

POLICE CITIZENS YOUTH CLUBS NSW LTD

A.B.N. 89 401 152 271

Annual Financial Report

31 December 2023

POLICE CITIZENS YOUTH CLUBS NSW LTD

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POLICE CITIZENS YOUTH CLUBS NSW LTD

Directors' Report

For the year ended 31 December 2023

The Directors present their report together with the financial report of Police Citizens Youth Clubs NSW Ltd ("PCYC NSW" or the "Company") for the year ended 31 December 2023 and the auditor's report thereon.

1 Directors

Directors have been in office since the start of the financial year to the date of this report unless otherwise stated. The names of the Directors in office at any time during or since the end of the financial year are:

- Nicole Sorbara (appointed 01 January 2022)
- Ben Shields (appointed 25 August 2017)
- Dorothy Hennessy (appointed 25 August 2017)
- Erin Flaherty (appointed 25 August 2017)
- James Dack (appointed 9 August 2013)
- Gavin Wood (appointed 17 February 2022)
- Stuart O'Brien (appointed 24 March 2023)
- Michael Hope (appointed 25 August 2017)
- Peter Kirkwood (appointed 25 August 2017)
- Nicolas Dan (appointed 27 February 2019)
- Claire Beattie (appointed 20 August 2021)
- Dominic Teakle (appointed 15 July 2019, resigned 15 July 2023)

2 Principal activities, objectives and strategies

PCYC is a charity empowering young people through Police and community partnership. The principle activities of the Company are to manage a network of youth clubs across NSW.

The Company's aim is to engage with, and positively influence our 70,000+ youth members through mainstream sport, recreation, education, leadership and cultural programs. In addition, the Company works with at-risk youth to break the cycle of disadvantage through crime prevention, vocational education, youth capacity building and social responsibility programs to change the life outcomes of over 7,500 youth per year.

The strategic plan "2022 – 2027 Better Together Strategy" launched in 2022 continues to define the immutable themes and strategic objectives for PCYC NSW over the next few years. The key themes of this strategy are listed below:

- Growing impact through life changing programs and delivering health and well-being benefits to the communities it serves; and
- Driving sustainability through the effective commercial operation of its clubs and delivering activities that matter to the communities it serves;
- Being an effective charity, driving the fundraising and philanthropic support needed to deliver life changing programs;
- Building its reputation as a trusted youth organisation that delivers measured impact while operating exceptional sport, health and wellbeing facilities.

3 Meetings of Directors

During the financial year, five meeting of Directors (including committees) were held. Attendees were:

	Directors' Meetings		Finance & Risk Committee Meetings	
	Number eligible to attend	Number attended	Number eligible to attend	Number attended
Nicole Sorbara	4	4	6	6
Ben Shields	4	4	6	6
Dorothy Hennessy	4	4	-	-
Erin Flaherty	4	3	6	4
James Dack	4	3	-	-
Gavin Wood	4	1	6	2
Stuart O'Brien	4	2	-	-
Michael Hope	4	4	6	5
Peter Kirkwood	4	4	-	-
Nicolas Dan	4	3	6	4
Claire Beattie	4	2	-	-

POLICE CITIZENS YOUTH CLUBS NSW LTD

DIRECTORS' REPORT (continued)

For the year ended 31 December 2023

4 Review of operations and results

PCYC reported an underlying operating surplus of \$487,510 (2022: deficit \$1,714,757) which includes fundraising revenue, donations from donors and supporters of PCYC. The surplus for the year of \$21,633,708 (2022: \$10,051,404) includes non-operating and one-off items. Significant non-operating items include capital grants, other income, depreciation and amortisation expenses which contributed with a non-operating surplus of \$21,146,198 (2022: \$11,766,161).

	2023	2022
	\$	\$
Revenue	62,260,312	51,976,196
Expenses	(61,772,802)	(53,690,953)
Underlying surplus / (deficit)	487,510	(1,714,757)
Depreciation and amortisation	(9,223,337)	(8,670,770)
Capital grants income	19,941,618	17,461,483
Other income	10,427,917	2,975,448
Non-operating surplus	21,146,198	11,766,161
Surplus for the year	21,633,708	10,051,404

5 Going concern

The Board and Management have considered the longer-term sustainability of the Company's operations taking into account the annual operating results, the strong asset base and balance sheet as at 31 December 2023. The Company is well supported by all levels of Government and has been operating in the community continuously across multiple locations for over 86 years. This combined with a strategy that is underpinned by sustainability initiatives, a focus on improving operating cashflows gives tangible reasons for the Board and management to view it as a going concern.

6 Contribution in winding up

The Company is incorporated under the Australian Charities Not-for-Profit Commission Act 2012 and is a Company limited by guarantee. If the Company is wound up, the constitution states that each member is required to contribute a maximum of \$100 each towards meeting any outstanding obligations of the entity.

7 Lead auditor's independence declaration

The lead auditor's independence declaration is set out on page 4 and forms part of the Directors' report for the financial year ended 31 December 2023.

Signed in accordance with a resolution of the Directors:



Nicole Sorbara

Chairperson

Dated at Sydney this 27th day of June 2024



Auditor's Independence Declaration under subdivision 60- C section 60-40 of Australian Charities and Not-for-profits Commission Act 2012

To the members of Police Citizens Youth Club NSW Ltd

I declare that, to the best of my knowledge and belief, in relation to the audit for the financial year ended 31 December 2023 there have been:

- i. no contraventions of the auditor independence requirements as set out in the Australian Charities and Not-for-profits Commission Act 2012 in relation to the audit; and
- ii. no contraventions of any applicable code of professional conduct in relation to the audit.

