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**POLICE CITIZENS YOUTH CLUBS NSW LTD**

A.B.N. 89 401 152 271

FINANCIAL REPORT  
FOR THE YEAR ENDED 31 DECEMBER 2013



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# POLICE CITIZENS YOUTH CLUBS NSW LTD

A.B.N. 89 401 152 271

## FINANCIAL REPORT FOR THE YEAR ENDED 31 DECEMBER 2013



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# **POLICE CITIZENS YOUTH CLUBS NSW LTD**

A.B.N. 89 401 152 271

## **DIRECTORS' REPORT**

The Directors present their report on the Company for the year ended 31 December 2013.

### **DIRECTORS**

The names of the Directors in office at any time during or since the end of the financial year are:

Ian K Ellis	Errol Whiteley
Nicholas W Moore	Paul MacMillan
Janis Harvey	James Dack
Diane Scobie	Kim Schaefer
Samantha Davis	Nick Kaldas
Edward Morris	

Directors have been in office since the start of the financial year to the date of this report unless otherwise stated.

Information on Directors and Secretary Qualifications, special responsibilities and experience is contained in the notes to the Financial Statements.

### **THE COMPANY'S SHORT TERM OBJECTIVES ARE:**

- Improved financial performance towards an EBITDA equivalent to 7.5% of revenues.
- Expansion of PCYC into communities not currently served and for targeted programs with the aid of the State Government Grant.
- Increased activity participation and revenues at Club level.
- Active engagement of Aboriginal young people
- Growth of driver education programs.

### **THE COMPANY'S LONG TERM OBJECTIVES ARE:**

- Increased participation by young people in PCYC activities through establishment of new sites.
- Support for best practice programs with young offenders by the NSW Police Force Youth Command, and identification of opportunities for program initiatives to compliment that work.
- Continuous improvement in the level of active staff engagement in the Company's Mission.
- Generation of cash reserves to sustain facility upgrade and expansion.

### **SET OUT PROCESSES IMPLEMENTED TO ACHIEVE THE AFOREMENTIONED STRATEGIES:**

- The executive management team has been structured to support club level performance, including through ongoing development of activity programs and support to clubs to establish such programs.
- Funding is made available to the Youth Command to support Police programs, including allocations to support replication of best practice work.
- Tighter controls have been introduced around staffing costs, equipment and capital expenditure.

### **IMPORTANT ACTIONS OF THE DIRECTORS DURING 2013:**

- The company has implemented a regional management structure to support club operations with the appointment of six regional manager positions
- The Company has been approved as a provider of the NSW Government's 'Safer Driver' program with expected strong growth in provision of the program in 2014
- The 'Nations of Origin' program has been launched engaging Aboriginal elders and young people in a rugby league based sports and reconciliation project based in Dubbo annually for 3 years
- EBITDA results for 2013 were \$2,955,865 representing 8.6% of revenues
- PCYC provided support to the NSW Police Youth Command to enable case management of 658 young offenders and 392 'at risk' youth and delivery of youth crime prevention programs.

## **POLICE CITIZENS YOUTH CLUBS NSW LTD**

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### **DIRECTORS' REPORT**

#### **MEETINGS OF DIRECTORS**

During the financial year, seven meetings of directors (including committees) were held. Attendances were as follows:

	Directors' Meetings		Risk & Finance Committee Meetings	
	Number Eligible to Attend	Number Attended	Number Eligible to Attend	Number Attended
N Moore	6	6	5	5
S Davis	6	4	-	-
I K Ellis	6	4	5	4
E Morris	6	4	-	-
N Kaldas	6	4	-	-
D Scobie	6	6	-	-
P MacMillan	6	5	-	-
J Harvey	6	5	-	-
J Dack	6	3	-	-
E Whiteley	6	6	-	-
K Schaefer	6	5	-	-

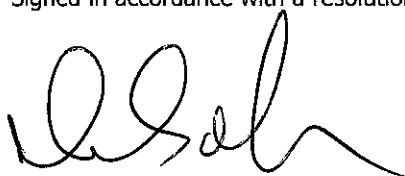
#### **CONTRIBUTION IN WINDING UP**

The Company is incorporated under the Corporations Act 2001 and is a company limited by guarantee. If the company is wound up, the constitution states that each member is required to contribute a maximum of \$100 each towards meeting any outstanding obligations of the entity.

#### **AUDITORS INDEPENDENCE DECLARATION**

A copy of the auditor's independence declaration as required under section 307C of the Corporations Act 2001 is set out on page 5.

Signed in accordance with a resolution of the Board of Directors:



**NICHOLAS MOORE**  
Chairman

Sydney, 20 June 2014

Grant Thornton Audit Pty Ltd  
ACN 130 913 594

Level 17, 383 Kent Street  
Sydney NSW 2000

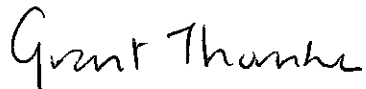
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**Auditor's Independence Declaration  
To the Directors of Police Citizen Youth Clubs NSW Ltd**

In accordance with the requirements of section 307C of the Corporations Act 2001, as lead auditor for the audit of Police Citizen Youth Clubs NSW Ltd for the year ended 31 December 2013, I declare that, to the best of my knowledge and belief, there have been:

- a no contraventions of the auditor independence requirements of the Corporations Act 2001 in relation to the audit; and
- b no contraventions of any applicable code of professional conduct in relation to the audit.

