CANBERRA POLICE COMMUNITY YOUTH CLUB INCORPORATED
A.B.N. 71 012 467 609

COMMITTEE REPORT

The Committee present their report on the financial statements of the Association for the year ended 30 June 2019.

The names of Committee members at any time during the financial year, or at the date of this report, are:

PCYC Executive Manager:	Cheryl O'Donnell
PCYC General Manager:	Stephen Imrie
AFP representative:	Rob Wilson
AFP representative:	Mark Walters
AFP representative	James Bellicanta
Community Appointments:	
President:	Rob Wilson (appointed November 2018)
Treasurer:	Steve Merenda
Community Member:	Helen Badger Secretary
Community Member:	Linda Cavangh (appointed February 2019)

Principal Activities for the Association for the year ended 30 June 2019
During the financial year the Club's principal activities were in accordance with the Objects and Purposes listed in Part II of the Canberra Police Community Youth Club Incorporated Constitution. There has been no significant change in the nature of those activities during this financial year.

Results
The Canberra Police Community Youth Club Incorporated had a total comprehensive income of $250,567 for the year ended 30 June 2019 (2018: surplus $541,788).

Register of Members
In accordance with Section 67 of the *Associations Incorporations Act 1991*, the registers of members for the Canberra Police Community Youth Club Incorporated are available for inspection by members at reasonable times.

Erindale Centre Register

Erindale PCYC
Gratton Court
Erindale ACT 2903

Signed at this 13th day of November 2019

On behalf of the Club

CANBERRA POLICE COMMUNITY YOUTH CLUB INCORPORATED
A.B.N. 71 012 467 609

STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2019

	Note	2019 $	2018 $
Grant income		1,518,925	1,423,281
Fundraising		352,588	424,156
Fee for service program income		463,293	134,977
Other income	2	143,798	741,725
TOTAL REVENUE		**2,478,604**	**2,724,139**
Accounting and auditing fees		13,500	16,920
Amenities and office supplies		67,410	49,212
Bad debts		5,746	40,682
Communication		24,413	26,259
Computer and software		10,634	3,067
Consulting and bookkeeping fees		27,784	38,966
Depreciation		103,583	110,273
Employee expenses		1,596,087	1,302,913
Fundraising expense		266,497	238,860
General expenses		77,825	49,152
Insurance		36,445	30,137
Legal fees		6,378	4,262
Meetings and conferences		7,145	5,925
Motor vehicle expense		77,782	59,191
Other expenses		29,257	1,071
Program costs		96,171	82,703
Rent		134,674	122,758
TOTAL EXPENSES		**2,581,331**	**2,182,351**
Current year Surplus / (Deficit) before income tax		**(102,727)**	**541,788**
Income tax expense		-	-
Current Year Surplus / (Deficit)		**(102,727)**	**541,788**
Other Comprehensive Income	7	353,294	-
Total Comprehensive Income for the Period		**250,567**	**541,788**

The accompanying notes form part of these financial statements.

CANBERRA POLICE COMMUNITY YOUTH CLUB INCORPORATED
A.B.N. 71 012 467 609

STATEMENT OF FINANCIAL POSITION
FOR THE YEAR ENDED 30 JUNE 2019

	Note	2019 $	2018 $
CURRENT ASSETS			
Cash and cash equivalents	3	1,188,247	1,119,965
Held-to-maturity investments	4	174,801	146,871
Trade and other receivables	5	166,490	147,272
Prepayments	6	45,571	34,493
TOTAL CURRENT ASSETS		**1,575,109**	**1,448,601**
NON-CURRENT ASSETS			
Property, plant and equipment	7	2,665,943	2,358,009
Intangibles	8	-	-
TOTAL NON-CURRENT ASSETS		**2,665,943**	**2,358,009**
TOTAL ASSETS		**4,241,052**	**3,806,610**
CURRENT LIABILITIES			
Trade and other payables	9	293,700	160,462
Unearned income	10	-	-
Financial liabilities	11	30,078	26,509
Provisions	12	98,162	51,892
TOTAL CURRENT LIABILITIES		**421,940**	**238,863**
NON-CURRENT LIABILITIES			
Provisions	12	4,018	3,220
TOTAL NON-CURRENT LIABILITIES		**4,018**	**3,220**
TOTAL LIABILITIES		**425,958**	**242,083**
NET ASSETS		**3,815,094**	**3,564,527**
EQUITY			
Reserves		1,742,383	1,389,089
Retained surplus		2,072,711	2,175,438
TOTAL EQUITY		**3,815,094**	**3,564,527**

The accompanying notes form part of these financial statements.