KPMG

Cameron Roan

Partner

Sydney

27 June 2024

POLICE CITIZENS YOUTH CLUBS NSW LTD

Statement of Profit or Loss and Other Comprehensive Income

For the year ended 31 December 2023

	Note	2023	2022
		\$	\$
Revenue			
Fundraising	16	7,892,011	8,484,040
Sale of goods		1,735,232	1,463,281
Activity and membership fees		31,229,387	25,462,075
Operating grant income		13,547,561	11,359,527
Capital grant income		19,941,618	17,461,483
Fair value gain on investment portfolio		1,731,341	(57,217)
Venue hire		5,485,795	5,264,490
Bequests		638,985	14,095
Other income		10,427,917	2,961,353
Revenue and other income	2	92,629,847	72,413,127
Fundraising costs	16	1,349,687	1,125,005
Cost of sales		1,134,966	964,890
Activity costs	3	68,511,486	60,271,828
Expenditure		70,996,139	62,361,723
Surplus for the year		21,633,708	10,051,404
Other comprehensive income/(loss)		-	-
Total surplus for the year		21,633,708	10,051,404

The accompanying notes on pages 9 to 27 form part of these financial statements.

POLICE CITIZENS YOUTH CLUBS NSW LTD

Statement of Financial Position

As at 31 December 2023

	Note	2023	2022
		\$	\$
Current assets			
Cash and cash equivalents	4	12,761,457	6,788,286
Trade and other receivables	5	4,611,294	2,717,440
Inventories		117,547	171,274
Other current assets	6	1,598,514	2,107,317
Financial assets	7	27,869,310	29,316,332
Total current assets		46,958,122	41,100,649
Non-current assets			
Property, plant and equipment	8	131,168,346	122,011,184
Intangibles	9	1,004,236	1,127,617
Right of use assets	13	-	43,872
Total non-current assets		132,172,582	123,182,673
Total assets		179,130,704	164,283,322
Current liabilities			
Trade and other payables	10	8,478,966	7,269,864
Deferred income	11	26,934,302	34,861,594
Short-term provisions	12	2,887,822	2,919,631
Lease liability	14	-	53,225
Total current liabilities		38,301,090	45,104,314
Non-current liabilities			
Deferred income	11	-	-
Long-term provisions	12	258,054	241,156
Lease liability	14	-	-
Total non-current liabilities		258,054	241,156
Total liabilities		38,559,144	45,345,470
Net assets		140,571,560	118,937,852
Equity			
Reserves		53,119,569	53,119,569
Accumulated funds		87,451,991	65,818,283
Total equity		140,571,560	118,937,852

The accompanying notes on pages 9 to 27 form part of these financial statements.

POLICE CITIZENS YOUTH CLUBS NSW LTD

Statement of Changes in Equity

For the year ended 31 December 2023

	Accumulated funds	Reserves	Total
	\$	\$	\$
Balance at 1 January 2022	55,766,879	53,119,569	108,886,448
Total operating surplus for the year	10,051,404	-	10,051,404
Balance at 31 December 2022	65,818,283	53,119,569	118,937,852
Balance at 1 January 2023	65,818,283	53,119,569	118,937,852
Total operating surplus for the year	21,633,708	-	21,633,708
Balance at 31 December 2023	87,451,991	53,119,569	140,571,560

The accompanying notes on pages 9 to 27 form part of these financial statements.

POLICE CITIZENS YOUTH CLUBS NSW LTD

Statement of Cash Flows

For the year ended 31 December 2023

	Note	2023	2022
		\$	\$
Cash flows from operating activities			
Receipts from customers – inclusive of GST		78,417,790	74,134,986
Payments to suppliers and employees - inclusive of GST		(65,696,425)	(61,526,271)
Receipts from insurance proceeds		1,900,369	-
Net cash inflow from operating activities		14,621,734	12,608,715
Cash flows from investing activities			
Acquisition of intangibles		(18,964)	(238,259)
Acquisition of property, plant and equipment		(22,254,739)	(21,861,404)
Withdrawal from/(payments for investments)		3,178,363	8,500,001
Proceeds from sale of property, plant and equipment		10,500,000	2,466,630
Net cash outflow from investing activities		(8,595,340)	(11,133,032)
Cash flows from financing activities			
Payment of lease liabilities	14	(53,224)	(187,872)
Net outflow from financing activities		(53,224)	(187,872)
Net increase/(decrease) in cash flows		5,973,170	1,287,811
Cash at the beginning of the year		6,788,287	5,500,476
Cash at the end of the year	4	12,761,457	6,788,287

The accompanying notes on pages 9 to 27 form part of these financial statements.

POLICE CITIZENS YOUTH CLUBS NSW LTD

Notes to the financial statements

For the year ended 31 December 2023

1. Reporting entity

Police Citizens Youth Clubs NSW Ltd ("PCYC NSW" or the "Company"), is a not-for-profit public company limited by guarantee, incorporated and domiciled in Australia. The address of the Company's registered office is 2/6B Figtree Drive Sydney Olympic Park NSW 2127. The Company is registered under the Australian Charities and Not-for-profits Commission Act 2012. The financial report is as at and for the year ended 31 December 2023.

(a) Basis of preparation

(i) *Statement of compliance*

These financial statements are general purpose financial statements for distribution to the members and for the purpose of fulfilling the requirements of the Corporations Act 2001. They have been prepared in accordance with Australian Accounting Standards - Simplified Disclosures made by the Australian Accounting Standards Board and the Corporations Act 2001.

These financial statements are the first general purpose financial statements prepared in accordance with Australian Accounting Standards - Simplified Disclosures. In the prior year the financial statements were general purpose financial statements prepared in accordance with Australian Accounting Standards - Reduced Disclosure Requirements. There was no impact on the recognition and measurement of amounts recognised in the statement of financial position, profit and loss and other comprehensive income and cash flows of the Company as a result of the change in the basis of preparation.

These financial statements were authorised for issue by the Company's board of directors on 27

(ii) *Basis of measurement*

The financial statements have been prepared on an accruals basis and are based on historical costs unless otherwise stated in the notes.

(iii) *Functional and presentation currency*

These financial statements are presented in Australian dollars, which is the Company's functional currency.

(iv) *Use of judgement and estimates*

In preparing these financial statements, management has made judgements and estimates that affect the application of the Company's accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to estimates are recognised prospectively.

Details of the specific judgement, estimates and assumptions that have the most significant effects on the amounts recognised in the consolidated financial statements are summarised in the notes.

