

Police Citizens Youth Clubs NSW Ltd

ABN 89 401 152 271

General Purpose Financial Report

For the year ended 31 December 2024

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Directors' Report

The Directors present their report together with the financial statements of Police Citizens Youth Clubs NSW Ltd (the Company) for the financial year ended 31 December 2024 and the auditor's report thereon.

1. Directors

The Directors of the Company at any time during or since the end of the financial year are:

Nicole Sorbara	Appointed 1/1/2022	
Ben Shields	Appointed 25/8/2017	
Erin Flaherty	Appointed 25/8/2017	
Gavin Wood	Appointed 17/2/2022	
Stuart O'Brien	Appointed 24/3/2023	
Michael Hope	Appointed 25/8/2017	
Lee Wallace	Appointed 31/7/2024	
David Bardos	Appointed 31/7/2024	
Sallianne McLelland	Appointed 1/11/2024	
Dorothy Hennessy	Appointed 25/8/2017	Resigned 31/7/2024
Peter Kirkwood	Appointed 25/8/2017	Resigned 31/7/2024
James Dack	Appointed 9/8/2013	Resigned 31/7/2024
Claire Beattie	Appointed 20/8/2021	Resigned 31/7/2024
Nicolas Dan	Appointed 27/2/2019	Resigned 31/7/2024

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	4
Erin Flaherty	4	2	6	3
Gavin Wood	4	3	6	-
Stuart O'Brien	4	4	-	-
Michael Hope	4	3	6	6
Dorothy Hennessy	2	2	-	-
Peter Kirkwood	2	2	-	-
James Dack	2	1	-	-
Claire Beattie	2	-	-	-
Nicolas Dan	2	2	-	-

2. Environmental regulation

The Company's operations are not subject to any significant environmental regulations under either Commonwealth or State legislation.

The Company monitors compliance with environmental regulations. The Company are not aware of any significant breaches during the period covered by their report.

Directors' Report (Continued)

3. Principal activities

PCYC is a charity empowering young people through Police and community partnership. The principal 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 80,000+ 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 10,000 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.

4. Review of operations and results

PCYC reported an underlying operating deficit of \$447,775 (2023: operating surplus of \$487,510) which includes fundraising revenue, donations from donors and supporters of PCYC. The deficit for the year of \$4,457,809 (2023: surplus of \$21,633,708) 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 deficit of \$4,010,034 (2023: non-operating surplus of \$21,146,198).

	2024	2023
	\$	\$
Revenue	62,128,419	62,260,312
Expenses	(62,576,194)	(61,772,802)
UNDERLYING (DEFICIT)/SURPLUS	(447,775)	487,510
Depreciation and amortisation	(9,559,855)	(9,223,337)
Capital grants income	4,447,384	19,941,618
Other income	1,102,437	10,427,917
NON-OPERATING (DEFICIT)/SURPLUS	(4,010,034)	21,146,198
(DEFICIT)/SURPLUS FOR THE YEAR	(4,457,809)	21,633,708

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 2024. The Company is well supported by all levels of Government and has been operating in the community continuously across multiple locations for over 87 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.

Directors' Report (Continued)

7. Significant changes in the state of affairs

There were no significant changes in the state of affairs of the Company that occurred during the financial year under review.

8. Dividends

No dividends were paid or declared by the Company to members during the financial year ended (2023: nil).

9. Events subsequent to reporting date

In May 2025, the organisation returned \$6.68m in grant funding to the NSW Office of Sport following the cancellation of the Dubbo Regional Indoor Sports Centre Project.

Other than the matter listed above, there has not arisen in the interval between the end of the financial year and the date of this report any item, transaction or event of a material and unusual nature likely, in the opinion of the Directors', to affect significantly the operations of the Company, the results of those operations, or the state of affairs of the Company, in future financial years.

10. Likely developments

Information about likely developments in the operations of the Company and the expected results of those operations in future financial years has not been included in this report because disclosure of the information would be likely to result in unreasonable prejudice to the Company.