  
GRANT THORNTON AUDIT PTY LTD  
Chartered Accountants

  
A G Rzegele  
Partner - Audit & Assurance

Sydney, 20 June 2014

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Liability limited by a scheme approved under Professional Standards Legislation. Liability is limited in those States where a current scheme applies.

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## **Independent Auditor's Report To the Members of Police Citizen Youth Clubs NSW Ltd**

We have audited the accompanying financial report of Police Citizen Youth Clubs NSW Ltd (the "Company"), which comprises the statement of financial position as at 31 December 2013, the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information and the directors' declaration of the company.

### **Directors' responsibility 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, Charitable Fundraising Act "1991" and the Corporations Act 2001. The Directors' responsibility also includes 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.

### **Auditor's responsibility**

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. Those standards require us to comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error.

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In making those risk assessments, the auditor considers internal control relevant to the Company's preparation of the financial report that gives a true and fair view 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 Company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Directors, as well as evaluating the overall presentation of the financial report.

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

**Independence**

In conducting our audit, we have complied with the independence requirements of the Corporations Act 2001.

**Basis for qualified auditor's opinion**

Cash from donations, memberships, fees and other fund raising activities are a significant source of revenue for Police Citizens Youth Clubs NSW Ltd. Although the Directors of Police Citizens Youth Clubs NSW Ltd have implemented systems of controls to ensure the monies received at its clubs are properly recorded in the accounting records, it is impracticable to establish control over the collection of revenue from these sources prior to entry into its financial records.

Our audit procedures with respect to revenue from these sources had to be restricted to the amounts recorded in the financial records. As a result, we are unable to express an opinion as to whether revenue from cash donations, memberships, fees and other fundraising activities is complete.

**Qualified auditor's opinion**

In our opinion, except for the effects of such adjustments, if any, as might have been determined to be necessary had we been able to satisfy ourselves as to the matter referred to above; the financial report of Police Citizen Youth Clubs NSW Ltd is in accordance with the Corporations Act 2001, including:

1. giving a true and fair view of the Company's financial position as at 31 December 2013 and of its performance for the year ended on that date; and
2. complying with Australian Accounting Standards– Reduced Disclosure Requirements, the Charitable Fundraising Act “ 1991” and the Corporations Regulations 2001

**Report on other legal and regulatory requirements**

In our opinion, except for the matter referred to in the preceding paragraph, the financial report of Police Citizens Youth Clubs NSW Ltd is in accordance with the Corporations Act 2001, including:

1. giving a true and fair view of the financial result of fundraising appeals for the year to which they relate;
2. the financial report and associated records have been properly kept during the year in accordance with the Act and the regulations;
3. monies received as a result of fundraising appeals conducted during the year has been properly accounted for and applied in accordance with the Act and the regulations; and
4. there are reasonable grounds to believe Police Citizens Youth Clubs NSW Ltd will be able to pay its debts as and when they fall due.



GRANT THORNTON AUDIT PTY LTD  
Chartered Accountants



A G Rigold  
Partner Audit & Assurance

Sydney, 20 June 2014



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**POLICE CITIZENS YOUTH CLUBS NSW LTD**

A.B.N. 89 401 152 271

**DIRECTORS' DECLARATION**



The directors of the company declare that

1. the financial statements and notes set out on pages 11 to 33 are in accordance with the Corporations Act 2001; including
  - (a) giving a true and fair view of the financial position as at 31 December 2013 and performance for the year ended on that date; and
  - (b) complying with Australian Accounting Standards – Reduced Disclosure Requirements (including the Australian Accounting interpretations) and the Corporations Regulations 2001; and
2. there are reasonable grounds to believe the company will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the Board of Directors:

A handwritten signature in black ink, appearing to read 'Nicholas Moore', with a long horizontal stroke extending to the right.

**NICHOLAS MOORE**  
Chairman

Sydney, 20 June 2014

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## **POLICE CITIZENS YOUTH CLUBS NSW LTD**

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### **STATEMENT BY THE BOARD IN RESPECT OF FUNDRAISING APPEALS**

**[REDACTED]**

We the Board of Directors of Police Citizens Youth Clubs NSW Ltd declare that to the best of our knowledge and having regard to internal controls and audit procedures undertaken at the clubs, we are satisfied that:

- (a) the Statement of Profit or Loss and Other Comprehensive Income gives a true and fair view of income and expenditure of Police Citizens Youth Clubs NSW Ltd. with respect to the fundraising appeals; and
- (b) the Statement of financial position gives a true and fair view of the state of affairs with respect to fund raising appeals conducted by Police Citizens Youth Clubs NSW Ltd; and
- (c) the provisions of the Charitable Fundraising Act 1991 and the regulations under that Act and the conditions attached to the authority have been complied with; 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 organization from any of its fundraising appeals.