POLICE CITIZENS YOUTH CLUBS NSW LTD

Notes to the financial statements

For the year ended 31 December 2023

1. Statement of accounting policies

(a) Basis of preparation

(iv) *Material accounting policy information*

The Company also adopted Disclosure of Accounting Policies: Tier 2 and Other Australian Accounting Standards (Amendments to AASB 1049, 1054 and 1060) from 1 January 2023. Although the amendments did not result in any changes to the accounting policies themselves, they impacted the accounting policy information disclosed in the financial statements.

The amendments require the disclosure of 'material', rather than 'significant' accounting policies. The amendments also provide guidance on the application of materiality to disclosures of accounting policies, assisting entities to provide useful, entity-specific accounting policy information that users need to understand other information on the financial statements.

Management reviewed the accounting policies and made updates to the information disclosed in notes below Material accounting policies (2023: Significant accounting policies) in certain instance in line with the amendments.

A number of other new accounting standards are also effective from 1 January 2023 but they do not have a material effect on the Company's financial statements.

2. Material accounting policies

(b) Revenue

(i) *Operating grant income*

Grant income arising from an agreement which contains enforceable and sufficiently specific performance obligations is recognised when control of each performance obligation is satisfied.

The performance obligations are varied based on the agreement but primarily relate to club

Within grant agreements, there may be some performance obligations where control transfers at a point in time and others which have continuous transfer of control over the life of the contract.

Where the control is transferred over time, generally the revenue is recognised based on either cost or time incurred which best reflects the transfer of control.

(ii) *Activity, membership fees and venue hire*

Where the consideration for activity, membership fees and venue hire consists of a fixed amount over the contract term (eg. monthly or annual payment) and the member receives and consumes the benefits of the services as the Company provides them then revenue is recognised on a straight-line basis over the term of the contract.

(iii) *Sale of goods*

Revenue from sale of goods comprises revenue earned from the sale of goods purchased for resale. Sales revenue is recognised when the control of goods passes to the customer which is at the time that the goods are physically transferred.

POLICE CITIZENS YOUTH CLUBS NSW LTD

Notes to the financial statements

For the year ended 31 December 2023

2. Material accounting policies (continued)

(b) Revenue (continued)

(iv) Capital grant income

Capital grants received under an enforceable agreement to enable the company to acquire or construct an item of property, plant and equipment to identified specifications which will be controlled by the Company (once complete) are recognised as revenue as and when the obligation to construct or purchase is completed.

For construction projects, this is generally as the construction progresses in accordance with costs incurred since this is deemed to be the most appropriate measure of the completeness of the construction project as there is no profit margin.

(v) Donations, fundraising and bequests

Donations, fundraising and bequests collected, including cash and goods for resale, are recognised as revenue when the Company gains control of the asset.

(vi) In-kind donations

Services donated are included at the fair value to the company where this can be quantified and a third party is bearing the cost. No amounts are included in the financial report for services donated by volunteers.

(c) Taxes

Income tax: The Company is endorsed as an income tax exempt charitable entity and accordingly is an exempt body for income tax accordingly no provision for income tax is required.

Fringe benefits tax: The Company, as a public benevolent institution, was previously fully exempt from fringe benefits tax under section 57A, Fringe Benefits Tax Assessment Act 1986. From 1 April 2001, this exemption ceased for certain fringe benefits paid to employees in excess of \$30,000 grossed up value for each employee.

Capital gains tax: The Company, as a public benevolent institution, is exempt from capital gains tax under section 50-5, Income Tax Assessment Act 1997.

Payroll Tax: The Company, as a public benevolent institution, is exempt from payroll tax under section 10(1) (a2). Payroll Tax Act 1971.

Land Tax: The Company, as a charitable institution, is exempt from land tax under section 10(d), Land Tax Act.

Stamp duties and charges: The Company, as a public benevolent institution and holder of an Authority to Fundraise, under the Charitable Fundraising Act 1991 has a general exemption from paying stamp duty and charges under section 275 of the NSW Duties Act 1997.

POLICE CITIZENS YOUTH CLUBS NSW LTD

Notes to the financial statements

For the year ended 31 December 2023

2. Material accounting policies (continued)

(c) Taxes (continued)

Goods and Services Tax: The Company, as a public benevolent institution is registered for the goods and services tax (GST), applicable from 1 July 2000. The tax paid is paid on revenues from commercial activities and sponsorship. Most input taxes charged are credited except for expenses related to non-creditable transactions. Revenues, expenses and assets are recognised net of the amount of GST except:

- where the amount of GST incurred is not recoverable from the ATO, it is recognised as part of the cost of acquisition of an asset or as part of an item of expense;
- for receivables or payables which are recognised inclusive of GST where applicable; and
- cashflows are recognised gross of GST.

The net amount of GST recoverable from, or payable to, the ATO is included as part of receivables or payables.

(d) Fundraising activities

NSW Charitable Fundraising Act 1991: This Act and supporting Charitable Fundraising Regulation prescribe the manner in which fundraising appeals are conducted, controlled and reported in NSW. The amounts shown in Note 16 are in accordance with Authority Condition 7, which is issued to the Company under section 19 of the Act.

Donations and bequests: Are recognised as income as and only when received by the Company or deposited to the Company's bank account. As specified in the Act, unsolicited donations, members' donations and bequests are not treated as fundraising income when determining information required under the Act.

Costs of fundraising: Costs used in Note 16 include all direct fundraising costs in accordance with the Act. The inclusion of indirect costs is discretionary. Indirect costs such as the time spent by accounting or office staff administering appeals, cost apportionment of rent, light and power, and insurance have been excluded from Note 16. Exclusion of the indirect costs decreases the cost of fundraising and increases the margins from fundraising activities shown in Note 16.

(e) Inventories

Inventories are valued at the lower of cost or current replacement costs. Costs have been assigned to inventories on hand at balance date using the average cost method.

(f) Deferred income

Deferred income represents the unspent grants or other fees received on the condition that specified services are delivered or conditions are fulfilled. The services are usually provided or the conditions usually fulfilled within twelve months of receipts of the grant. Where the amount received is in respect of services to be provided over a period that exceeds twelve months after reporting date then the liability is disclosed as non-current.