11. Indemnification and insurance of officers and auditors

Indemnifications

Since the end of the previous financial year, the Company has not indemnified or made a relevant agreement for indemnifying against a liability any person who is or has been an officer or auditor of the Company.

Insurance premiums

During the financial year the Company has paid premiums in respect of Directors and officers liability and legal expenses insurance contracts for the financial year ended 31 December 2024 and since the financial year, the Company has paid premiums in respect of such insurance contracts for the financial year ended 31 December 2024. Such insurance contracts insure against certain liability (subject to specific exclusions) persons who are or have been directors or executive officers of the Company.

The Directors have not included details of the nature of the liabilities covered or the amount of the premiums paid in respect of the Directors and officers liability and legal expenses insurance contracts, as such disclosure is prohibited under the terms of the contract.

12. Lead auditor's independence declaration

The Lead auditor's independence declaration is set out on page 6 and forms part of the Directors' report for the financial year ended 31 December 2024.

This report is made out in accordance with a resolution of the Directors:



Nicole Sorbara

Dated at Sydney this 25 day of June 2025.



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 Clubs 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 2024 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.

The KPMG logo, consisting of the letters 'KPMG' in a bold, blue, sans-serif font, with a stylized graphic of four squares above the 'M'.

KPMG

A handwritten signature in black ink, appearing to read 'Cameron Roan'.

Cameron Roan

Partner

Sydney

25 June 2025

Statement of Profit or Loss and Other Comprehensive Income

For the year ended 31 December 2024

	Note	2024 \$	2023 \$
REVENUE			
Activity and membership fees		31,521,689	31,229,387
Operating grant income		13,993,835	13,547,561
Fundraising	20	6,859,974	7,892,011
Venue hire		5,939,941	5,485,795
Capital grant income		4,447,384	19,941,618
Sale of goods		1,768,232	1,735,232
Bequests		20,841	638,985
TOTAL REVENUE		64,551,896	80,470,589
Other income		1,102,437	10,427,917
TOTAL INCOME	4	65,654,333	90,898,506
Employee benefits expenses	5	(38,062,929)	(38,004,270)
Depreciation and amortisation	5	(9,559,855)	(9,223,337)
Activity costs		(8,802,827)	(6,139,001)
Cost of sales		(1,249,837)	(1,194,045)
Fundraising costs		(1,026,487)	(1,349,687)
Travel and accommodation		(453,990)	(636,444)
Other expenses	5	(12,980,124)	(14,448,030)
(DEFICIT)/SURPLUS FROM OPERATIONS		(6,481,716)	19,903,692
Finance income	6	2,023,907	1,731,341
Finance costs	6	-	(1,325)
NET FINANCE INCOME		2,023,907	1,730,016
(DEFICIT)/SURPLUS BEFORE INCOME TAX		(4,457,809)	21,633,708
Income tax expense		-	-
(DEFICIT)/SURPLUS FOR THE YEAR		(4,457,809)	21,633,708
Other comprehensive income		-	-
TOTAL COMPREHENSIVE (LOSS)/INCOME		(4,457,809)	21,633,708

Statement of Financial Position

As at 31 December 2024

	Note	2024 \$	2023 \$
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	7	9,733,063	12,761,457
Trade and other receivables	8	1,119,101	4,611,294
Inventories		101,371	117,547
Other current assets	9	1,064,725	1,598,514
Financial assets	10	29,545,736	27,869,310
TOTAL CURRENT ASSETS		41,563,996	46,958,122
NON-CURRENT ASSETS			
Property, plant and equipment	11	126,380,354	131,168,346
Intangibles	12	919,282	1,004,236
Right-of-use assets	13	1,756,708	-
TOTAL NON-CURRENT ASSETS		129,056,344	132,172,582
TOTAL ASSETS		170,620,340	179,130,704
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	14	6,220,153	8,478,966
Deferred income	15	25,239,162	26,934,302
Provisions	16	2,725,578	2,887,822
TOTAL CURRENT LIABILITIES		34,184,893	38,301,090
NON-CURRENT LIABILITIES			
Provisions	16	321,696	258,054
TOTAL NON-CURRENT LIABILITIES		321,696	258,054
TOTAL LIABILITIES		34,506,589	38,559,144
NET ASSETS		136,113,751	140,571,560
EQUITY			
Reserves		53,119,569	53,119,569
Accumulated funds		82,994,182	87,451,991
TOTAL EQUITY		136,113,751	140,571,560