This declaration is made in accordance with a resolution of the Board of Directors and is signed for and on behalf of the Directors by:



**NICHOLAS MOORE**  
Chairman

Sydney, 20 June 2014

## POLICE CITIZENS YOUTH CLUBS NSW LTD

A.B.N. 89 401 152 271

### STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2013

	Note	2013	2012
		\$	\$
<b>Revenue</b>			
Fundraising	2,15	10,988,208	12,279,942
Sale of goods		584,836	752,964
Activity and membership fees		8,493,675	8,490,647
Grant income		10,713,241	12,546,412
Interest income		477,012	554,478
Venue hire		2,420,048	2,476,392
Other income	2	636,409	442,661
<b>Revenue and other income</b>		<b>34,313,429</b>	<b>37,543,496</b>
Fundraising costs	15	4,013,092	4,649,178
Cost of sales		529,454	572,939
Activity costs	3	9,473,351	8,009,933
Club operational expenses	3	16,645,117	16,246,803
Blue Light operational expenses		232,794	123,008
Management and administration	3	4,767,938	5,210,441
Other		151,398	215,538
<b>Expenditure</b>		<b>35,813,144</b>	<b>35,027,840</b>
(Loss) / Profit before income tax expense		(1,499,715)	2,515,656
Income tax expense – exempt		-	-
(Loss) / Profit after income tax expense		(1,499,715)	2,515,656
Other comprehensive income		-	-
<b>Total comprehensive income</b>		<b>(1,499,715)</b>	<b>2,515,656</b>

The accompanying notes form part of these financial statements.

# POLICE CITIZENS YOUTH CLUBS NSW LTD

A.B.N. 89 401 152 271

## STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2013

	Note	2013	2012
		\$	\$
<b>Current Assets</b>			
Cash and cash equivalents	4	15,171,522	14,531,204
Trade and other receivables	5	1,197,028	1,064,809
Inventories	6	74,880	63,039
Other current assets	7	539,803	230,481
<b>Total Current Assets</b>		<b>16,983,233</b>	<b>15,889,553</b>
<b>Non-Current Assets</b>			
Property, plant and equipment	8	63,786,069	63,182,832
Intangibles	9	621,850	773,344
<b>Total Non-Current Assets</b>		<b>64,407,919</b>	<b>63,956,176</b>
<b>Total Assets</b>		<b>81,391,152</b>	<b>79,845,709</b>
<b>Current Liabilities</b>			
Trade and other payables	10	2,824,651	2,155,309
Borrowings	11	10,798	26,700
Deferred income	12	10,999,783	8,632,874
Short-term provisions	13	1,980,578	1,964,086
<b>Total Current Liabilities</b>		<b>15,815,810</b>	<b>12,778,969</b>
<b>Non-Current Liabilities</b>			
Borrowings	11	39,591	46,439
Long-term provisions	13	134,835	119,670
<b>Total Non-Current Liabilities</b>		<b>174,426</b>	<b>166,109</b>
<b>Total Liabilities</b>		<b>15,990,236</b>	<b>12,945,078</b>
<b>Net Assets</b>		<b>65,400,916</b>	<b>66,900,631</b>
<b>Equity</b>			
Reserves		-	-
Accumulated funds		65,400,916	66,900,631
<b>Total Equity</b>		<b>65,400,916</b>	<b>66,900,631</b>

The accompanying notes form part of these financial statements.

## **POLICE CITIZENS YOUTH CLUBS NSW LTD**

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### STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2013

	<b>Retained Earnings</b>	<b>Asset Revaluation Reserve</b>	<b>Total</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>
<b>Balance at 1 January 2012</b>	64,384,975	-	64,384,975
Total comprehensive income for the year	2,515,656	-	2,515,656
Transfer to and from reserve	-	-	-
<b>Balance at 31 December 2012</b>	<u>66,900,631</u>	<u>-</u>	<u>66,900,631</u>
<b>Balance at 1 January 2013</b>	66,900,631	-	66,900,631
Total comprehensive income for the year	(1,499,715)	-	(1,499,715)
Transfer to and from reserve	-	-	-
<b>Balance at 31 December 2013</b>	<u>65,400,916</u>	<u>-</u>	<u>65,400,916</u>

The accompanying notes form part of these financial statements.

**POLICE CITIZENS YOUTH CLUBS NSW LTD**

A.B.N. 89 401 152 271

**STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED 31 DECEMBER 2013**

	Note	2013	2012
		\$	\$
<b>Cash flows from operating activities</b>			
Receipts from customers – inclusive of GST		38,680,528	26,081,901
Payments to suppliers and employees - inclusive of GST		(33,979,465)	(20,826,174)
Interest received		477,012	554,478
Finance costs		(33,734)	(47,600)
<b>Net cash inflow from operating activities</b>	17	<u>5,144,341</u>	<u>5,762,605</u>
<b>Cash flows from investing activities</b>			
Payments for intangibles		(59,034)	(535,848)
Purchases of property, plant and equipment		(4,580,324)	(5,194,623)
Proceeds from sale of property, plant and equipment		158,085	293,888
<b>Net cash inflow/(outflow) from investing activities</b>		<u>(4,481,273)</u>	<u>(5,436,583)</u>
<b>Cash flows from financing activities</b>			
Proceeds from borrowings		-	-
Repayment of borrowings		(22,750)	(199,649)
<b>Net inflow from financing activities</b>		<u>(22,750)</u>	<u>(199,649)</u>
Net increase in cash held		640,318	126,373
<b>Cash at the beginning of the year</b>		<u>14,531,204</u>	<u>14,404,831</u>
<b>Cash at the end of the year</b>	18	<u><u>15,171,522</u></u>	<u><u>14,531,204</u></u>

The accompanying notes form part of these financial statements.