POLICE CITIZENS YOUTH CLUBS NSW LTD

Notes to the financial statements

For the year ended 31 December 2023

2. Material accounting policies (continued)

(g) Impairment of assets

At each reporting date, the Company reviews the carrying values of its tangible and intangible assets to determine whether there is any indication that these assets have been impaired. If such an indication exists, the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and depreciated replacement costs, is compared to the asset's carrying value. Any excess of the asset's carrying value over its recoverable amount is expensed to the statement of profit or loss and other comprehensive income.

The decline in future economic benefit is recognised in the statement of profit or loss and other comprehensive income annually as a depreciation expense. The depreciation rates are reviewed with sufficient regularity to ensure they reflect the decline in future economic benefits.

(h) Property, plant and equipment

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

Where an asset is acquired at no cost or for nominal cost, the cost is its fair value at the date of acquisition.

(h) Property, plant and equipment

Freehold land and buildings: Freehold land and buildings, are initially recognised at acquisition cost, including any costs directly attributable to bringing the assets to the location and condition necessary for it to be capable of operating in the manner intended by the Company's management.

Freehold land and building are subsequently measured using the cost model, less subsequent depreciation and impairment losses. Land is not depreciated, whilst depreciation for buildings is recognised on a straight-line basis to write down the cost less estimated residual value of buildings, plant and other equipment.

Buildings held in trust: These assets comprise buildings erected on land where there is a legal right to ownership of the land, or a trustee's right to occupy whilst there is continuing utilisation exclusively for Police & Community Youth Club purposes.

The Company recognises buildings held in trust as assets on the basis that they are a scarce resource controlled by the Company. Furthermore they provide service potential through their ability to enable the Company to achieve its stated objectives, whilst providing economic benefits, through the absence of a commercial rental charge or acquisition cost.

Buildings held in trust are only taken up in the accounts where there is a continuing use and service benefit to the Company. In the event of cessation of existing use all benefits therein would be forfeited under the terms of the right of occupation and in some cases there may be expenses associated with removal or re-instatement to original condition. A provision has been estimated where it can be reliably measured.

POLICE CITIZENS YOUTH CLUBS NSW LTD

Notes to the financial statements

For the year ended 31 December 2023

2. Material accounting policies (continued) Plant, equipment and motor vehicles

Plant, equipment and motor vehicles are measured on a cost basis.

The carrying amount of plant and equipment is reviewed annually by management to ensure it is not in excess of the recoverable amount from these assets or equivalent depreciable cost.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the statement of comprehensive income during the financial period in which they are incurred.

Depreciation: The depreciable amount of all fixed assets including buildings and capitalised lease assets, but excluding freehold land, is depreciated on a straight-line basis over their useful lives to the economic entity commencing from the time the asset is held ready for use. Leasehold improvements are depreciated over the shorter of either the unexpired period of the lease or the estimated useful lives of the improvements.

The depreciation rates used for each class of depreciable assets are:

Class of fixed asset	Depreciation Rate
Buildings	2.5 – 12.5%
Plant, Equipment and Motor Vehicles	10 – 50%

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each balance sheet date. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount. Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains and losses are included in the statement of profit or loss and other comprehensive income. When revalued assets are sold, amounts included in the revaluation reserve relating to that asset are transferred to retained earnings.

Capital projects - work in progress: Work in progress is in relation to capital works in progress at year-end in accordance with various grant funding received. Work in progress is valued at cost, less any provision for anticipated future losses.

(i) Employee benefits

A provision is made for the Company's liability for employee benefits arising from services rendered by employees to balance date. Employee benefits expected to be settled within one year together with benefits arising from wages and salaries, annual leave and sick leave which will be settled after one year, have been measured at their nominal amount. Other employee benefits payable later than one year have been measured at the present value of the estimated future cash outflows to be made for those benefits. Contributions are made by the Company to employee superannuation funds and are charged as expenses when incurred.

POLICE CITIZENS YOUTH CLUBS NSW LTD

Notes to the financial statements

For the year ended 31 December 2023

2. Material accounting policies (continued)

(j) Cash and cash equivalents

For the purpose of the statement of cash flows, cash includes cash on hand and at call deposits with banks or financial institutions, net of bank overdrafts.

(k) Members' guarantees

PCYC NSW is a Company limited by guarantee. In the event of the Company being wound up, each member may be liable to contribute an amount not exceeding \$100.

(l) Disposal of surplus

Paragraph 4 of the Company's constitution prohibits the distribution of any surplus to members. As required by the Charitable Fundraising Act 1991, the Income Tax Assessment Act 1997 and Tax Ruling TR 2000/12, any assets remaining upon winding up of the Company must be applied to the objects or purposes for which they were raised.

(m) Financial instruments

Recognition, initial measurement and derecognition

Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the financial instrument, and are measured initially at fair value adjusted by transactions costs, except for those carried at fair value through profit or loss, which are measured initially at fair value. Subsequent measurement of financial assets and financial liabilities are described below.

Financial assets are derecognised when the contractual rights to the cash flows from the financial asset expire, or when the financial asset and all substantial risks and rewards are transferred. A financial liability is derecognised when it is extinguished, discharged, cancelled or expires.

Classification and subsequent measurement of financial assets

Except for those trade receivables that do not contain a significant financing component and are measured at the transaction price, all financial assets are initially measured at fair value adjusted for transaction costs (where applicable).

For the purpose of subsequent measurement, financial assets other than those designated and effective as hedging instruments are classified into the following categories upon initial recognition:

- amortised cost
- fair value through profit or loss (FVTPL)
- equity instruments at fair value through other comprehensive income (FVOCI)

All income and expenses relating to financial assets that are recognised in profit or loss are presented within finance costs, finance income or other financial items, except for impairment of trade receivables which is presented within other expenses.