Statement of Changes in Equity

For the year ended 31 December 2024

	Reserves	Accumulated funds	Total equity
	\$	\$	\$
BALANCE AT 1 JANUARY 2023	53,119,569	65,818,283	118,937,852
COMPREHENSIVE INCOME			
Surplus for the year	-	21,633,708	21,633,708
TOTAL COMPREHENSIVE INCOME	-	21,633,708	21,633,708
BALANCE AT 31 DECEMBER 2023	53,119,569	87,451,991	140,571,560
COMPREHENSIVE INCOME			
Deficit for the year	-	(4,457,809)	(4,457,809)
TOTAL COMPREHENSIVE INCOME	-	(4,457,809)	(4,457,809)
BALANCE AT 31 DECEMBER 2024	53,119,569	82,994,182	136,113,751

Statement of Cash Flows

For the year ended 31 December 2024

	Note	2024 \$	2023 \$
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers – inclusive of GST		72,970,073	78,417,790
Payments to suppliers and employees - inclusive of GST		(68,475,999)	(65,696,425)
Receipts from insurance proceeds		949,982	1,900,369
NET CASH INFLOW FROM OPERATING ACTIVITIES		5,444,056	14,621,734
CASH FLOWS FROM INVESTING ACTIVITIES			
Acquisition of intangibles		(60,444)	(18,964)
Acquisition of property, plant and equipment		(8,955,372)	(22,254,739)
Withdrawal from investments		347,481	3,178,363
Proceeds from sale of property, plant and equipment		195,885	10,500,000
NET CASH OUTFLOW FROM INVESTING ACTIVITIES		(8,472,450)	(8,595,340)
CASH FLOWS FROM FINANCING ACTIVITIES			
Payment of lease liabilities		-	(53,224)
NET CASH OUTFLOW FROM FINANCING ACTIVITIES		-	(53,224)
NET (DECREASE)/INCREASE IN CASH FLOWS		(3,028,394)	5,973,170
Cash at the beginning of the year		12,761,457	6,788,287
CASH AT THE END OF THE YEAR	7	9,733,063	12,761,457

Notes to the Financial Statements

For the year ended 31 December 2024

Note 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 2024.

Note 2 Basis of preparation

a) 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 were authorised for issue by the Board of Directors as of the date of the Directors Declaration.

Details of the Company's material accounting policies are included in Note 3. Changes in material accounting policies are described in Note 3.

b) 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.

c) Functional and presentation currency

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

d) 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.

i. Judgements

Information about judgements made in applying accounting policies that have the most significant effects on the amounts recognised in the financial statements is included in the following notes:

- Investments in associates: whether the Company has significant influence over an associate;
- Revenue recognition: whether revenue received is recognised over time or at a point in time.

ii. Assumptions and estimation uncertainties

Information about assumptions and estimation uncertainties at 31 December 2024 that have a significant risk of resulting in a material adjustment to the carrying amounts of assets and liabilities in the next financial year is included in the following notes:

- 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.

Notes to the Financial Statements (Continued)

For the year ended 31 December 2024

Note 2 Basis of preparation (continued)

d) Use of judgement and estimates (continued)

ii. Assumptions and estimation uncertainties (continued)

- 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.

Note 3 Material accounting policies

The Company has consistently applied the following accounting policies to all periods presented in these financial statements, except if mentioned otherwise.

a) 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 operations.

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 consist 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.

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.