# POLICE CITIZENS YOUTH CLUBS NSW LTD

A.B.N. 89 401 152 271

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2013

### 1. Statement of Accounting Policies

The financial report is a general purpose financial report that has been prepared in accordance with Australian Accounting Standards reduced disclosure requirements and other authoritative pronouncements of the Australian Accounting Standards Board, the NSW Charitable Fundraising Act and Regulations and the Corporations Act 2001.

The Company has elected to early adopt the Australian Accounting Standards – Reduced Disclosure requirements (established by AASB 1053 Application of Tiers of Australian Accounting Standards AASB 2010-2 *Amendments to Australian Accounting Standards arising from Reduced Disclosure Requests*). The Company has also early adopted the following RDR amendments on the basis that such amendments relate to Australian Accounting Standards applicable mandatorily for the financial year ending 31 December 2013:

- AASB 2011-2 *Amendments to Australian Accounting Standards arising from the Trans-Tasman Convergence Project – Reduced Disclosure Requirements*; and
- AASB 2011-6 *Amendments to Australian Accounting Standards – Extending Relief from Consolidation, the Equity Method and Proportionate Consolidation – Reduced Disclosure Requirements*

The financial report is for Police Citizens Youth Clubs NSW Ltd, including the Company's Clubs and Advancement Fund. Police Citizens Youth Clubs NSW Ltd is a Public Company limited by guarantee, incorporated and domiciled in Australia.

The financial report of Police Citizens Youth Clubs NSW Ltd complies with all Australian equivalents to International Financial Reporting Standards (AIFRS). A statement of compliance with International Financial Reporting standards cannot be made due to the company applying for the not-for-profit sector specific requirements contained in AIFRS.

The following is a summary of the material accounting policies adopted in the preparation of the financial report. The accounting policies have been consistently applied, unless otherwise stated.

#### Basis of Preparation

The Financial Report has been prepared on an accruals basis and is based on historical costs and does not take into account changing money values or, except where stated, current valuations of non-current assets. Cost is based on the fair values of the consideration given in exchange for assets.

#### 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 these taxes are required.

**Fringe benefits tax:** the company, as a public benevolent institution, was 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.

# POLICE CITIZENS YOUTH CLUBS NSW LTD

A.B.N. 89 401 152 271

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2013

### 1. Statement of Accounting Policies - Continued

#### Taxes – continued

**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.

**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 transaction. Revenues, expenses and assets are recognised net of the amount of GST except:

1. 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; or
2. for receivables or payables which are recognised inclusive of GST where applicable.

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

#### Fundraising Activities

Fundraising, donations and bequests are recognised as revenue when the Company obtains control of the contributions, it is probable that the economic benefits comprising the contribution will flow to the Company and the amount of the contribution can be measured reliably.

**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 15 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 15 include all direct fundraising costs in accordance with the Act. The inclusion of indirect costs is discretionary. Indirect costs excluded, include overheads such as the time spent by accounting or office staff administering appeals, cost apportionment of rent, light and power, and insurance. Exclusion of the indirect costs decreases the cost of fundraising and increases the margins from fundraising shown in Note 15.

#### Donated Services

Various services are generously donated to the company. These services are recognised when the amount of the contribution can be measured reliably.



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# **POLICE CITIZENS YOUTH CLUBS NSW LTD**

A.B.N. 89 401 152 271

## **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2013**

### **1. Statement of Accounting Policies - Continued**

#### **Deferred Income**

The liability for deferred income is the unutilized amounts of grants 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.

#### **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.

#### **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 Profit or Loss.

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.

#### **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.

**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, cost 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.

The company has changed its accounting treatment for freehold land and buildings during the year from the fair value model to the cost model. See page 21 for details.

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# POLICE CITIZENS YOUTH CLUBS NSW LTD

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## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2013

### 1. Statement of Accounting Policies - Continued

**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 as assets buildings on leasehold land and held in trust on the basis 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 on leasehold land 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.

Consistent with previous years, no value has been ascribed in these accounts to leasehold land or to land where buildings are held in trust on the basis there is no recoverable amount associated with the land at the expiry of the remaining useful life of the buildings.

# POLICE CITIZENS YOUTH CLUBS NSW LTD

A.B.N. 89 401 152 271

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2013

### 1. Statement of Accounting Policies – Continued

**Plant, Equipment and Motor Vehicles:** Plant, equipment and motor vehicles are measured on the cost basis.

The carrying amount of plant and equipment is reviewed annually by directors to ensure it is not 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.

