital Transformation Manager for CHEP Australia, responsible for influencing the global digital agenda and delivering large scale change to the Asia Pacific region.

With a particular interest in mental health, Aaron has worked closely with entrepreneurs in this space, providing support and guidance as they work to deliver digital solutions to today's challenges.

Aaron has a Bachelor of Information Technology as well as Master of Business Administration, both from QUT.

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Name: **Scott Orpin**
Title: Director (appointed 19 October 2021)
Qualifications: Master of Commerce
Experience and expertise: With a Master of Commerce degree from the University of Wollongong, Scott has spent more than 20 years in corporate enterprises such as BHP and Rio Tinto and bring extensive leadership experience across many different sectors in the people management, project and change management, safety, risk and culture development fields.

Most recently, he has been in the Not Profit sector with senior roles in Life Without Barriers and MEGT Australia. Scott is passionate about people and making a difference to the lives of others

Name: **Georgia O'Keeffe**
Title: Director (appointed 25 January 2022)
Qualifications: Bachelor of Psychological Science
MBA
Experience and expertise: Georgia is an accomplished business strategist with a decade of innovation in roles that drive large scale change relating to organisational culture, capability, governance, performance and risk management. Most recently she is focusing strategic vision on the development of an enterprise-wide leadership strategy for one of Australia's most significant public sector organisations.

Georgia has a passion for inspiring participation and challenging the status quo for better outcomes. She is a firm advocate for nurturing opportunities for wellbeing in the workplace as in life and promoting change that advances individual aspirations.

Georgia has a Bachelor of Psychological Science and a Master of Business Administration which unified studies in both Australia and France.

Company secretary

Robert Owens (Youturn Chief Financial Officer) held the role of Company Secretary up until 9 February 2022.

Daniel Petravicius was appointed Company Secretary on 9 February 2022 and has held the role since this time.

Meetings of directors

The number of meetings of the company's Board of Directors ('the Board') held during the year ended 30 June 2022, and the number of meetings attended by each director were:

	Full Board	
	Attended	Held*
Paula Holden (Chair)	8	11
Mitchell Evans (Deputy Chair)	9	11
Greg Livingstone (resigned 12/11/2021)	5	5
Dr Oscar Modesto Ramirez	6	11
Katie Acheson	9	11
Scott Orpin (appointed 19/10/2021)	7	8
Aaron Minton (appointed 16/11/2021)	7	7
Georgia O'Keeffe (appointed 25/01/2022)	5	6

* Held: represents the number of meetings held during the time the director held office.

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Contributions on winding up

In the event of the company being wound up, ordinary members are required to contribute a maximum of \$200 each. Honorary and associated members are required to contribute a maximum of \$1.

The total amount that members of the company are liable to contribute if the company is wound up is \$3,402, based on 17 current ordinary members and 2 life members.

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 immediately after this Directors' report.

This report is made in accordance with a resolution of directors, pursuant to section 298(2)(a) of the Corporations Act 2001.

On behalf of the directors



Paula Holden
Chair

17 October 2022
Tewantin, Queensland



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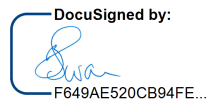
Level 3/2 Emporio Place
2 Maroochy Blvd
Maroochydore QLD 4558
PO Box 5800 Maroochydore QLD 4558
Australia

DECLARATION OF INDEPENDENCE BY BRUCE SWAN TO THE DIRECTORS OF YOUTURN LIMITED

As lead auditor of Youturn Limited, I declare that, to the best of my knowledge and belief, there have been:

1. No contraventions of the auditor independence requirements of the *Australian Charities and Not-for-profit Commission Act 2012* in relation to the audit; and
2. No contraventions of any applicable code of professional conduct in relation to the audit.

This declaration is made in respect of Youturn Limited.

DocuSigned by:

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Bruce Swan

Partner

BDO Audit Pty Ltd

Dated at this day of 2022.

17-Oct-2022 | 4:03 PM AEST

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General information

The financial statements cover Youturn Limited as a company. The financial statements are presented in Australian dollars, which is Youturn Limited's functional and presentation currency.

Youturn Limited is a not-for-profit unlisted public company limited by guarantee, incorporated and domiciled in Australia. Its registered office and principal place of business are:

Registered office

12 Ernest Street
Tewantin, QLD 4565

Principal place of business

12 Ernest Street
Tewantin, QLD 4565

A description of the nature of the company's operations and its principal activities are included in the Directors' report, which is not part of the financial statements.