Notes to the Financial Statements (Continued)

For the year ended 31 December 2024

Note 3 Material accounting policies (continued)

b) Taxes

i. 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.

ii. 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.

iii. 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.

iv. Payroll tax

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

v. Land tax

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

vi. 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.

vii. 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.

c) Fundraising activities

i. 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 20 are in accordance with Authority Condition 7, which is issued to the Company under section 19 of the Act.

ii. 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.

Notes to the Financial Statements (Continued)

For the year ended 31 December 2024

Note 3 Material accounting policies (continued)

c) Fundraising activities (continued)

iii. Costs of fundraising

Costs used in Note 20 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 20. Exclusion of the indirect costs decreases the cost of fundraising and increases the margins from fundraising activities shown in Note 20.

d) 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.

e) 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.

f) Impairment

i. Financial assets

Financial instruments

The Company recognises loss allowances for expected credit losses (ECLs) on financial assets measured at amortised cost.

The Company measures loss allowances at an amount equal to lifetime ECLs, except for the following, which are measured at 12-month ECLs:

- debt securities that are determined to have low credit risk at the reporting date; and
- other debt securities and bank balances for which credit risk (i.e. the risk of default occurring over the expected life of the financial instrument) has not increased significantly since initial recognition.

Loss allowances for trade receivables are always measured at an amount equal to lifetime ECLs.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the Company considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Company's historical experience and informed credit assessment, that includes forward-looking information.

The Company assumes that the credit risk on a financial asset has increased significantly if it is more than 30 days past due.

The maximum period considered when estimating ECLs is the maximum contractual period over which the Company is exposed to credit risk.

Measurement of ECLs

ECLs are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the entity in accordance with the contract and the cash flows that the Company expects to receive).

ECLs are discounted at the effective interest rate of the financial asset.

Presentation of allowance for ECL in the statement of financial position

Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of the assets.

Notes to the Financial Statements (Continued)

For the year ended 31 December 2024

Note 3 Material accounting policies (continued)

f) Impairment (continued)

ii. *Non-financial assets*

At each reporting date, the Company reviews the carrying amounts of its non-financial assets (other than inventories, contract assets and deferred tax assets) to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

For impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or cash generating units (CGUs).

The recoverable amount of an asset or CGU is the greater of its value in use and its fair value less costs to sell. Value in use is based on the estimated future cash flows, discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU.

An impairment loss is recognised if the carrying amount of an asset or CGU exceeds its recoverable amount.

Impairment losses are recognised in profit or loss. They are allocated first to reduce the carrying amount of other assets in the CGU on a pro rata basis.

For other assets, an impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

g) 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.

i. *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.

ii. *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.

Notes to the Financial Statements (Continued)

For the year ended 31 December 2024

Note 3 Material accounting policies (continued)

g) Property, plant and equipment (continued)

iii. 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 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.

iv. 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.

v. 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.

h) 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.

i) 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.

j) 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.

Notes to the Financial Statements (Continued)

For the year ended 31 December 2024

Note 3 Material accounting policies (continued)

k) Financial instruments

i. Recognition and initial measurement

Trade receivables are initially recognised when they are originated. All other financial assets and financial liabilities are initially recognised when the Company becomes a party to the contractual provisions of the instrument.

A financial asset (unless it is a trade receivable without a significant financing component) or financial liability is initially measured at fair value plus, for an item not at fair value through profit or loss (FVTPL), transaction costs that are directly attributable to its acquisition or issue. A trade receivable without a significant financing component is initially measured at the transaction price.

ii. Classification and subsequent measurement

Financial assets

On initial recognition, a financial asset is classified as measured at amortised cost or FVTPL.

Financial assets are not reclassified subsequent to their initial recognition unless the Company changes its business model for managing financial assets, in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL:

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

Financial assets not classified as measured at amortised cost as described above are measured at FVTPL. On initial recognition, the Company may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

Financial assets – Subsequent measurement and gains and losses

Financial assets at FVTPL

These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognised in profit or loss.

Financial assets at amortised cost

These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.