# **POLICE CITIZENS YOUTH CLUBS NSW LTD**

A.B.N. 89 401 152 271

## **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2013**

### **1. Statement of Accounting Policies – Continued**

#### **Leases**

Leases of fixed assets, where substantially all the risks and benefits incidental to the ownership of the asset are transferred to the entity are classified as finance leases. Finance leases are capitalized recording an asset and a liability equal to the present value of the minimum lease payments, including any guaranteed residual value. Leased assets are depreciated on a straight line basis over the estimated useful lives. Lease payments are allocated between the reduction of the lease liability and the lease interest expense for the period.

Other leases under which all the risks and benefits of ownership are effectively retained by the lessor are classified as operating leases. Operating lease payments are charged as expenses in the periods in which they are incurred.

#### **Employee Benefits**

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.

#### **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.

#### **Revenue**

Fundraising, donations and bequests are recognised as revenue when the Company obtains control of the contributions, it is probable that the economic benefits comprising the contribution will flow to the Company and the amount of the contribution can be measured reliably. Revenue from the rendering of a service is recognised upon the delivery of the service to the customer. Revenue from the sale of goods is recognised upon delivery of goods to customers. Interest is recognised on a proportional basis taking into account interest rates applicable to financial assets. Government grants are recognised upon receipt provided it is probable that the economic benefits comprising the grant will flow to the company.

#### **Members' Guarantees**

Police Citizens Youth Clubs NSW Ltd 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.

#### **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.

# POLICE CITIZENS YOUTH CLUBS NSW LTD

A.B.N. 89 401 152 271

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2013

### 1. Statement of Accounting Policies – Continued

#### Financial Instruments

Financial instruments are initially measured at cost on trade date, which includes transaction costs, when the related contractual rights or obligations exist. Subsequent to initial recognition these instruments are measured as set out below.

#### *Loans and Receivables*

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and are stated at amortised cost using the effective interest rate method.

#### Intangibles

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.

#### Changes in Accounting Standards

The AASB has issued new and amended Accounting Standards and Interpretations that have mandatory application dates for future periods and which the company has not decided to early adopt. The company has assessed the impacts of these changes and assessed them as not having any impact.

#### Changes in Accounting Policies

The company has changed its accounting treatment for freehold land and buildings from the fair value model to the cost model. The Directors feel that the adoption of the cost model more accurately reflects the treatment and use of the asset class as the company uses freehold land and building to carry out its mission over a long period of time and does not seek to actively dispose of these properties. No valuation adjustments have occurred since 2005 or the adoption of IFRS and therefore no effect on the statement of profit or loss and other comprehensive income. This change in accounting policy has been rectified by restating each of the affected financial statement line items for prior periods as follows:

Statement of financial position (extract)	31 December 2013			31 December 2012		
	Previous Amount \$000	Adjustment \$000	Restated Amount \$000	Previous Amount \$000	Adjustment \$000	Restated Amount \$000
Asset Revaluation Reserve	-	-	-	67,192	(67,192)	-
Accumulated Surplus	66,901	-	66,901	(291)	67,192	66,901
<b>Total Equity</b>	<b>66,901</b>	<b>-</b>	<b>66,901</b>	<b>66,901</b>	<b>-</b>	<b>66,901</b>

#### Comparative Figures

When required by Accounting Standards, comparative figures have been adjusted to conform to changes in presentation for the current financial year.

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## **POLICE CITIZENS YOUTH CLUBS NSW LTD**

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### **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2013**

#### **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.

#### **Estimation uncertainty**

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.

#### **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, as set out in the notes to the financial statements.

#### **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.

#### **Provision for impairment of receivables**

Management has reviewed individual debtors for impairment. Management have provided for specific debtors and when recoverability appears doubtful.

#### **Long Service Leave**

The liability for long service leave is recognised and measured at the present value of the estimated 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.

# POLICE CITIZENS YOUTH CLUBS NSW LTD

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## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2013

	2013	2012
	\$	\$
<b>2. Revenue</b>		
<b>Operating activities</b>		
Proceeds from fundraising		
- Housie	136,936	524,530
- Donations	3,222,736	3,349,035
- Raffles and Art Unions	6,118,826	7,123,436
- Other fundraising projects	1,509,710	1,282,941
<b>Total fundraising revenue</b>	<u>10,998,208</u>	<u>12,279,942</u>
<b>Grant income</b>		
Building fund grant	3,343,387	6,167,090
Club manager funding grant	4,243,209	4,181,816
Other	3,126,645	2,197,506
<b>Total grant income</b>	<u>10,713,241</u>	<u>12,546,412</u>
<b>Other income</b>		
Gain on disposal of property, plant and equipment	158,085	273,196
Other	330,743	157,987
Insurance proceeds	147,581	11,478
<b>Total other income</b>	<u>636,409</u>	<u>442,661</u>
<b>3. Loss</b>		
Loss before income tax has been determined after:		
<b>Expenses</b>		
Depreciation		
- Buildings on freehold land	1,545,310	1,558,087
- Buildings on leasehold land	470,125	470,535
- Buildings held in trust	862,893	875,882
- Plant, equipment and motor vehicles	1,078,439	910,107
	<u>3,956,767</u>	<u>3,814,611</u>
Provisions - employee benefits	24,205	483,421
Amortisation of software	210,801	125,587
Finance costs	33,734	47,600