Youturn Limited
Statement of profit or loss and other comprehensive income
For the year ended 30 June 2022

	Note	2022 \$	2021 \$
Revenue	3	33,738,907	25,700,193
Expenses			
Employee benefits expense		(13,610,716)	(12,010,412)
Contract expense		(10,230,398)	(6,965,569)
Occupancy expense		(586,625)	(591,592)
Client support expense		(1,294,610)	(753,918)
Administration expense		(464,066)	(433,694)
Contract liability expense		(2,566,252)	(1,019,391)
Depreciation and amortisation	4	(1,240,857)	(832,887)
Other expenses	4	(2,788,065)	(2,037,003)
Surplus before income tax expense		957,318	1,055,727
Income tax expense		-	-
Surplus after income tax expense for the year	16	957,318	1,055,727
Other comprehensive income for the year, net of tax		-	-
Total comprehensive income for the year		<u>957,318</u>	<u>1,055,727</u>

The above statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes

Youturn Limited
Statement of financial position
As at 30 June 2022

	Note	2022 \$	2021 \$
Assets			
Current assets			
Cash and cash equivalents	5	10,870,699	8,068,866
Trade and other receivables	6	854,705	735,926
Other	7	603,707	575,425
Total current assets		<u>12,329,111</u>	<u>9,380,217</u>
Non-current assets			
Right-of-use assets	8	3,020,952	2,623,567
Property, plant and equipment	9	<u>1,930,775</u>	<u>1,624,352</u>
Total non-current assets		<u>4,951,727</u>	<u>4,247,919</u>
Total assets		<u>17,280,838</u>	<u>13,628,136</u>
Liabilities			
Current liabilities			
Trade and other payables	10	2,448,981	1,125,681
Contract liabilities	11	4,122,574	3,341,509
Employee benefits	12	772,291	676,338
Lease liabilities	13	<u>987,179</u>	<u>762,703</u>
Total current liabilities		<u>8,331,025</u>	<u>5,906,231</u>
Non-current liabilities			
Employee benefits	14	119,136	101,786
Lease liabilities	15	<u>2,257,283</u>	<u>2,004,043</u>
Total non-current liabilities		<u>2,376,419</u>	<u>2,105,829</u>
Total liabilities		<u>10,707,444</u>	<u>8,012,060</u>
Net assets		<u>6,573,394</u>	<u>5,616,076</u>
Equity			
Retained surpluses	16	<u>6,573,394</u>	<u>5,616,076</u>
Total equity		<u>6,573,394</u>	<u>5,616,076</u>

The above statement of financial position should be read in conjunction with the accompanying notes

Youturn Limited
Statement of changes in equity
For the year ended 30 June 2022

	Retained surpluses \$	Total equity \$
Balance at 1 July 2020	4,560,349	4,560,349
Surplus after income tax expense for the year	1,055,727	1,055,727
Other comprehensive income for the year, net of tax	-	-
Total comprehensive income for the year	<u>1,055,727</u>	<u>1,055,727</u>
Balance at 30 June 2021	<u><u>5,616,076</u></u>	<u><u>5,616,076</u></u>

	Retained surpluses \$	Total equity \$
Balance at 1 July 2021	5,616,076	5,616,076
Surplus after income tax expense for the year	957,318	957,318
Other comprehensive income for the year, net of tax	-	-
Total comprehensive income for the year	<u>957,318</u>	<u>957,318</u>
Balance at 30 June 2022	<u><u>6,573,394</u></u>	<u><u>6,573,394</u></u>

The above statement of changes in equity should be read in conjunction with the accompanying notes

Youturn Limited
Statement of cash flows
For the year ended 30 June 2022

	Note	2022 \$	2021 \$
Cash flows from operating activities			
Grants received		30,160,142	22,202,850
Receipts from customers (inclusive of GST)		6,639,056	5,047,338
Payments to suppliers and employees (inclusive of GST)		<u>(32,601,223)</u>	<u>(24,223,387)</u>
		4,197,975	3,026,801
Interest received		14,285	15,253
Donations received		161,937	211,877
Interest paid		<u>(105,415)</u>	<u>(85,993)</u>
Net cash from operating activities	23	<u>4,268,782</u>	<u>3,167,938</u>
Cash flows from investing activities			
Proceeds from sale of property, plant and equipment		21,202	-
Payments for property, plant and equipment		<u>(1,965,867)</u>	<u>(1,201,872)</u>
Net cash used in investing activities		<u>(1,944,665)</u>	<u>(1,201,872)</u>
Cash flows from financing activities			
Net cash from financing activities		<u>477,716</u>	<u>100,495</u>
Net increase/(decrease) in cash and cash equivalents		2,801,833	2,066,561
Cash and cash equivalents at the beginning of the financial year		<u>8,068,866</u>	<u>6,002,305</u>
Cash and cash equivalents at the end of the financial year	5	<u><u>10,870,699</u></u>	<u><u>8,068,866</u></u>