POLICE CITIZENS YOUTH CLUBS NSW LTD

Notes to the financial statements

For the year ended 31 December 2023

2. Material accounting policies (continued)

(m) Financial instruments (continued)

Classifications are determined by both:

- The entities business model for managing the financial asset
- The contractual cash flow characteristics of the financial assets

All income and expenses relating to financial assets that are recognised in profit or loss are presented within finance costs, finance income or other financial items, except for impairment of trade receivables, which is presented within other expenses.

Financial assets at amortised cost

Financial assets are measured at amortised cost if the assets meet the following conditions (and are not designated as FVTPL):

- they are held within a business model whose objective is to hold the financial assets and collect its contractual cash flows
- the contractual terms of the financial assets give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding.

After initial recognition, these are measured at amortised cost using the effective interest method. Discounting is omitted where the effect of discounting is immaterial. The Company's cash and cash equivalents, trade and most other receivables fall into this category of financial instruments as well as the long-term deposit that were previously classified as held-to-maturity under AASB 139.

Financial assets at fair value through profit or loss (FVTPL)

Financial assets that are held within a different business model other than 'hold to collect' or 'hold to collect and sell' are categorised at fair value through profit and loss. Further, irrespective of business model financial assets whose contractual cash flows are not solely payments of principal and interest are accounted for at FVPL. All derivative financial instruments fall into this category, except for those designated and effective as hedging instruments, for which the hedge accounting requirements

(i) Subsequent measurement financial assets

Equity instruments at fair value through other comprehensive income (Equity FVOCI)

Investments in equity instruments that are not held for trading are eligible for an irrevocable election at inception to be measured at FVOCI. Under Equity FVOCI, subsequent movements in fair value are recognised in other comprehensive income and are never reclassified to profit or loss. Dividend from these investments continue to be recorded as other income within the profit or loss unless the dividend clearly represents return of capital. This category includes unlisted equity securities that were previously classified as 'available-for-sale' under AASB 139.

POLICE CITIZENS YOUTH CLUBS NSW LTD

Notes to the financial statements

For the year ended 31 December 2023

2. Material accounting policies (continued)

(ii) Impairment of financial assets

AASB 9's impairment requirements use more forward looking information to recognise expected credit losses - the 'expected credit losses (ECL) model'. Instruments within the scope of the new requirements included loans and other debt-type financial assets measured at amortised cost and FVOCI, trade receivables and loan commitments and some financial guarantee contracts (for the issuer) that are not measured at fair value through profit or loss. The Company considers a broader range of information when assessing credit risk and measuring expected credit losses, including past events, current conditions, reasonable and supportable forecasts that affect the expected collectability of the future cash flows of the instrument.

In applying this forward-looking approach, a distinction is made between:

- financial instruments that have not deteriorated significantly in credit quality since initial recognition or that have low credit risk ('Stage 1'); and
- financial instruments that have deteriorated significantly in credit quality since initial recognition and whose credit risk is not low ('Stage 2').

'Stage 3' would cover financial assets that have objective evidence of impairment at the reporting date. '12-month expected credit losses' are recognised for the first category while 'lifetime expected credit losses' are recognised for the second category. Measurement of the expected credit losses is determined by a probability-weighted estimate of credit losses over the expected life of the financial instrument.

(n) Trade and other receivables

The Company makes use of a simplified approach in accounting for trade and other receivables and records the loss allowance at the amount equal to the expected lifetime credit losses. In using this practical expedient, the Company uses its historical experience, external indicators and forward-looking information to calculate the expected credit losses using a provision matrix. The Company assess impairment of trade receivables on a collective basis as they possess credit risk characteristics based on the days past due.

POLICE CITIZENS YOUTH CLUBS NSW LTD

Notes to the financial statements

For the year ended 31 December 2023

2. Material accounting policies (continued)

(n) Trade and other receivables (continued)

As the accounting for financial liabilities remains largely unchanged from AASB 139, the Company's financial liabilities were not impacted by the adoption of AASB 9. However, for completeness, the accounting policy is disclosed below. The Company's financial liabilities include borrowings and trade and other payables. Financial liabilities are initially measured at fair value, and, where applicable, adjusted for transaction costs unless the Company designated a financial liability at fair value through profit or loss.

Subsequently, financial liabilities are measured at amortised cost using the effective interest method except for derivatives and financial liabilities designated at FVPL, which are carried subsequently at fair value with gains or losses recognised in profit or loss (other than derivative financial instruments that are designated and effective as hedging instruments). All interest-related charges and, if applicable, changes in an instrument's fair value that are reported in profit or loss are included within finance costs or finance income.

(p) Intangibles

Software

Software is initially recorded at cost less amortisation and impairment losses. Software is being amortised over a period of 5 years. The carrying amount of the software is revised annually by the Directors to ensure it is not in excess of the expected net cash flows that will be received from the assets employment and subsequent disposal. The expected net cash flows have been discounted to their present values in determining recoverable amounts.

Website

Website is initially recorded at cost less amortisation and impairment losses. Website is being amortised over a period of 8 years. The carrying amount of the software is revised annually by the Directors to ensure it is not in excess of the expected net cash flows that will be received from the assets employment and subsequent disposal. The expected net cash flows have been discounted to their present values in determining recoverable amounts.

(q) Economic dependence

The Company is dependent upon the ongoing receipt of government grants and community and corporate donations to ensure the ongoing continuance of the programs. At the date of this report, management have no reason to believe that this financial support will not continue.

(r) Critical accounting estimates and judgments

The Directors evaluate estimates and judgments incorporated into the financial reports based on historical knowledge and best available current information. The Directors assess impairment at each reporting date by evaluating conditions specific to the Company that may lead to impairment of assets.

Information about estimates and assumptions that have the most significant effect on recognition and measurement of assets, liabilities, income and expenses is provided below. Actual results may be substantially different.

POLICE CITIZENS YOUTH CLUBS NSW LTD

Notes to the financial statements

For the year ended 31 December 2023

2. Material accounting policies (continued)

Impairment

The directors have applied the methodology in relation to impairment as set out in the statement of accounting policies. No specific indicators of impairment have been assessed on the Company's assets in the current year.