# POLICE CITIZENS YOUTH CLUBS NSW LTD

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## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2013

	2013	2012
	\$	\$
<b>3. Loss (continued)</b>		
<b>Significant expenses</b>		
The following expense items are relevant in explaining the financial performance		
<b>Activity costs</b>		
Employee benefit expense	6,198,440	5,434,628
Depreciation	305,301	311,090
<b>Club operational expense</b>		
Insurance	878,054	815,399
Light & heat	946,422	834,816
Information Technology & communications	427,248	410,689
Travel & accommodation	158,544	207,667
Repairs & renewals	632,673	660,264
Employee benefit expense	5,546,412	5,787,409
Depreciation & amortisation	3,257,145	3,405,189
<b>Management and administration</b>		
Legal and Professional fees	59,827	492,596
Travel & accommodation*	76,138	350,242
Employee benefit expense	2,554,759	2,449,273
Depreciation & amortisation*	605,122	213,818
*These costs include the support costs for Police Youth Command officers		
<b>Other</b>		
Loss on disposal of assets	-	-
Bad debt	48,562	196,817
<b>4. Cash and cash equivalents</b>		
Cash at bank and in hand	1,321,464	1,725,632
Cash on deposit	13,850,058	12,805,572
	<u>15,171,522</u>	<u>14,531,204</u>



# POLICE CITIZENS YOUTH CLUBS NSW LTD

A.B.N. 89 401 152 271

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2013

	2013	2012
	\$	\$
<b>5. Trade and other receivables</b>		
<b>Current</b>		
Trade debtors	848,391	777,400
Less: Provision for doubtful debt	(86,653)	(84,051)
	<u>761,738</u>	<u>693,349</u>
Sundry debtors	435,290	371,460
	<u>1,197,028</u>	<u>1,064,809</u>

At 31 December, the ageing analysis of trade receivables is as follows:

		0-30	31-60	61-90	+91
	TOTAL	DAYS	DAYS	DAYS	DAYS
<b>2013</b>	848,391	461,074	137,932	57,654	191,731
<b>2012</b>	777,400	324,750	294,275	80,734	77,641

**a) Allowance for Impairment Loss**

Trade debtors are non-interest bearing, and generally do not have set trading terms due to the nature of the operations. These debtors relate to venue hire and grant funding. A provision for impairment has been made where the recovery of the debtor has been deemed doubtful.

Sundry debtors do not contain impaired assets, are not past due and do not have set trading terms. It is expected that these sundry debtors will be received when due.

**b) Fair Value and Credit Risk**

Due to the short-term nature of these debtors, their carrying value is assumed to approximate their fair value.

The maximum exposure to credit risk is the fair value of the trade debtors. No collateral is held as security.

**POLICE CITIZENS YOUTH CLUBS NSW LTD**

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NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2013

	2013	2012
	\$	\$
<b>6. Inventories</b>		
Finished goods at cost	<u>74,880</u>	<u>63,039</u>
<b>7. Other current assets</b>		
Prepaid expenses	<u>539,803</u>	<u>230,481</u>
<b>8. Property, Plant and Equipment</b>		
<b>Freehold land</b>		
At deemed cost	<u>18,944,000</u>	<u>18,944,000</u>
	<u>18,944,000</u>	<u>18,944,000</u>
<b>Buildings on freehold land</b>		
At deemed cost	25,805,508	26,062,314
Less: accumulated depreciation	<u>(11,208,975)</u>	<u>(9,873,055)</u>
	<u>14,596,533</u>	<u>16,189,259</u>
<b>Buildings on leasehold land</b>		
At cost	13,627,372	13,615,462
Less: accumulated amortisation	<u>(5,285,924)</u>	<u>(4,815,798)</u>
	<u>8,341,448</u>	<u>8,799,664</u>
<b>Buildings held in trust</b>		
At cost	20,203,156	20,561,260
Less: accumulated depreciation	<u>(9,595,263)</u>	<u>(9,093,078)</u>
	<u>10,607,893</u>	<u>11,468,182</u>
Total properties	<u>52,489,874</u>	<u>55,401,105</u>
Plant, equipment and motor vehicles – At cost	16,862,428	15,849,406
Less: accumulated depreciation	<u>(12,874,199)</u>	<u>(11,998,844)</u>
	<u>3,988,229</u>	<u>3,850,562</u>
Capital Projects – work in progress	<u>7,307,966</u>	<u>3,931,165</u>
Total property, plant and equipment	<u>63,786,069</u>	<u>63,182,832</u>

# POLICE CITIZENS YOUTH CLUBS NSW LTD

A.B.N. 89 401 152 271

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2013

	2013	2012
	\$	\$

### 8. Property, Plant and Equipment (continued)

The company has changed its accounting treatment for freehold land and buildings from the fair value model to the cost model. The directors feel that the adoption of the cost model more accurately reflects the treatment and use of the assets as the company uses these assets for its specific mission over a long period of time. See Note 1 for an analysis of the changes. No valuation adjustments have occurred since 2005 or the adoption of IFRS.