The above statement of cash flows should be read in conjunction with the accompanying notes

Youturn Limited
Notes to the financial statements
30 June 2022

Note 1. Significant accounting policies

The principal accounting policies adopted in the preparation of the financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

New or amended Accounting Standards and Interpretations adopted

The company has adopted all of the new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period.

Any new or amended Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

The adoption of these Accounting Standards and Interpretations did not have any significant impact on the financial performance or position of the company.

The following Accounting Standards and Interpretations are most relevant to the company:

Conceptual Framework for Financial Reporting (Conceptual Framework)

The company has adopted the revised Conceptual Framework from 1 July 2021. The Conceptual Framework contains new definition and recognition criteria as well as new guidance on measurement that affects several Accounting Standards, but it has not had a material impact on the company's financial statements.

AASB 1060 General Purpose Financial Statements - Simplified Disclosures for For-Profit and Not-for-Profit Tier 2 Entities

The company has adopted AASB 1060 from 1 July 2021. The standard provides a new Tier 2 reporting framework with simplified disclosures that are based on the requirements of IFRS for SMEs. As a result, there is increased disclosure in these financial statements for key management personnel and related parties.

Basis of preparation

These general purpose financial statements have been prepared in accordance with the Australian Accounting Standards - Simplified Disclosures issued by the Australian Accounting Standards Board ('AASB'), the Australian Charities and Not-for-profits Commission Act 2012 and Victorian legislation the Fundraising Act 1998 and associated regulations and the Corporations Act 2001, as appropriate for not-for-profit oriented entities.

Historical cost convention

The financial statements have been prepared under the historical cost convention.

Critical accounting estimates

The preparation of the financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the company's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in note 2.

Revenue recognition

The company recognises revenue as follows:

Revenue from contracts with customers

Revenue is recognised at an amount that reflects the consideration to which the company is expected to be entitled in exchange for transferring goods or services to a customer. For each contract with a customer, the company: identifies the contract with a customer; identifies the performance obligations in the contract; determines the transaction price which takes into account estimates of variable consideration and the time value of money; allocates the transaction price to the separate performance obligations on the basis of the relative stand-alone selling price of each distinct good or service to be delivered; and recognises revenue when or as each performance obligation is satisfied in a manner that depicts the transfer to the customer of the goods or services promised.

Variable consideration within the transaction price, if any, reflects concessions provided to the customer such as discounts, rebates and refunds, any potential bonuses receivable from the customer and any other contingent events. Such estimates are determined using either the 'expected value' or 'most likely amount' method. The measurement of variable consideration is subject to a constraining principle whereby revenue will only be recognised to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur. The measurement constraint continues until the uncertainty associated with the variable consideration is subsequently resolved. Amounts received that are subject to the constraining principle are recognised as a refund liability.

Youturn Limited
Notes to the financial statements
30 June 2022

Note 1. Significant accounting policies (continued)

Sales revenue

Events, fundraising and raffles are recognised when received or receivable.

Donations

Donations are recognised at the time the pledge is made.

Grants

Grant revenue is recognised in profit or loss when the company satisfies the performance obligations stated within the funding agreements.

If conditions are attached to the grant which must be satisfied before the company is eligible to retain the contribution, the grant will be recognised in the statement of financial position as a liability until those conditions are satisfied.

Interest

Interest revenue is recognised as interest accrues using the effective interest method. This is a method of calculating the amortised cost of a financial asset and allocating the interest income over the relevant period using the effective interest rate, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the net carrying amount of the financial asset.

Other revenue

Other revenue is recognised when it is received or when the right to receive payment is established.

Volunteer services

The company has elected not to recognise volunteer services as either revenue or other form of contribution received. As such, any related consumption or capitalisation of such resources received is also not recognised.

Income tax

As the company is a charitable institution in terms of subsection 50-5 of the Income Tax Assessment Act 1997, as amended, it is exempt from paying income tax.

Current and non-current classification

Assets and liabilities are presented in the statement of financial position based on current and non-current classification.