Financial liabilities – Classification, subsequent measurement and gains and losses

Financial liabilities are classified as measured at amortised cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held-for-trading. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognised in profit or loss. Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in profit or loss. Any gain or loss on derecognition is also recognised in profit or loss.

Notes to the Financial Statements (Continued)

For the year ended 31 December 2024

Note 3 Material accounting policies (continued)

k) Financial instruments (continued)

iii. Derecognition

Financial assets

The Company derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Company neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

The Company enters into transactions whereby it transfers assets recognised in its statement of financial position but retains either all or substantially all of the risks and rewards of the transferred assets. In these cases, the transferred assets are not derecognised.

Financial liabilities

On derecognition of a financial liability, the difference between the carrying amount extinguished and the consideration paid (including any non-cash assets transferred or liabilities assumed) is recognised in profit or loss.

The Company derecognises a financial liability when its contractual obligations are discharged or cancelled or expire. The Company also derecognises a financial liability when its terms are modified and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognised at fair value.

iv. Offsetting

Financial assets and financial liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Company currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

l) Intangibles

i. 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.

ii. 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.

m) 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.

Notes to the Financial Statements (Continued)

For the year ended 31 December 2024

Note 4 Revenue

Operating activities include the following:

	2024	2023
	\$	\$
REVENUE FROM CONTRACTS WITH CUSTOMERS - AASB15 REVENUE FROM CONTRACTS WITH CUSTOMERS		
Sale of goods	1,768,232	1,735,232
Activity and membership fees	31,521,689	31,229,387
Venue hire	5,939,941	5,485,795
	39,229,862	38,450,414
REVENUE RECOGNISED UNDER AASB1058 INCOME OF NFP ENTITIES		
Fundraising	6,859,974	7,892,011
Operating grant income	13,993,835	13,547,561
Capital grants income	4,447,384	19,941,618
Bequests	20,841	638,985
Other income	42,098	239,927
	25,364,132	42,260,102
OTHER INCOME RECOGNISED UNDER AASB116 PROPERTY, PLANT & EQUIPMENT		
Gain on sale of property, plant and equipment	110,357	8,287,621
Insurance proceeds	949,982	1,900,369
	1,060,339	10,187,990
REVENUE FROM CONTINUING OPERATIONS	65,654,333	90,898,506

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.

	2024	2023
	\$	\$
TYPE OF GOOD OR SERVICE		
Sale of goods	1,768,232	1,735,232
Venue hire	5,939,941	5,485,795
Membership fees	1,327,075	1,391,767
Activity fees	30,194,614	29,837,620
	39,229,862	38,450,414
Revenue recognised under AASB1058	25,364,132	42,260,102
Revenue recognised under AASB116	1,060,339	10,187,990
REVENUE FROM CONTINUING OPERATIONS	65,654,333	90,898,506

Notes to the Financial Statements (Continued)

For the year ended 31 December 2024

Note 4 Revenue (continued)

	2024	2023
b) Sources of funds	\$	\$
FUNDRAISING REVENUE		
Donations	3,437,059	4,041,636
Raffles and art unions	2,593,752	2,797,605
Other fundraising projects	829,163	1,052,770
TOTAL FUNDRAISING REVENUE	6,859,974	7,892,011
GRANT INCOME		
Capital grants	4,447,384	19,941,618
Club manager funding grant	7,186,000	6,227,000
Operating grants	6,807,835	7,320,561
TOTAL GRANT INCOME	18,441,219	33,489,179
OTHER INCOME		
Gain from sale of assets	110,357	8,287,621
Insurance proceeds	949,982	1,900,369
Bequests	20,841	638,985
Other	42,098	239,927
TOTAL OTHER INCOME	1,123,278	11,066,902
CLUB INCOME		
Sale of goods	1,768,232	1,735,232
Venue hire	5,939,941	5,485,795
Membership fees	1,327,075	1,391,767
Activity fees	30,194,614	29,837,620
TOTAL CLUB INCOME	39,229,862	38,450,414
REVENUE FROM CONTINUING OPERATIONS	65,654,333	90,898,506