The latest assessments of fair value were conducted by the Department of Lands at 31 December 2008. The directors believe that there has been no material change to the valuations that were based upon in dependent valuations carried out by Mr I McFarlane AAPI from the NSW Department of Commerce at 31 December 2005.

#### Reconciliations – 2013

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

	Freehold Land \$	Properties Buildings \$	Leasehold Buildings \$
Carrying amount at the start of the year	18,944,000	16,189,259	8,799,664
Additions	-	78,194	11,909
Disposals	-	(125,610)	-
Asset Transfer	-	-	-
Depreciation expense	-	(1,545,310)	(470,125)
Carrying amount at the end of the year	18,944,000	14,596,533	8,341,448

	Buildings In trust \$	Plant, Equipment and Motor Vehicles \$	Capital Projects - work in progress \$
Carrying amount at the start of the year	11,468,182	3,850,562	3,931,165
Additions	31,895	1,262,202	3,376,801
Disposals	(29,291)	(46,096)	-
Asset Transfer	-	-	-
Depreciation expense	(862,893)	(1,078,439)	-
Carrying amount at the end of the year	10,607,893	3,988,229	7,307,966

	Total \$
Carrying amount at the start of the year	63,182,832
Additions	4,761,001
Disposals	(200,997)
Asset Transfer	-
Depreciation expense	(3,956,767)
Carrying amount at the end of the year	63,786,069

# POLICE CITIZENS YOUTH CLUBS NSW LTD

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## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2013

	2013	2012
	\$	\$
<b>8. Property, Plant and Equipment (continued)</b>		
Depreciation applied to all other property, plant and equipment is based on the appropriate level as disclosed in Note 1; therefore the company believes these assets are not impaired.		
<b>9. Intangibles</b>		
<b>Software</b>		
At cost	1,558,726	1,499,419
Less: accumulated amortisation	(936,876)	(726,075)
	<u>621,850</u>	<u>773,344</u>
	<b>Total</b>	<b>Total</b>
	<b>\$</b>	<b>\$</b>
Carrying amount at the start of the year	773,344	363,083
Additions	59,307	535,848
Disposals	-	-
Amortisation expense	(210,801)	(125,587)
Carrying amount at the end of the year	<u>621,850</u>	<u>773,344</u>
<b>10. Trade and other payables</b>		
<b>Current</b>		
Trade creditors and accruals	2,824,651	2,155,309
	<u>2,824,651</u>	<u>2,155,309</u>
<b>11. Borrowings</b>		
<b>Current</b>		
Interest bearing liabilities	10,798	26,700
	<u>10,798</u>	<u>26,700</u>
<b>Non-Current</b>		
Interest bearing liabilities	39,591	46,439
Aggregate amount of interest bearing liabilities	<u>50,389</u>	<u>73,139</u>

**POLICE CITIZENS YOUTH CLUBS NSW LTD**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2013**

	<b>2013</b>	<b>2012</b>
	\$	\$
<b>12. Deferred income</b>		
<b>Current</b>		
Grants in advance	10,882,393	8,578,350
Hubworks Income	52,506	32,775
Tied Donations	64,884	21,749
	<u>10,999,783</u>	<u>8,632,874</u>
<b>13. Provisions</b>		
<b>Current</b>		
Provision for employee entitlements	<u>1,980,578</u>	<u>1,964,086</u>
<b>Non-Current</b>		
Provision for employee entitlements	134,835	119,670
Aggregate amount of employee entitlements	<u>2,115,413</u>	<u>2,083,756</u>
Employee numbers	<u>593</u>	<u>577</u>
Carrying amount at the start of the year	2,083,756	
Additional provisions raised	55,863	
Leave taken	<u>(24,206)</u>	
Carrying amount at the end of the year	<u>2,115,413</u>	

**14. Contingent Liabilities**

In the course of its normal business the company receives 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

A.B.N. 89 401 152 271

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2013

	2013	2012
	\$	\$

### 15. Fundraising Appeals

#### Fundraising income and expenses

Details of aggregate gross income and total expenses in fundraising appeals

Gross proceeds from fundraising appeals	10,988,208	12,279,942
Less: total costs of fundraising	(4,013,092)	(4,649,178)
Net surplus from fundraising	<u>6,975,116</u>	<u>7,630,764</u>

#### Application of funds for charitable purposes

All income received is applied towards charitable purposes, comprising costs of conducting sporting and cultural activities, administration, staff costs and the purchase of capital items in connection with these operations.