An asset is classified as current when: it is either expected to be realised or intended to be sold or consumed in the company's normal operating cycle; it is held primarily for the purpose of trading; it is expected to be realised within 12 months after the reporting period; or the asset is cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least 12 months after the reporting period. All other assets are classified as non-current.

A liability is classified as current when: it is either expected to be settled in the company's normal operating cycle; it is held primarily for the purpose of trading; it is due to be settled within 12 months after the reporting period; or there is no unconditional right to defer the settlement of the liability for at least 12 months after the reporting period. All other liabilities are classified as non-current.

Cash and cash equivalents

Cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

Trade and other receivables

Other receivables are recognised at amortised cost, less any allowance for expected credit losses.

Contract assets

Contract assets are recognised when the company has transferred goods or services to the customer but where the company is yet to establish an unconditional right to consideration. Contract assets are treated as financial assets for impairment purposes.

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Notes to the financial statements
30 June 2022

Note 1. Significant accounting policies (continued)

Property, plant and equipment

Plant and equipment is stated at historical cost less accumulated depreciation and impairment. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Depreciation is calculated on a straight-line basis to write off the net cost of each item of property, plant and equipment (excluding land) over their expected useful lives as follows:

Buildings	40 years or term of lease
Leasehold Improvements	2-15 years
Motor vehicles	5 years or term of lease
Computer equipment	4 to 5 years
Furniture & Equipment	5 years

The residual values, useful lives and depreciation methods are reviewed, and adjusted if appropriate, at each reporting date.

An item of property, plant and equipment is derecognised upon disposal or when there is no future economic benefit to the company. Gains and losses between the carrying amount and the disposal proceeds are taken to profit or loss.

Right-of-use assets

A right-of-use asset is recognised at the commencement date of a lease. The right-of-use asset is measured at cost, which comprises the initial amount of the lease liability, adjusted for, as applicable, any lease payments made at or before the commencement date net of any lease incentives received, any initial direct costs incurred, and, except where included in the cost of inventories, an estimate of costs expected to be incurred for dismantling and removing the underlying asset, and restoring the site or asset.

Right-of-use assets are depreciated on a straight-line basis over the unexpired period of the lease or the estimated useful life of the asset, whichever is the shorter. Where the company expects to obtain ownership of the leased asset at the end of the lease term, the depreciation is over its estimated useful life. Right-of use assets are subject to impairment or adjusted for any re-measurement of lease liabilities.

The company has elected not to recognise a right-of-use asset and corresponding lease liability for short-term leases with terms of 12 months or less and leases of low-value assets. Lease payments on these assets are expensed to profit or loss as incurred.

Impairment of non-financial assets

Non-financial assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount.

Recoverable amount is the higher of an asset's fair value less costs of disposal and value-in-use. The value-in-use is the present value of the estimated future cash flows relating to the asset using a pre-tax discount rate specific to the asset or cash-generating unit to which the asset belongs. Assets that do not have independent cash flows are grouped together to form a cash-generating unit.

Trade and other payables

These amounts represent liabilities for goods and services provided to the company prior to the end of the financial year and which are unpaid. Due to their short-term nature, they are measured at amortised cost and are not discounted. The amounts are unsecured and are usually paid within 30 days of recognition.

Contract liabilities

Contract liabilities represent the company's obligation to transfer goods or services to a customer and are recognised when a customer pays consideration, or when the company recognises a receivable to reflect its unconditional right to consideration (whichever is earlier) before the company has transferred the goods or services to the customer.

Youturn Limited
Notes to the financial statements
30 June 2022

Note 1. Significant accounting policies (continued)

Lease liabilities

A lease liability is recognised at the commencement date of a lease. The lease liability is initially recognised at the present value of the lease payments to be made over the term of the lease, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the company's incremental borrowing rate. Lease payments comprise of fixed payments less any lease incentives receivable, variable lease payments that depend on an index or a rate, amounts expected to be paid under residual value guarantees, exercise price of a purchase option when the exercise of the option is reasonably certain to occur, and any anticipated termination penalties. The variable lease payments that do not depend on an index or a rate are expensed in the period in which they are incurred.

Lease liabilities are measured at amortised cost using the effective interest method. The carrying amounts are remeasured if there is a change in the following: future lease payments arising from a change in an index or a rate used; residual guarantee; lease term; certainty of a purchase option and termination penalties. When a lease liability is remeasured, an adjustment is made to the corresponding right-of-use asset, or to profit or loss if the carrying amount of the right-of-use asset is fully written down.