(s) Estimation uncertainty

Useful lives of depreciable assets

Management reviews its estimate of the useful lives of depreciable assets at each reporting date, based on the expected utility of the assets. Uncertainties in these estimates relate to technical obsolescence that may change the utility of certain software and IT equipment.

Grants in advance

The provision for grants in advance is measured based on the progression of the performance outcomes within each funding agreement. In determining this amount, management measures expenditure which is in line with the funding agreement and a provision is raised for that portion not expended.

POLICE CITIZENS YOUTH CLUBS NSW LTD

Notes to the financial statements (continued)

For the year ended 31 December 2023

	2023	2022
	\$	\$
2. Revenue		
Operating activities include the following:		
Revenue from contracts with customers - AASB15 Revenue from Contracts with Customers		
Sale of goods	1,735,232	1,463,281
Activity and membership fees	31,229,387	25,462,075
Venue hire	5,485,795	5,264,490
	38,450,414	32,189,847
Revenue recognised under AASB1058 Income of NFP entities		
Fundraising	7,892,011	8,484,040
Operating grant income	13,547,561	11,359,527
Capital grants income	19,941,618	17,461,483
Bequests	638,985	14,095
Other income	239,927	69,680
	42,260,102	37,388,824
Other income recognised under AASB116 Property, Plant & Equipment		
Gain on sale of Property, plant and equipment.	8,287,621	1,079,957
Insurance proceeds	1,900,369	1,811,716
	10,187,990	2,891,673
Revenue from continuing operations	90,898,506	72,470,344
Fair value gain/(loss) on investment portfolio under AASB 9	1,731,341	(57,217)
	1,731,341	(57,217)
Total revenue	92,629,847	72,413,127
(a) Disaggregation of revenue from contracts with customers		
Revenue from contracts with customers has been disaggregated based on type of goods or services provided and source of funds.		
<i>Type of good or service</i>		
Sale of goods	1,735,232	1,463,281
Venue hire	5,485,795	5,264,490
Membership fees	1,391,766	1,485,815
Activity fees	29,837,620	23,976,261
	38,450,414	32,189,847
Revenue Recognised under AASB1058	42,260,102	37,388,824
Revenue recognised under AASB116	10,187,990	2,891,673
Revenue from continuing operations	90,898,506	72,470,344

POLICE CITIZENS YOUTH CLUBS NSW LTD

Notes to the financial statements (continued)

For the year ended 31 December 2023

	2023	2022
	\$	\$
2. Revenue (continued)		
(b) Sources of funds		
Fundraising revenue		
Donations	4,041,636	4,620,421
Raffles and art unions	2,797,605	3,226,958
Other fundraising projects	1,052,770	636,661
Total fundraising revenue	7,892,011	8,484,040
Grant income		
Capital grants	19,941,618	17,461,483
Club manager funding grant (operating activities)	6,227,000	5,927,500
Operating grants	7,320,561	5,432,027
Total grant income	33,489,179	28,821,010
Other income		
Profit from sale of assets	8,287,620	1,079,956
Insurance proceeds	1,900,369	1,811,716
Bequests	638,985	14,095
Other	239,928	69,680
Total other income	11,066,902	2,975,447
Club income		
Sale of goods	1,735,232	1,463,281
Venue hire	5,485,795	5,264,490
Membership fees	1,391,766	1,485,815
Activity fees	29,837,620	23,976,261
Total club income	38,450,414	32,189,847
Revenue from continuing operations	90,898,506	72,470,344
3. Expenditure		
Surplus /(deficit) for the year has been determined after the specific following charges:		
Depreciation		
Buildings on freehold land	4,250,105	3,875,731
Buildings on leasehold land	1,421,062	1,191,943
Buildings held in trust	1,003,932	1,042,465
Plant, equipment and motor vehicles	2,362,021	2,271,238
	9,037,120	8,381,377
Right of use assets	43,872	155,148
	9,080,992	8,536,525
Amortisation		
Amortisation of software	142,345	134,244
	142,345	134,244

POLICE CITIZENS YOUTH CLUBS NSW LTD

Notes to the financial statements (continued)

For the year ended 31 December 2023

	2023	2022
	\$	\$
3. Expenditure (continued)		
Significant expenses		
The following expense items are relevant in explaining the financial performance:		
Activity costs		
Employee benefit expense	34,647,377	30,006,682
Employee benefit expense - superannuation	3,363,893	2,775,040
Costs relating to administration and other related operating costs	29,863,772	26,934,121
Travel and accommodation	636,444	555,985
	68,511,486	60,271,828
4. Cash and cash equivalents		
Cash at bank	12,749,087	6,776,416
Cash on hand	12,370	11,870
	12,761,457	6,788,286
5. Trade and other receivables		
Current		
Trade receivables	2,211,294	2,984,074
Less: Allowance for credit losses	(100,000)	(266,634)
	2,111,294	2,717,440
Other receivables	2,500,000	-
	4,611,294	2,717,440
All of the Company's trade and other receivables have been reviewed for indicators of impairment. An allowance for expected credit losses of \$100,000 has been recognised as at 31 December 2023. See Note 1 in relation to the basis of determining credit losses for the Company.		
6. Other current assets		
Prepaid expenses	1,598,514	2,107,317
	1,598,514	2,107,317
7. Financial assets		
Unit fund investment - valued at fair value through profit or loss	27,869,310	29,316,332
	27,869,310	29,316,332

POLICE CITIZENS YOUTH CLUBS NSW LTD

Notes to the financial statements (continued)

For the year ended 31 December 2023

	2023	2022
	\$	\$
8. Property, plant and equipment		
Freehold land		
At deemed cost	13,119,000	14,719,000
	13,119,000	14,719,000
Buildings on freehold land		
At deemed cost	105,588,737	106,051,483
Less: accumulated depreciation	(40,451,962)	(39,122,679)
	65,136,775	66,928,804
Buildings on leasehold land		
At cost	32,132,094	26,892,802
Less: accumulated depreciation	(14,558,597)	(13,145,227)
	17,573,497	13,747,575
Buildings held in trust		
At cost	23,659,616	24,388,723
Less: accumulated depreciation	(18,514,155)	(18,114,343)
	5,145,461	6,274,380
Plant, equipment and motor vehicles		
At cost	35,228,655	33,264,422
Less: accumulated depreciation	(24,428,433)	(22,470,682)
	10,800,222	10,793,740
Capital projects – work in progress	19,393,391	9,547,685
Total property, plant and equipment	131,168,346	122,011,184