Fundraising Comparisons by percentage	%	%
Cost of fundraising to total income from fundraising	37	38
Surplus from fundraising to gross income from fundraising	63	62
Cost of fundraising services to total expenditure	11	13
Cost of fundraising services to total income received	12	12

#### Gross comparisons

	Gross proceeds \$	Fundraising costs \$	2013 Surplus \$	2012 Surplus \$
Housie	136,936	85,679	51,257	81,932
Donations and bequests	3,222,736	-	3,222,736	3,349,035
Raffles & Art unions	6,118,826	3,349,353	2,769,473	3,385,740
Fundraising projects	1,509,710	578,060	931,650	814,057
Total	<u>10,988,208</u>	<u>4,013,092</u>	<u>6,975,116</u>	<u>7,630,764</u>

# POLICE CITIZENS YOUTH CLUBS NSW LTD

A.B.N. 89 401 152 271

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2013

	2013	2012
	\$	\$
<b>16. Cash flow information</b>		
Reconciliation of cash flow from operations with loss after income tax.		
Total comprehensive income	(1,499,715)	2,515,656
Non-cash flows in loss after income tax:		
Depreciation and amortisation expense	4,187,615	3,940,198
Net (gain)/loss on disposal of property, plant and equipment and intangibles	(158,085)	(273,196)
Changes in assets and liabilities:		
(Increase)/decrease in other assets	(235,439)	166,682
(Increase)/decrease in trade and other receivables	(209,479)	(264,317)
(Increase)/decrease in inventories	(11,841)	(6,668)
Increase/(decrease) in trade and other payables	1,022,518	23,994
Increase in deferred income	2,399,684	(755,992)
Increase in provision for employee entitlements	(350,917)	416,248
Cash flows from operations	<u>5,144,341</u>	<u>5,762,605</u>
<b>17. Reconciliation of cash</b>		
Cash at the end of the financial year as shown in the cash flow statement is reconciled to items in the balance sheet as follows:		
Cash on hand	1,321,464	1,725,632
Cash on deposit	13,850,058	12,805,572
	<u>15,171,522</u>	<u>14,531,204</u>
<b>18. Auditors Remuneration</b>		
Received or due and receivable by the auditor for:		
- Auditing the accounts	75,000	73,000
- Other services	6,000	27,830
	<u>81,000</u>	<u>100,830</u>

# POLICE CITIZENS YOUTH CLUBS NSW LTD

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## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2013

### 19. Key Management Personnel Compensation

#### Directors

All directors are non-executive and details are included in Note 20 below. No director has received emoluments during the year.

#### Other Key Management Personnel

Chris Gardiner (Chief Executive Officer)

Tina Brown (Chief Financial Officer)

Danny Kapustin (General Manager, Club Operations)

	Salary & Fees \$	Super annuation Contributions \$	Short-term Benefits Bonus \$	Non-Cash Benefits \$	Total \$
2013 Total compensation	470,094	46,975	-	18,150	535,219
2012 Total compensation	583,618	57,694	-	24,200	655,512

### 20. Directors and Secretary Qualifications, Special responsibilities and Experience

N W Moore - Chairperson	Executive Director and head of investment banking group, Macquarie Bank Limited and a Chartered Accountant, appointed March 2002.
I K Ellis	Retired Police Officer (Alternate for NSW Police Commissioner) Appointed March 1998.
B Thomas	Executive, Commonwealth Bank of Australia and a Solicitor, appointed 23 November 2006.
P MacMillan	Retired police officer, appointed 18 March 2011
J Harvey	Principal, President Parramatta PCYC, appointed 30 March 2007
D Scobie	Teacher, Vice President Port Stephens PCYC, appointed December 2004.
A Tansey	Banker, Former Director of Sydney Ports Corporation & Snowy Hydro Limited, Director of Retirement Village Group appointed June 2004.
E Whiteley	Financial Planner, member of the Financial Planning Association of Australia, appointed July 2000.
N Kaldas	Deputy commissioner of NSW Police Force, appointed July 2012
J Dack	Sales Director, McGrath Estate Agents, appointed July 2012
K Schaefer	Former NSW Police Officer and President, North West Sydney Women's Football, appointed July 2012
S Davis	Consultant at IBM Global Business Services, appointed July 2012
E Morris	Director of Mark Morris Consulting, appointed July 2012
T Brown	Secretary, Chief Financial Officer for PCYCNSW, appointed 29 August 2011



# POLICE CITIZENS YOUTH CLUBS NSW LTD

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## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2013

### 21. 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 favorable 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.

### 22. Reporting in Segments

The Company's activities comprise provision of services to youth in New South Wales. AASB 8: Operating Segments does not apply to this entity.

### 23. Events after the Balance Date

Other than the following, the directors are not aware of any significant events since the end of the reporting period.

On 3 June 2014, the Company signed a contract of sale for the 94 George St Hornsby premises for an amount of \$12,500,000. A deposit of \$1,250,000 was receivable on signing the contract which is due for settlement on 3 December 2015. The sale of these premises will result in a net gain of \$10,936,466 which will be realised by the Company upon settlement.

### 24. Commitments and contingencies

#### a. Finance lease:

The company currently leases fitness equipment under hire purchase agreements as detailed in note 11. The leased equipment secures the obligations under the leases.

Future minimum lease payment and the present value of the minimum lease payment are:

Payable		
- within one year	10,798	26,700
- after one year but no more than five years	39,591	46,439
- more than five years		-
<b>Present value of minimum lease payments</b>	<b>50,389</b>	<b>73,139</b>

#### b. Operating leases

Payable		
- within one year	108,653	112,089
- after one year but no more than five years	62,449	171,102
<b>Present value of minimum lease payments</b>	<b>171,102</b>	<b>283,191</b>

### 25. Company Details

The registered office of the company is:

1C Mimika Avenue  
Whalan NSW 2770