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STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2019

	Retained surplus	Reserves	Total
	$	$	$
Balance at 1 July 2017	**1,633,650**	**1,389,089**	**3,022,739**
Operating surplus for the year	541,788	-	541,788
Balance at 30 June 2018	**2,175,438**	**1,389,089**	**3,564,527**
Balance at 1 July 2018	**2,175,438**	**1,389,089**	**3,564,527**
Operating deficit for the year	(102,727)	353,294	250,567
Balance at 30 June 2019	**2,072,711**	**1,742,383**	**3,815,094**

The accompanying notes form part of these financial statements.

CANBERRA POLICE COMMUNITY YOUTH CLUB INCORPORATED
A.B.N. 71 012 467 609

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2019

	Note	2019 $	2018 $
CASH FLOW FROM OPERATING ACTIVITIES			
Grants received		1,651,600	1,603,153
Revenue		596,014	883,902
Fundraising		352,588	424,156
Payments to suppliers and employees		(2,431,347)	(2,184,094)
Interest received	2	15,340	6,443
Net cash provided by operating activities		**184,195**	**733,560**
CASH FLOW FROM INVESTING ACTIVITIES			
Payments for assets	7	(87,983)	(4,773)
Net cash (used in) investing activities		**(87,983)**	**(4,773)**
CASH FLOWS FROM FINANCING ACTIVITIES			
Transfers to investments		(27,930)	(3,845)
Net cash provided by/(used in) financing activities		**(27,930)**	**(3,845)**
Net increase in cash held		68,282	724,942
Cash at the beginning of the year		1,119,965	395,023
Cash at the end of the year	3	**1,188,247**	**1,119,965**

The accompanying notes form part of these financial statements.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

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

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

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

AASB 9 Financial Instruments
The incorporated association has adopted AASB 9 from 1 July 2018. The standard introduced new classification and measurement models for financial assets. A financial asset shall be measured at amortised cost if it is held within a business model whose objective is to hold assets in order to collect contractual cash flows which arise on specified dates and that are solely principal and interest. A debt investment shall be measured at fair value through other comprehensive income if it is held within a business model whose objective is to both hold assets in order to collect contractual cash flows which arise on specified dates that are solely principal and interest as well as selling the asset on the basis of its fair value. All other financial assets are classified and measured at fair value through profit or loss unless the entity makes an irrevocable election on initial recognition to present gains and losses on equity instruments (that are not held-for-trading or contingent consideration recognised in a business combination) in other comprehensive income ('OCI'). Despite these requirements, a financial asset may be irrevocably designated as measured at fair value through profit or loss to reduce the effect of, or eliminate, an accounting mismatch. For financial liabilities designated at fair value through profit or loss, the standard requires the portion of the change in fair value that relates to the entity's own credit risk to be presented in OCI (unless it would create an accounting mismatch). New simpler hedge accounting requirements are intended to more closely align the accounting treatment with the risk management activities of the entity. New impairment requirements use an 'expected credit loss' ('ECL') model to recognise an allowance. Impairment is measured using a 12-month ECL method unless the credit risk on a financial instrument has increased significantly since initial recognition in which case the lifetime ECL method is adopted. For receivables, a simplified approach to measuring expected credit losses using a lifetime expected loss allowance is available.

Impact of adoption
AASB 9 was adopted using the modified retrospective approach and as such comparatives have not been restated. There was no impact on opening retained profits as at 1 July 2018.

Basis of preparation
These general purpose financial statements have been prepared in accordance with Australian Accounting Standards - Reduced Disclosure Requirements and Interpretations issued by the Australian Accounting Standards Board ('AASB'), the *Australian Charities and Not-for-profits Commission Act 2012* and *Associations Incorporations Act (ACT) 1991*, and associated regulations, as appropriate for not-for-profit oriented entities.

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

Critical accounting estimates
The preparation of the financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the incorporated association's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in note 1(k).