Provisions

Provisions are recognised when the company has a present (legal or constructive) obligation as a result of a past event, it is probable the company will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the reporting date, taking into account the risks and uncertainties surrounding the obligation. If the time value of money is material, provisions are discounted using a current pre-tax rate specific to the liability. The increase in the provision resulting from the passage of time is recognised as a finance cost.

Employee benefits

Short-term employee benefits

Liabilities for wages and salaries, including non-monetary benefits, annual leave and long service leave expected to be settled wholly within 12 months of the reporting date are measured at the amounts expected to be paid when the liabilities are settled.

Other long-term employee benefits

The liability for annual leave and long service leave not expected to be settled within 12 months of the reporting date are measured at the present value of expected future payments to be made in respect of services provided by employees up to the reporting date using the projected unit credit method. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using market yields at the reporting date on national government bonds with terms to maturity and currency that match, as closely as possible, the estimated future cash outflows.

Defined contribution superannuation expense

Contributions to defined contribution superannuation plans are expensed in the period in which they are incurred.

Fair value measurement

When an asset or liability, financial or non-financial, is measured at fair value for recognition or disclosure purposes, the fair value is based on the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date; and assumes that the transaction will take place either: in the principal market; or in the absence of a principal market, in the most advantageous market.

Fair value is measured using the assumptions that market participants would use when pricing the asset or liability, assuming they act in their economic best interests. For non-financial assets, the fair value measurement is based on its highest and best use. Valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, are used, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

Goods and Services Tax ('GST') and other similar taxes

Revenues, expenses and assets are recognised net of the amount of associated GST, unless the GST incurred is not recoverable from the tax authority. In this case it is recognised as part of the cost of the acquisition of the asset or as part of the expense.

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the tax authority is included in other receivables or other payables in the statement of financial position.

Youturn Limited
Notes to the financial statements
30 June 2022

Note 1. Significant accounting policies (continued)

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to the tax authority, are presented as operating cash flows.

Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the tax authority.

Note 2. Critical accounting judgements, estimates and assumptions

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts in the financial statements. Management continually evaluates its judgements and estimates in relation to assets, liabilities, contingent liabilities, revenue and expenses. Management bases its judgements, estimates and assumptions on historical experience and on other various factors, including expectations of future events, management believes to be reasonable under the circumstances. The resulting accounting judgements and estimates will seldom equal the related actual results. The judgements, estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities (refer to the respective notes) within the next financial year are discussed below.

Coronavirus (COVID-19) pandemic

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. This consideration extends to the nature of the products and services offered, customers, supply chain, staffing and geographic regions in which the company operates. Other than as addressed in specific notes, 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 or subsequently as a result of the Coronavirus (COVID-19) pandemic.

Estimation of useful lives of assets

The company determines the estimated useful lives and related depreciation and amortisation charges for its property, plant and equipment and finite life intangible assets. The useful lives could change significantly as a result of technical innovations or some other event. The depreciation and amortisation charge will increase where the useful lives are less than previously estimated lives, or technically obsolete or non-strategic assets that have been abandoned or sold will be written off or written down.

Impairment of non-financial assets other than goodwill and other indefinite life intangible assets

The company assesses impairment of non-financial assets other than goodwill and other indefinite life intangible assets at each reporting date by evaluating conditions specific to the company and to the particular asset that may lead to impairment. If an impairment trigger exists, the recoverable amount of the asset is determined. This involves fair value less costs of disposal or value-in-use calculations, which incorporate a number of key estimates and assumptions.

Employee benefits provision

As discussed in note 1, the liability for employee benefits expected to be settled more than 12 months from the reporting date are recognised and measured at the present value of the estimated future cash flows to be made in respect of all employees at the reporting date. In determining the present value of the liability, estimates of attrition rates and pay increases through promotion and inflation have been taken into account.

Allowance for expected credit losses

The allowance for expected credit losses assessment requires a degree of estimation and judgement. It is based on the lifetime expected credit loss, grouped based on days overdue, and makes assumptions to allocate an overall expected credit loss rate for each group. These assumptions include recent experience and historical collection rates.

Lease term

The lease term is a significant component in the measurement of both the right-of-use asset and lease liability. Judgement is exercised in determining whether there is reasonable certainty that an option to extend the lease or purchase the underlying asset will be exercised, or an option to terminate the lease will not be exercised, when ascertaining the periods to be included in the lease term. In determining the lease term, all facts and circumstances that create an economical incentive to exercise an extension option, or not to exercise a termination option, are considered at the lease commencement date. Factors considered may include the importance of the asset to the company's operations; comparison of terms and conditions to prevailing market rates; incurrence of significant penalties; existence of significant leasehold improvements; and the costs and disruption to replace the asset. The company reassesses whether it is reasonably certain to exercise an extension option, or not exercise a termination option, if there is a significant event or significant change in circumstances.