POLICE CITIZENS YOUTH CLUBS NSW LTD

Notes to the financial statements (continued)

For the year ended 31 December 2023

8. Property, plant and equipment (continued)

Reconciliation of the carrying amount of each class of property, plant and equipment are set out below:

2023	Freehold Properties		Buildings on	Buildings in	Plant,	Capital Projects-	Total
	Land	Buildings	Leasehold Land	Trust	Equipment and Motor Vehicles	Work in Progress	
	\$	\$	\$	\$	\$	\$	\$
Carrying amount at the start of the year	14,719,000	66,928,804	13,747,575	6,274,380	10,793,740	9,547,685	122,011,184
Additions	-	-	831,048	-	1,598,120	19,825,571	22,254,739
Disposals	(1,600,000)	(363,490)	(66,338)	(124,987)	(99,618)	-	(2,254,433)
Transfers in/(out)	-	2,821,566	4,482,274	-	870,001	(9,979,865)	(1,806,024)
Depreciation expense	-	(4,250,105)	(1,421,062)	(1,003,932)	(2,362,021)	-	(9,037,120)
Carrying amount at the end of the year	13,119,000	65,136,775	17,573,497	5,145,461	10,800,222	19,393,391	131,168,346

POLICE CITIZENS YOUTH CLUBS NSW LTD

Notes to the financial statements (continued)

For the year ended 31 December 2023

	2023	2022
	\$	\$
9. Intangibles		
Software		
At cost	3,050,958	3,031,994
Less: accumulated amortisation	(2,046,722)	(1,904,377)
	1,004,236	1,127,617
Carrying amount at the start of the year	1,127,617	1,023,602
Additions	18,964	238,259
Amortisation expense	(142,345)	(134,244)
Carrying amount at the end of the year	1,004,236	1,127,617
10. Trade and other payables		
Current		
Trade creditors	906,876	3,909,557
Accrued expenses	6,340,888	2,310,608
Employee bonuses accrued	565,957	497,404
Other payables	665,245	552,295
	8,478,966	7,269,864
11. Deferred Income		
Current		
Grants in advance	26,934,302	34,861,594
Non-current		
Grants in advance	-	-
	26,934,302	34,861,594
Revenue recognised during the year that was included in the deferred income balance at the beginning of the period:		
Grant monies received in advance	3,837,349	3,028,243
Capital grants received to acquire or construct an asset to be controlled by the Company	16,491,268	8,415,137
	20,328,617	11,443,380
<i>Unsatisfied performance obligations</i>		
The following table shows the aggregate amount of the transaction price allocated to unsatisfied (or partially satisfied) performance obligations resulting from grant monies received in advance:		
Grant income for programs	8,264,041	10,153,907
Capital grants received to acquire or construct an asset to be controlled by the company	18,670,261	24,707,687
	26,934,302	34,861,594

POLICE CITIZENS YOUTH CLUBS NSW LTD

Notes to the financial statements (continued)

For the year ended 31 December 2023

	2023	2022
	\$	\$
12. Provisions		
Current		
Provision for employee entitlements	2,887,822	2,919,631
Non-current		
Provision for employee entitlements	258,054	241,156
	3,145,876	3,160,787
13. Right-of-use assets		
Opening balance	43,872	199,020
Depreciation charge	(43,872)	(155,148)
	-	43,872
14. Lease liabilities		
Current lease liabilities	-	53,225
Non-current lease liabilities	-	-
	-	53,225
<i>Maturity analysis</i>		
Not later than 1 year	-	53,225
Later than 1 year but not later than 5 years	-	-
Later than 5 years	-	-
	-	53,225
<i>Amounts recognised in profit or loss</i>		
Depreciation of right-of-use assets	43,872	155,148
Interest expense	1,325	9,715
	45,197	164,863
Total cash outflow for leases	53,224	187,872

The Company receives below market leases for its club facilities. These have been recognised at cost in accordance with elections available for Not-For-Profit entities in AASB16 *Leases*.

15. Contingent liabilities

In the course of its normal business the Company received claims arising from its operating activities. In the opinion of the Directors, all such matters are covered by insurance.

POLICE CITIZENS YOUTH CLUBS NSW LTD

Notes to the financial statements (continued)

For the year ended 31 December 2023

	2023	2022
	\$	\$
16. Fundraising Appeals		
Fundraising income and expenses		
Donations and bequests	1,431,021	1,751,920
Workplace giving donations	2,233,785	2,451,797
Sponsorships	376,830	416,704
Raffles and art unions	2,797,603	3,226,958
Events	472,548	131,275
Direct mail campaigns	1,548	2,719
Committee fundraising	27,399	24,625
Other fundraising	551,277	478,041
Total income	<u>7,892,011</u>	<u>8,484,040</u>
Total fundraising expenses	<u>(1,349,687)</u>	<u>(1,125,005)</u>
Net surplus from fundraising activities	6,542,324	7,359,035
Net margin from fundraising activities	83%	87%
17. Auditor's remuneration		
Audit services		
Auditor of the Company: KPMG Australia		
Audit of financial reports	102,000	120,000
Other services - Financial statement compilations	8,000	8,000
	<u>110,000</u>	<u>128,000</u>

POLICE CITIZENS YOUTH CLUBS NSW LTD

Notes to the financial statements (continued)

For the year ended 31 December 2023

	2023	2022
	\$	\$

18. Key Management Personnel Compensation

Directors

All Directors (Responsible Entities) excluding the CEO are non-executive and are listed in the Corporate Information section. Directors did not received any emoluments during the year.