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

a) Revenue and Other Income

Non-reciprocal grant revenue is recognised in profit or loss when the association obtains control of the grant, it is probable that the economic benefits gained from the grant will flow to the association and the amount of the grant can be measured reliably.

If conditions are attached to the grant which must be satisfied before it is eligible to receive the contribution, the recognition of the grant as revenue will be deferred until those conditions are satisfied.

When grant revenue is received whereby the association incurs an obligation to deliver economic value directly back to the contributor, this is considered a reciprocal transaction and the grant revenue is recognised in the statement of financial position as a liability until the service has been delivered to the contributor, otherwise the grant is recognised as income on receipt.

The association receives non-reciprocal contributions of assets from the government and other parties for zero or a nominal value. These assets are recognised at fair value on the date of acquisition in the statement of financial position, with a corresponding amount of income recognised in profit or loss.

Donations and bequests are recognised as revenue when received.

Interest revenue is recognised using the effective interest method, which for floating rate financial assets is the rate inherent in the instrument. Dividend revenue is recognised when the right to receive a dividend has been established.

Revenue from the rendering of a service is recognised upon the delivery of the service to the customers.

All revenue is stated net of the amount of goods and services tax.

b) Income Tax

The Association is a tax-exempt body under relevant provisions of the Income Tax Assessment Act, 1997.

c) Cash and Cash Equivalents

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

d) Trade and other receivables

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

e) Property, plant and equipment

Property is carried at fair value less, where applicable, any accumulated depreciation and impairment losses. Land and Buildings are revalued every three to five years.

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

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

Buildings	50 years
Exercise Equipment	8 years
Fixture, fittings and furniture fit out	5 - 20 years
Motor vehicle	8 Years
Office furniture and equipment	3-10 years

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

e) Property, plant and equipment (continued)

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

f) Impairment of non-financial assets

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

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

g) Trade and other payables

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

h) Employee benefits

Short-term employee benefits

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

Other long-term employee benefits

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

Defined contribution superannuation expense

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

i) Fair value measurement

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

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

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

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

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

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

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

k) Critical accounting judgements, estimates and assumptions

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

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

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

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019

	2019 $	2018 $
NOTE 2. OTHER INCOME		
Insurance claim proceeds	-	598,855
Interest received	15,340	6,443
Membership	2,812	16,448
Other income	83,012	56,925
Parking fees	42,634	63,054
	143,798	**741,725**
NOTE 3. CASH AND CASH EQUIVALENTS		
Cash on hand	140	140
Cash at bank	1,188,107	1,119,825
	1,188,247	**1,119,965**
NOTE 4. HELD-TO-MATURITY INVESTMENTS		
6 month term deposits	34,337	33,627
12 month term deposits	140,464	113,244
	174,801	**146,871**
NOTE 5. TRADE AND OTHER RECEIVABLES		
Accounts receivable	172,269	147,645
Less: Provision for doubtful debt	(5,782)	(400)
Other receivables	3	27
	166,490	**147,272**
NOTE 6. PREPAYMENTS		
Prepayments	**45,571**	**34,493**

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2019**

	2019 $	2018 $
NOTE 7. PROPERTY, PLANT AND EQUIPMENT		
Erindale Property – At valuation		
Land	280,000	110,000
Building	1,320,000	1,270,000
Accumulated depreciation	-	(146,386)
	1,600,000	**1,233,614**
Turner Property – At valuation		
Land	495,000	380,000
Building	430,000	710,000
Accumulated depreciation	-	(81,836)
	925,000	**1,008,164**
Gym equipment		
At cost	52,291	50,591
Accumulated depreciation	(42,196)	(38,963)
	10,095	**11,628**
Motor vehicles		
At cost	352,819	275,546
Accumulated depreciation	(265,507)	(222,812)
	87,312	**52,734**
Office plant and equipment		
At cost	111,189	102,179
Accumulated depreciation	(93,139)	(80,400)
	18,050	**21,779**
Rockwall		
At cost	54,010	54,010
Accumulated depreciation	(54,010)	(54,010)
	-	-
EC office development		
At cost	45,078	45,078
Accumulated depreciation	(19,592)	(14,988)
	25,486	**30,090**
	2,665,943	**2,358,009**

Revaluation

The independent valuation was carried out by Herron Todd White and amounts were based on the current market value. Buildings were revalued downwards from $1,980,000 to $1,750,000 as at 30 June 2019. Land was revalued upwards from $490,000 to $775,000 as at 30 June 2019. This resulted in an increase to the reserves of $353,294.