Youturn Limited
Notes to the financial statements
30 June 2022

Note 3. Revenue

	2022 \$	2021 \$
Grants	30,160,142	22,202,850
Medical billing system revenue	2,672,502	2,442,477
Rental income	294,765	189,337
Donations	161,937	211,877
Interest revenue calculated using the effective interest method	14,285	15,253
Other revenue	435,276	638,399
Revenue	<u>33,738,907</u>	<u>25,700,193</u>

Disaggregation of revenue

The disaggregation of revenue from contracts with customers is as follows:

	2022 \$	2021 \$
<i>Type of contract</i>		
Grants	28,533,288	16,259,526
Medical billing system revenue	2,672,502	2,442,477
Rental income	294,765	189,337
	<u>31,500,555</u>	<u>18,891,340</u>

Note 4. Expenses

	2022 \$	2021 \$
Surplus before income tax includes the following specific expenses:		
<i>Depreciation</i>		
Buildings	122,688	44,363
Furniture and equipment	25,819	17,690
Computer equipment	35,427	37,567
Motor vehicles	291,041	311,737
Property depreciation	765,882	421,530
Total depreciation	<u>1,240,857</u>	<u>832,887</u>
Depreciation on right of use assets	1,050,413	714,731
Depreciation on property, plant and equipment	<u>190,444</u>	<u>118,156</u>
	<u>1,240,857</u>	<u>832,887</u>
Other Expenses		
Operating Expenditure	885,253	596,683
IT and communications	811,085	460,079
Staff, Training and consultancy	368,033	451,416
Other Expenditure	723,694	528,825
	<u>2,788,065</u>	<u>2,037,003</u>

Youturn Limited
Notes to the financial statements
30 June 2022

Note 5. Current assets - cash and cash equivalents

	2022 \$	2021 \$
Cash on hand	3,000	2,550
Cash at bank	8,506,820	5,718,409
Rental bond guarantee	83,700	83,700
Cash on deposit	2,277,179	2,264,207
	<u>10,870,699</u>	<u>8,068,866</u>

Note 6. Current assets - trade and other receivables

	2022 \$	2021 \$
Trade receivables	854,705	735,926
Less: allowance for expected credit losses	-	-
	<u>854,705</u>	<u>735,926</u>

Note 7. Current assets - other

	2022 \$	2021 \$
Other receivables and prepayments	<u>603,707</u>	<u>575,425</u>

Note 8. Non-current assets - right-of-use assets

	2022 \$	2021 \$
Buildings - right-of-use	4,025,210	2,952,913
Less: Accumulated depreciation	<u>(1,425,091)</u>	<u>(817,016)</u>
	2,600,119	2,135,897
Motor vehicles - right-of-use	778,591	946,628
Less: Accumulated depreciation	<u>(383,015)</u>	<u>(493,771)</u>
	395,576	452,857
Plant and equipment - right-of-use	58,723	53,154
Less: Accumulated depreciation	<u>(33,466)</u>	<u>(18,341)</u>
	25,257	34,813
	<u>3,020,952</u>	<u>2,623,567</u>

Additions to the right-of-use assets during the year were \$ 1,050,413 (30 June 2021 \$ 759,509).

The company leases commercial properties under agreements of between one to five years with, in some cases, options to extend. The leases have various escalation clauses. On renewal, the terms of the leases are renegotiated. The company also leases plant and equipment and motor vehicles under agreements of between one to three years.

The company leases office equipment under agreements of less than two years. These leases are either short-term or low-value, so have been expensed as incurred and not capitalised as right-of-use assets.