Notes to the Financial Statements (Continued)

For the year ended 31 December 2024

Note 5 Expenditure

Surplus /(deficit) for the year has been determined after the specific following changes:

	2024 \$	2023 \$
DEPRECIATION		
Buildings on freehold land	4,093,257	4,250,105
Buildings on leasehold land	1,688,288	1,421,062
Buildings held in trust	939,499	1,003,932
Plant, equipment and motor vehicles	2,651,444	2,362,021
	9,372,488	9,037,120
Right-of-use assets	41,969	43,872
	9,414,457	9,080,992
AMORTISATION		
Amortisation of software	145,398	142,345
	145,398	142,345

Significant expenses

The following expense items are relevant in explaining the financial performance:

	2024 \$	2023 \$
EMPLOYEE BENEFITS EXPENSES		
Salaries and wages	29,550,958	29,206,785
Superannuation	3,501,546	3,363,893
Leave entitlements and other associated personnel expenses	4,156,440	4,499,015
Other expenses	853,985	934,577
TOTAL EMPLOYEE BENEFITS EXPENSES	38,062,929	38,004,270
OTHER EXPENSES		
Professional services	2,158,085	2,850,135
Information technology	2,553,429	2,528,005
Rent & rates	965,664	1,300,132
Insurance	1,884,272	2,005,877
Utilities	1,940,749	1,597,149
Repairs & maintenance	1,065,881	1,259,028
Motor vehicle costs	927,848	966,208
Other club related expenses	635,832	730,207
Other administrative expenses	848,364	1,211,289
TOTAL OTHER EXPENSES	12,980,124	14,448,030

Notes to the Financial Statements (Continued)

For the year ended 31 December 2024

	2024	2023
	\$	\$
Note 6 Net finance income		
FINANCE INCOME		
Financial assets at FVTPL - net change in fair value	2,023,907	1,731,341
TOTAL FINANCE INCOME	2,023,907	1,731,341
FINANCE COSTS		
Financial liabilities at amortised costs - interest expenses	-	(1,325)
TOTAL FINANCE COSTS	-	(1,325)
TOTAL NET FINANCE INCOME	2,023,907	1,730,016

Note 7 Cash and cash equivalents

For the purpose of cash and cash equivalents in the statement of financial position and in the statement of cash flows comprises of below:

	2024	2023
	\$	\$
Cash at bank	9,721,263	12,749,087
Cash on hand	11,800	12,370
TOTAL CASH AND CASH EQUIVALENTS	9,733,063	12,761,457

	2024	2023
	\$	\$
Note 8 Trade and other receivables		
Trade receivables	1,373,169	2,211,294
Less: Allowance for credit losses	(254,068)	(100,000)
	1,119,101	2,111,294
Other receivables	-	2,500,000
TOTAL TRADE AND OTHER RECEIVABLES	1,119,101	4,611,294

All of the Company's trade and other receivables have been reviewed for indicators of impairment. An allowance for expected credit losses of \$254,068 has been recognised as at 31 December 2024. See Note 2 in relation to the basis of determining credit losses for the Company.

	2024	2023
	\$	\$
Note 9 Other assets		
Prepaid expenses	1,064,725	1,598,514
TOTAL OTHER CURRENT ASSETS	1,064,725	1,598,514

	2024	2023
	\$	\$
Note 10 Financial assets		
Unit fund investment - valued at fair value through profit or loss	29,545,736	27,869,310
TOTAL FINANCIAL ASSETS	29,545,736	27,869,310

Notes to the Financial Statements (Continued)