Movements in carrying amounts

Movement in the carrying amounts for each class of property, plant and equipment between the beginning and the end of the current financial year:

	Land & Buildings	Gym Equipment	Motor Vehicles	Office Plant & Equipment	EC Office Development	Total
	$	$	$	$	$	$
Balance at 1 July 2018	**2,241,778**	**11,628**	**52,733**	**21,780**	**30,090**	**2,358,009**
Additions	-	1,700	77,274	9,009	-	87,983
Depreciation expense	(70,072)	(3,061)	(20,012)	(5,834)	(4,604)	(103,583)
Write-off	-	(172)	(22,683)	(6,905)	-	(29,760)
Revaluation	353,294	-	-	-	-	353,294
Balance at 30 June 2019	**2,525,000**	**10,095**	**87,312**	**18,050**	**25,486**	**2,665,943**

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NOTE 7. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

The fair value of properties classified as 'Land' has been taken to be the market value (level 2 inputs), of similar properties as determined by an independent Valuer; and

The fair value of buildings has been taken to be depreciated replacement cost. The buildings held for specialised purposes and where there is no readily available market price has been taken to be Fair Value-Highest and Best Use (level 3 inputs), as determined by an independent Valuer.

	2019 $	2018 $
NOTE 8. INTANGIBLE ASSETS		
Trademarks	14,825	14,825
Other	3,071	3,071
Impairment of intangible assets	(17,896)	(17,896)
	-	-
NOTE 9. TRADE PAYABLES		
Accrued expenses	69,667	40,028
Audit fee	13,500	12,850
GST payable	36,590	39,265
Payroll liabilities	33,851	28,443
Trade creditors	140,092	37,076
	293,700	**157,662**
NOTE 10. UNEARNED INCOME		
Deposits held	-	2,800
Income received in advance	-	-
	-	**2,800**
NOTE 11. FINANCIAL LIABILITIES		
Premium funding insurance	**30,078**	**26,509**
NOTE 12. EMPLOYEE PROVISIONS		
Current		
Annual leave	98,162	51,892
Non-current		
Long service leave	4,018	3,220
	102,180	**55,112**

		2019 $	2018 $
NOTE 13. CASH FLOW INFORMATION			
Reconciliation of cash			
Cash on hand		140	140
Cash at bank		1,188,107	1,119,825
	3	**1,188,247**	**1,119,965**
Reconciliation of cash flows from operations after income tax:			
(Deficit) / Surplus after income tax		(102,727)	541,788
Non-cash flows in result			
Depreciation		103,583	110,273
Write-offs		29,760	-
Changes in assets and liabilities, net of the effects of purchase and disposal of subsidiaries:			
Increase / (Decrease) in employee provisions		47,068	(22,603)
Increase in creditors, accruals and tax liabilities		136,807	72,029
(Increase) / Decrease in receivables and prepayments		(30,296)	32,073
Total cash flows from operations		**184,195**	**733,560**

NOTE 14. COMMITMENTS

Future minimum rentals payable under non-cancellable operating leases are as follows:		
Within one year	180,227	115,851
After one year but not more than five years	364,153	232,038
After more than five years	14,760	115,851
	559,140	**463,740**

PCYC leases office space, and office equipment under non-cancellable operating leases expiring from one year to six years. Leases generally provide PCYC with a right to renewal at which time all terms are negotiated.

NOTE 15: RELATED PARTIES

The names of each person holding the position of director of Canberra Police Community Youth Club during the 2019 financial year were:

Rob Wilson is a committee member of Canberra PCYC (President) and a member of the AFP
Steve Merenda is a committee member of Canberra PCYC (Treasurer)
Helen Badger is a committee member of Canberra PCYC
Mark Walters is a committee member of Canberra PCYC and a member of the AFP representing AFP in the AFP position as per the Canberra PCYC constitution.
James Bellicanta is a committee member of Canberra PCYC and a member of the AFP acting as representation for Mark Walters in his absence.
Linda Cavangh is a committee member.