Youturn Limited
Notes to the financial statements
30 June 2022

Note 9. Non-current assets - property, plant and equipment

	2022 \$	2021 \$
Buildings – at cost	2,159,637	4,328,550
Less: Accumulated depreciation	(773,908)	(2,903,032)
	<u>1,385,729</u>	<u>1,425,518</u>
Furniture and equipment – at cost	262,655	306,873
Less: Accumulated depreciation	(233,319)	(266,842)
	<u>29,336</u>	<u>40,031</u>
Computer equipment – at cost	528,801	533,819
Less: Accumulated depreciation	(479,143)	(443,717)
	<u>49,658</u>	<u>90,102</u>
Motor vehicles - at cost	276,240	134,215
Less: Accumulated depreciation	(143,157)	(121,520)
	<u>133,083</u>	<u>12,695</u>
	<u>274,120</u>	<u>56,006</u>
Work In Progress - at cost	<u>274,120</u>	<u>56,006</u>
Leasehold Improvements - at cost	117,208	2,216,821
Less: Accumulated depreciation	(58,359)	(2,216,821)
	<u>58,849</u>	<u>-</u>
	<u>1,930,775</u>	<u>1,624,352</u>

Reconciliations

Reconciliations of the written down values at the beginning and end of the current financial year are set out below:

	Buildings \$	Leasehold Improvements \$	Furniture & Equipment \$	Computer Equipment \$	Motor vehicles \$	Work In Progress \$	Total \$
Balance at 1 July 2020	1,124,924	-	13,321	127,669	31,321	-	1,297,235
Additions	344,957	-	44,400	-	-	56,006	445,363
Disposals	-	-	-	-	-	-	-
Depreciation expense	(44,363)	-	(17,690)	(37,567)	(18,626)	-	(118,246)
Balance at 30 June 2021	<u>1,425,518</u>	<u>-</u>	<u>40,031</u>	<u>90,102</u>	<u>12,695</u>	<u>56,006</u>	<u>1,624,352</u>
Additions	49,908	93,840	-	14,182	142,025	218,114	518,069
Disposals	(2,001)	-	-	(19,201)	-	-	(21,202)
Depreciation expense	(87,69)	(34,991)	(10,695)	(35,427)	(21,635)	-	(190,444)
Balance at 30 June 2022	<u>1,385,729</u>	<u>58,849</u>	<u>29,336</u>	<u>49,658</u>	<u>133,083</u>	<u>274,120</u>	<u>1,930,775</u>

Youturn Limited
Notes to the financial statements
30 June 2022

Note 10. Current liabilities - trade and other payables

	2022	2021
	\$	\$
Trade payables	326,147	241,097
Accrued expenses	1,868,601	661,570
GST liability	254,233	223,014
	<u>2,448,981</u>	<u>1,125,681</u>

Note 11. Contract Liabilities

	2022	2021
	\$	\$
Contract Liabilities	<u>4,122,574</u>	<u>3,341,509</u>

Note 12. Current liabilities - employee benefits

	2022	2021
	\$	\$
Employee benefits	<u>772,291</u>	<u>676,338</u>

Note 13. Current liabilities - lease liabilities

	2022	2021
	\$	\$
Lease liability	<u>987,179</u>	<u>762,703</u>

Note 14. Non-current liabilities - employee benefits

	2022	2021
	\$	\$
Employee benefits	<u>119,136</u>	<u>101,786</u>

Note 15. Non-current liabilities - lease liabilities

	2022	2021
	\$	\$
Lease liability	<u>2,257,283</u>	<u>2,004,043</u>

Youturn Limited
Notes to the financial statements
30 June 2022

Note 16. Equity - retained surpluses

	2022 \$	2021 \$
Retained surpluses at the beginning of the financial year	5,616,076	4,560,349
Surplus after income tax expense for the year	957,318	1,055,727
Transfer within equity	-	-
	<u>6,573,394</u>	<u>5,616,076</u>
Retained surpluses at the end of the financial year		

Note 17. Key management personnel disclosures

Compensation

The aggregate compensation made to members of key management personnel of the company is set out below:

	2022 \$	2021 \$
Aggregate compensation	<u>1,162,416</u>	<u>1,113,094</u>

Note 18. Remuneration of auditors

During the financial year the following fees were paid or payable for services provided by BDO Audit Pty Ltd, the auditor of the company and BDO Services Pty Ltd. Both members of the BDO Australia Ltd group:

	2022 \$	2021 \$
<i>Audit services – BDO Audit Pty Ltd</i>		
Audit of the financial statements	<u>42,840</u>	<u>39,860</u>
<i>Advisory services – BDO Services Pty Ltd</i>		
Risk Advisory Review or Employee Benefits	<u>-</u>	<u>41,862</u>
Total remuneration to BDO Australia Ltd	<u>42,840</u>	<u>81,722</u>

Note 19. Contingent liabilities

The company had no contingent liabilities as at 30 June 2022 and 30 June 2021.