For the year ended 31 December 2024

	Freehold land	Buildings on freehold land	Buildings on leasehold land	Buildings held in trust	Plant, equipment and motor vehicles	Capital projects – work in progress	Total
	\$	\$	\$	\$	\$	\$	\$
Note 11 Property, plant and equipment							
BALANCE AT 1 JANUARY 2024							
Gross carrying amount	13,119,000	105,588,737	32,132,094	23,659,616	35,228,655	19,393,391	229,121,493
Accumulated depreciation	-	(40,451,962)	(14,558,597)	(18,514,155)	(24,428,433)	-	(97,953,147)
NET CARRYING AMOUNT AT 1 JANUARY 2024	13,119,000	65,136,775	17,573,497	5,145,461	10,800,222	19,393,391	131,168,346
Additions	-	-	447,185	-	544,454	7,963,733	8,955,372
Disposals	-	-	-	-	(57,852)	-	(57,852)
Transfers in/(out)	-	15,921,478	2,103,678	-	1,681,732	(21,505,564)	(1,798,676)
Write off	-	-	-	-	-	(2,514,348)	(2,514,348)
Depreciation	-	(4,093,257)	(1,688,288)	(939,499)	(2,651,444)	-	(9,372,488)
NET CARRYING AMOUNT AT 31 DECEMBER 2024	13,119,000	76,964,996	18,436,072	4,205,962	10,317,112	3,337,212	126,380,354
Balance at 31 December 2024							
Gross carrying amount	13,119,000	121,510,215	34,682,957	23,659,616	36,936,256	3,337,212	233,245,256
Accumulated depreciation	-	(44,545,219)	(16,246,885)	(19,453,654)	(26,619,144)	-	(106,864,902)
NET CARRYING AMOUNT AT 31 DECEMBER 2024	13,119,000	76,964,996	18,436,072	4,205,962	10,317,112	3,337,212	126,380,354

Notes to the Financial Statements (Continued)

For the year ended 31 December 2024

	Software
	\$
Note 12 Intangibles	
BALANCE AT 1 JANUARY 2024	
Gross carrying amount	3,050,958
Accumulated amortisation	(2,046,722)
NET CARRYING AMOUNT AT 1 JANUARY 2024	1,004,236
Additions	60,444
Amortisation expense	(145,398)
NET CARRYING AMOUNT AT 31 DECEMBER 2024	919,282
BALANCE AT 31 DECEMBER 2024	
Gross carrying amount	3,111,402
Accumulated amortisation	(2,192,120)
NET CARRYING AMOUNT AT 31 DECEMBER 2024	919,282

Note 13 Leases

Leases as lessee

Information about leases for which the Company is a lessee is presented below.

	2024	2023
	\$	\$
a) Right-of-use assets		
Opening balance	-	43,872
Additions	1,798,677	-
Depreciation charge	(41,969)	(43,872)
	1,756,708	-
b) Amounts recognised in profit or loss	2024	2023
	\$	\$
Depreciation of right-of-use assets	41,969	43,872
Interest expense	-	1,325
	41,969	45,197
c) Amounts recognised in cash flow	2024	2023
	\$	\$
Total cash outflow for leases	-	53,224

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*.

Notes to the Financial Statements (Continued)

For the year ended 31 December 2024

	2024	2023
	\$	\$
Note 14 Trade and other payables		
Trade creditors	1,091,309	906,876
Accrued expenses	4,309,281	6,340,888
Employee bonuses accrued	261,905	565,957
Other payables	557,658	665,245
TOTAL TRADE AND OTHER PAYABLES	6,220,153	8,478,966

	2024	2023
	\$	\$
Note 15 Deferred income		
Grants in advance	25,239,162	26,934,302
TOTAL DEFERRED INCOME	25,239,162	26,934,302

Revenue recognised during the year that was included in the deferred income balance at the beginning of the period:

	2024	2023
	\$	\$
Grant monies received in advance	2,691,525	3,837,349
Capital grants received to acquire or construct an asset to be controlled by the Company	3,106,719	16,491,268
	5,798,244	20,328,617

Unsatisfied performance obligations

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:

	2024	2023
	\$	\$
Grant income for programs	8,551,176	8,264,041
Capital grants received to acquire or construct an asset to be controlled by the Company	16,687,986	18,670,261
	25,239,162	26,934,302