Other Key Management Personnel

Name	Position
Dominic Teakle	CEO, resigned July 2023
Ben Hobby	CEO, effective November 2023
Craig Becroft	CFO
Scott Murray	General Manager, Club Operations
Lester Stump	General Manager, Strategic Development, Facilities and Assets
Kellie Lavercombe	General Manager, People & Culture
Justine Russell	General Manager, Programs & Social Impact
Simon Gerathy	General Manager, Brand & Philanthropy
David Parrish	Head of Audit, Risk & Compliance

Total Compensation paid to key management personnel during the year:

Short term employee benefits	<u>2,260,610</u>	<u>2,157,939</u>
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19. Related Party Information

Transactions between Police Citizens Youth Clubs NSW Ltd and Directors or Director related entities were on terms and conditions that were no more favourable to the Director related entity than those available, or which might reasonably be expected to be available, on similar transactions with non-Director related entities and were on an arm's length basis.

20. Events after the Balance Date

There has been no matter or circumstance that has arisen since the end of the financial year to the date of this report that has significantly affected or may significantly affect the operations of the Company, the results of those operations, or the state of affairs of the Company in subsequent financial years.

POLICE CITIZENS YOUTH CLUBS NSW LTD

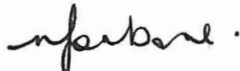
Directors' Declaration

For the year ended 31 December 2023

In the opinion of the directors of Police Citizens Youth Clubs NSW LTD (the 'Company'):

- (a) The Company is not publicly accountable;
- (b) the financial statements and notes set out on pages 9 to 28 are in accordance with the Australian Charities and Not-for-profits Commission Act 2012; including
 - (a) giving a true and fair view of the financial position as at 31 December 2023 and performance for the year ended on that date;
 - (b) complying with Australian Accounting Standards – *Simplified Disclosure Requirements* and the Australian Charities and Not-for-profits Commission Regulation 2013; and
- (c) there are reasonable grounds to believe the Company will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of the Directors:



Nicole Sorbara

Chairperson

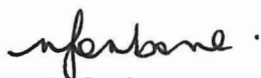
Dated at Sydney this 27th day of June 2024

POLICE CITIZENS YOUTH CLUBS NSW LTD
STATEMENT BY THE BOARD IN RESPECT OF FUNDRAISING APPEALS
For the year ended 31 December 2023

We, the Board of Directors of Police Citizens Youth Clubs NSW Ltd, declare in our opinion:

- (a) The financial report gives a true and fair view of all income and expenditure of Police Citizens Youth Clubs NSW Ltd with respect to fund raising appeals;
- (b) the statement of financial position gives a true and fair view of the state of affairs with respect to fund raising appeal activities as at 31 December 2023;
- (c) the provisions of the Charitable Fundraising (NSW) Act 1991 and the regulations under that Act and the conditions attached to the authority have been complied with for the year ended 31 December 2023; and
- (d) the internal controls exercised by Police Citizens Youth Clubs NSW Ltd are appropriate and effective in accounting for all income received and applied by the organisation from any of its fundraising appeals.

Signed in accordance with a resolution of the Directors:



Nicole Sorbara

Chairperson

Dated at Sydney this 27th day of June 2024



Independent Auditor's Report

To the members of Police Citizens Youth Clubs NSW Ltd

Report on the audit of the Financial Report

Opinion

We have audited the **Financial Report**, of the Police Citizens Youth Clubs NSW Ltd (the Company).

In our opinion, the accompanying Financial Report of the Company is in accordance with Division 60 of the *Australian Charities and Not-for-profits Commission (ACNC) Act 2012*, and sections 23(1)(d) and 24B of the *Charitable Fundraising Act (NSW) 1991* including:

- i. giving a true and fair view of the Company's financial position as at 31 December 2023, and of its financial performance and its cash flows for the year ended on that date; and
- ii. complying with *Australian Accounting Standards – Simplified Disclosures Framework* and Division 60 of the *Australian Charities and Not-for-profits Commission Regulations 2022 (ACNCR)* and section 21 of the *Charitable Fundraising Regulation (NSW) 2021*.

The **Financial Report** comprises:

- i. Statement of financial position as at 31 December 2023.
- ii. Statement of profit or loss and other comprehensive income, Statement of changes in equity, and Statement of cash flows for the year then ended.
- iii. Notes, including material accounting policies.
- iv. Directors' declaration

Basis for opinion

We conducted our audit in accordance with *Australian Auditing Standards*. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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 auditor independence requirements of the *ACNC 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 fulfilled our other ethical responsibilities in accordance with these requirements.

Other information

Other Information is financial and non-financial information in Police Citizens Youth Club NSW Ltd's annual report which is provided in addition to the Financial Report and the Auditor's Report. The Directors are responsible for the Other Information.

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. In doing so, we 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.

We are required to report if we conclude that there is a material misstatement of this Other Information, and based on the work we have performed on the Other Information that we obtained prior to the date of this Auditor's Report we have nothing to report.

Responsibilities of the Directors for the Financial Report

The Directors are responsible for:

- i. Preparing the Financial Report that gives a true and fair view in accordance with Australian Accounting Standards - Simplified Disclosures Framework and the ACNC and ACNCR and sections 23(1)(d) and 24B of the *Charitable Fundraising Act (NSW) 1991* and section 21 of the *Charitable Fundraising Regulation (NSW) 2021*.
- ii. Implementing necessary internal control to enable the preparation of a Financial Report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.
- iii. Assessing the Company's ability to continue as a going concern and whether the use of the going concern basis of accounting is appropriate. This includes disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless they either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the Financial Report

Our objective is:

- i. to obtain reasonable assurance about whether the Financial Report as a whole is free from material misstatement, whether due to fraud or error; and
- ii. 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. They 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.

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

We also:

- i. 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.
- ii. 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 Company's internal control.
- iii. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors.
- iv. Conclude on the appropriateness of the Directors' 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 Company'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 Company to cease to continue as a going concern.
- v. 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 the Directors of the registered Company 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.



KPMG

KPMG

A handwritten signature in black ink, appearing to read 'Cameron Roan', with a stylized circular flourish above the name.

Cameron Roan

Partner

Sydney

27 June 2024