Former Committee Member Peter Askew owns Tuggeranong Business Park, an office rental property that CPCYC rented for admin space. The property is managed by Advanced Business Connections, also part owned by Peter Askew. During the financial year, transactions with Advanced Business Connections amounted to $80,863.05 inclusive of GST, including outgoings. All transactions were made on normal commercial terms and conditions.

NOTE 16. KEY MANAGEMENT PERSONNEL

Compensation

The aggregate compensation made to the officers and other members of key management personnel of Canberra Police Community Youth Centre Incorporated is set out below:

	2019 $	2018 $
Aggregate compensation	**285,961**	**240,938**

NOTE 17. CONTINGENT LIABILITIES

The incorporated association had no contingent liabilities as at 30 June 2019 and 30 June 2018.

NOTE 18. EVENTS AFTER THE REPORTING PERIOD

No matter or circumstance has arisen since 30 June 2019 that has significantly affected, or may significantly affect the incorporated association's operations, the results of those operations, or the incorporated association's state of affairs in future financial years.

NOTE 19. ECONOMIC DEPENDENCY

PCYC is dependent on contributions and other revenue received from its grants. The grant funding is received from Australian Federal Police and Community Services Directorate.

CANBERRA POLICE COMMUNITY YOUTH CLUB INCORPORATED
A.B.N. 71 012 467 609

STATEMENT BY MEMBERS OF THE COMMITTEE

In the opinion of the Committee:

- the attached financial statements and notes comply with the Australian Accounting Standards - Reduced Disclosure Requirements, the *Australian Charities and Not-for-profits Commission Act 2012, Associations Incorporation Act (ACT) 1991* and associated regulations;
- the attached financial statements and notes give a true and fair view of the incorporated association's financial position as at 30 June 2019 and of its performance for the financial year ended on that date; and
- there are reasonable grounds to believe that the incorporated association will be able to pay its debts as and when they become due and payable.

This statement is made in accordance with a resolution of the Committee and is signed for and on behalf of

Signed at this 13th day of November 2019

On behalf of the Association

RSM Australia Pty Ltd

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AUDITOR'S INDEPENDENCE DECLARATION

As lead auditor for the audit of the financial report of the Canberra Police Community Youth Club Incorporated for the year ended 30 June 2019, I declare that, to the best of my knowledge and belief, there have been no contraventions of:

(i) 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) any applicable code of professional conduct in relation to the audit.

RSM AUSTRALIA PTY LTD

RODNEY MILLER
Director

Canberra, Australian Capital Territory
Date: 14 November 2019

RSM Australia Pty Ltd

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GPO Box 200 Canberra ACT 2601

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INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF

CANBERRA POLICE COMMUNITY YOUTH CLUB INC.

Opinion

We have audited the financial report of Canberra Police Community Youth Club Incorporated (PCYC), which comprises the statement of financial position as at 30 June 2019, the statement of comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and the statement by the members of the committee.

In our opinion, the financial report of Canberra Police Community Youth Club Incorporated (PCYC) has been prepared in accordance with Division 60 of the *Australian Charities and Not-for-profits Commission Act 2012* and *Associations Incorporation Act (ACT) 1991*, including:

(a) giving a true and fair view of the registered entity's financial position as at 30 June 2019 and of its financial performance and cash flows for the year ended on that date; and

(b) complying with Australian Accounting Standards – Reduced Disclosure Requirements and Division 60 of the *Australian Charities and Not-for-profits Commission Regulation 2013*.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards – Reduced Disclosure Requirements. 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 Canberra Police Community Youth Club Incorporated in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

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

Other Information

Those charged with governance are responsible for the other information. The other information comprises the information included in Canberra Police Community Youth Club Incorporated's annual report for the year ended 30 June 2019, but does not include the financial report and the auditor's report thereon.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

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

Responsibilities of Management and Those Charged with Governance for the Financial Report

The management of the registered entity are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards – Reduced Disclosure Requirements and the *Australian Charities and Not-for-profits Commission Act 2012* (ACNC Act) and *Associations Incorporation Act (ACT) 1991* and for such internal control as the management determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

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

Auditor's Responsibilities for the Audit of the Financial Report

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

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website at: http://www.auasb.gov.au/auditors_responsibilities/ar4.pdf. This description forms part of our auditor's report.

RSM AUSTRALIA PTY LTD

RODNEY MILLER
Director

Canberra, Australian Capital Territory
Date: 14 November 2019