Youturn Limited
Notes to the financial statements
30 June 2022

Note 20. Commitments

	2022	2021
	\$	\$
Capital commitments		
<i>Property, plant and equipment</i>	-	661,697
<i>Lease commitments - operating</i>		
<i>Committed at the reporting date but not recognised as liabilities, payable:</i>		
<i>Within one year</i>	-	212,285
<i>One to five years</i>	-	332,853
	-	545,138
 <i>Committed Expenditure</i>		
Operating software upgrade - Business 365 Architects	350,000	350,000
	350,000	1,556,835

Note 21. Related party transactions

Key management personnel

Disclosures relating to key management personnel are set out in note 17.

Transactions with related parties

There were no transactions with related parties during the current and previous financial year.

Receivable from and payable to related parties

There were no trade receivables from or trade payables to related parties at the current and previous reporting date.

Loans to/from related parties

There were no loans to or from related parties at the current and previous reporting date.

Note 22. Events after the reporting period

No matter or circumstance has arisen since 30 June 2022 that has significantly affected, or may significantly affect the company's operations, the results of those operations, or the company's state of affairs in future financial years.

Note 23. Reconciliation of surplus after income tax to net cash from operating activities

	2022	2021
	\$	\$
Surplus after income tax expense for the year	957,318	1,055,727
Adjustments for:		
Depreciation and amortisation	1,240,857	842,940
Change in operating assets and liabilities:		
Decrease/(increase) in trade and other receivables	(118,779)	(507,105)
Increase in other receivables	(28,282)	(266,210)
Decrease in trade and other payables	1,323,300	61,729
Decrease in contract liabilities	781,065	1,931,009
Decrease in employee benefits	113,303	49,848
Net cash from operating activities	4,268,782	3,167,938

Youturn Limited
Independent Auditor's Report
30 June 2022

In the directors' opinion:

- the attached financial statements and notes comply with the Corporations Act 2001, the Accounting Standards, the Australian Charities and Not-for-profits Commission Act 2012 and Queensland legislation the Collections Act 1966 and associated regulations, the Corporations Regulations 2001 and other mandatory professional reporting requirements;
- the attached financial statements and notes comply with International Financial Reporting Standards as issued by the International Accounting Standards Board as described in note 1 to the financial statements;
- the attached financial statements and notes give a true and fair view of the company's financial position as at 30 June 2022 and of its performance for the financial year ended on that date; and
- there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of directors made pursuant to section 295(5)(a) of the Corporations Act 2001.

On behalf of the directors



Paula Holden
Director

17 October 2022
Tewantin



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INDEPENDENT AUDITOR'S REPORT

To the members of Youturn Limited

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of Youturn Limited (the Company), which comprises the statement of financial position as at 30 June 2022, the statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, and notes to the financial report, including a summary of significant accounting policies, and the directors' declaration.

In our opinion the accompanying financial report of Youturn Limited, is in accordance with the *Corporations Act 2001* and Division 60 of the *Australian Charities and Not-for-profits Commission Act 2012*, including:

- (i) Giving a true and fair view of the Company's financial position as at 30 June 2022 and of its financial performance for the year ended on that date; and
- (ii) Complying with Australian Accounting Standards - Reduced Disclosure Requirements, the *Corporations Regulations 2001* and Division 60 of the *Australian Charities and Not-for-profits Commission Act 2012*.

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 Company in accordance with the *Corporations Act 2001*, Division 60 of the *Australian Charities and Not-for-profits Commission Act 2012* 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 confirm that the independence declaration required by the *Corporations Act 2001* and Division 60 of the *Australian Charities and Not-for-profits Commission Act 2012*, which has been given to the directors of the Company, would be in the same terms if given to the directors as at the time of this auditor's report.

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

Other information

The directors are responsible for the other information. The other information obtained at the date of this auditor's report is information included in the Directors report, 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 on the other information obtained prior to the date of this auditor's report, 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 the directors for the Financial Report

The directors of the Company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards - Reduced Disclosure Requirements and the *Corporations Act 2001*, Division 60 of the *Australian Charities and Not-for-profits Commission Act 2012* and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the Company'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 directors either intend to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the Financial Report

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

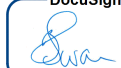
A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website (<http://www.auasb.gov.au/Home.aspx>) at:



http://www.auasb.gov.au/auditors_responsibilities/ar4.pdf

This description forms part of our auditor's report.

BDO Audit Pty Ltd

DocuSigned by:

F649AE520CB94FE...
Bruce Swan
Director

Dated this 17th day of October 2022
Maroochydore, Queensland