	2024	2023
	\$	\$
Note 16 Provisions		
CURRENT		
Provision for employee entitlements	2,725,578	2,887,822
TOTAL CURRENT	2,725,578	2,887,822
NON-CURRENT		
Provision for employee entitlements	321,696	258,054
TOTAL NON-CURRENT	321,696	258,054

Notes to the Financial Statements (Continued)

For the year ended 31 December 2024

		2024	2023
	Note	\$	\$
Note 17 Financial instruments			
FINANCIAL ASSETS MEASURED AT AMORTISED COST			
Cash and cash equivalents	7	9,733,063	12,761,457
Trade and other receivables	8	1,119,101	4,611,294
		10,852,164	17,372,751
FINANCIAL LIABILITIES MEASURED AT AMORTISED COST			
Trade and other payables	14	6,220,153	8,478,966
		6,220,153	8,478,966

Note 18 Related parties

a) Transactions with key management personnel

i. 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 receive any emoluments during the year.

Key management personnel compensation comprised short-term employee benefits.

	2024	2023
	\$	\$
Total key management personnel compensation	2,452,200	2,260,610

ii. Key management personnel transactions

All key management personnel have disclosed that there were no transactions (i.e. contract, employment relationship, etc) entered into with Police Citizens Youth Clubs NSW Ltd that require disclosure within the financial report.

Note 19 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.

Notes to the Financial Statements (Continued)

For the year ended 31 December 2024

	2024	2023
	\$	\$
Note 20 Fundraising appeals		
FUNDRAISING INCOME AND EXPENSES		
Donations and bequests	1,029,994	1,431,021
Workplace giving donations	2,012,182	2,233,785
Sponsorships	394,883	376,830
Raffles and art unions	2,593,752	2,797,603
Events	92,367	472,548
Direct mail campaigns	-	1,548
Committee fundraising	-	27,399
Other fundraising	736,796	551,277
TOTAL INCOME	6,859,974	7,892,011
Total fundraising expenses	(1,026,487)	(1,349,687)
NET SURPLUS FROM FUNDRAISING ACTIVITIES	5,833,487	6,542,324
Net margin from fundraising activities	85%	83%

	2024	2023
	\$	\$
Note 21 Auditor's remuneration		
AUDIT SERVICES		
AUDITOR OF THE COMPANY: KPMG AUSTRALIA		
Audit of financial reports	106,180	102,000
Other services - Financial statement compilations	8,000	8,000
	114,180	110,000

Note 22 Subsequent events

In May 2025, the organisation returned \$6.68m in grant funding to the NSW Office of Sport following the cancellation of the Dubbo Regional Indoor Sports Centre Project.

Other than the matter listed above, there has not arisen in the interval between the end of the financial year and the date of this report any item, transaction or event of a material and unusual nature likely, in the opinion of the Directors', to affect significantly the operations of the Company, the results of those operations, or the state of affairs of the Company, in future financial years.

Directors' Declaration

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 that as set out on pages 7 to 27 are in accordance with the Australian Charities and Not-for-profits Commission Act 2012, including:
 - i. giving a true and fair view of the Company's financial position as at 31 December 2024 and of its performance, for the financial year ended on that date; and
 - ii. complying with Australian Accounting Standards - Simplified Disclosure Requirements and the Australian Charities and Not-for-profits Commission Act 2013.
- c) There are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of the Directors:

Dated at Sydney this 25 day of June 2025.



Nicole Sorbara
Chairperson

Statement By The Board in Respect of Fundraising Appeals

For the year ended 31 December 2024

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 fundraising appeals;
- b) the statement of financial position gives a true and fair view of the state of affairs with respect to fundraising appeal activities as at 31 December 2024;
- 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 2024; 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 25 day of June 2025.



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 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 2024, 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 2024;
- 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 Clubs 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.

The Other Information we obtained prior to the date of this Auditor's Report was the Director's Report.

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; and
- 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 Director's committee members;
- iv. Conclude on the appropriateness of the Director's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the registered 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; and
- 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

Cameron Roan

Partner

Sydney

25 June 2025