

Financial Statements

St Kilda Police and Citizens Youth Club Inc

ABN 68206026983

For the year ended 30 June 2018

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Statement of Profit or Loss

St Kilda Police and Citizens Youth Club Inc For the year ended 30 June 2018

	NOTES	2018	2017
Income			
Fundraising income		1,124,749	1,100,220
Grants	4	118,553	80,014
Donations		52,676	17,726
Provision of services	5	315,907	352,182
Rental revenue		32,477	31,215
Other income		1,804	5,219
Total Income		1,646,167	1,586,576
Gross Surplus		1,646,167	1,586,576
Expenditure			
Accounting services		52,147	58,627
Auditors remuneration		7,500	8,000
Bank charges		2,111	2,960
Finance costs		36,425	42,960
Youth program supplies and activities	6	40,900	69,475
Depreciation	7	49,987	46,380
Employment costs	8	513,306	435,762
Fundraising expenses		667,677	618,421
Other expenses		163,850	213,237
Total Expenditure		1,533,903	1,495,820
Current Year Surplus/ (Deficit) Before Extraordinary Items		112,264	90,756
Net Current Year Surplus		112,264	90,756

The accompanying notes form part of these financial statements.

Statement of Financial Position

St Kilda Police and Citizens Youth Club Inc

As at 30 June 2018

	NOTES	30 JUN 2018	30 JUN 2017
Assets			
Current Assets			
Cash & Cash Equivalents	9	380,575	408,547
Trade and Other Receivables	10	36,007	9,350
Inventories	11	875	2,161
GST Receivable		11,830	7,336
Total Current Assets		429,287	427,394
Non-Current Assets			
Plant and Equipment, Vehicles	12	79,550	98,535
Land & Buildings	13	3,588,171	3,434,989
Total Non-Current Assets		3,667,721	3,533,524
Total Assets		4,097,008	3,960,918
Liabilities			
Current Liabilities			
Trade and Other Payables	14	96,685	69,525
Deferred Income	15	102,365	45,664
Employee Entitlements	16	16,632	5,851
Financial liabilities	17	59,840	102,033
Total Current Liabilities		275,522	223,072
Non-Current Liabilities			
Deferred Income	15	-	14,750
Employee Entitlements	16	4,110	2,031
Financial liabilities	17	526,170	542,122
Total Non-Current Liabilities		530,280	558,903
Total Liabilities		805,802	781,975
Net Assets		3,291,206	3,178,942
Member's Funds			
Retained earnings		2,524,190	2,411,927
Asset revaluation surplus		767,015	767,015
Total Member's Funds		3,291,206	3,178,942

The accompanying notes form part of these financial statements.

Statement of Changes in Equity

St Kilda Police and Citizens Youth Club Inc
For the year ended 30 June 2018

	NOTES	2018	2017
Equity			
Opening Balance		3,178,942	3,088,186
Increases			
Surplus for the Period		112,264	90,756
Total Increases		112,264	90,756
Total Equity		3,291,206	3,178,942

The accompanying notes form part of these financial statements.

Statement of Cash Flows

St Kilda Police and Citizens Youth Club Inc For the year ended 30 June 2018

	2018	2017
Cash flows from Operating Activities		
Receipts from customers	1,705,183	1,625,852
Payments to suppliers and employees	(1,453,878)	(1,387,045)
Net interest paid	(35,438)	(42,927)
Cash receipts from other operating activities	632	5,186
Total Cash flows from Operating Activities	216,498	201,066
Cash flows from Investing Activities		
Proceeds from sales of property, plant and equipment	2,525	-
Payment for property, plant and equipment	(188,851)	(13,308)
Total Cash flows from Investing Activities	(186,326)	(13,308)
Cash flows from Financing Activities		
Repayment of borrowings	(650,964)	(109,082)
Proceeds from borrowing	592,819	-
Total Cash flows from Financing Activities	(58,145)	(109,082)
Net increase/(decrease) in cash held	(27,972)	78,676
Cash Balances		
Opening cash balance	408,547	329,871
Closing cash balance	380,575	408,547
Movement in cash	(27,972)	78,676

The accompanying note form part of these financial statements.

Notes of the Financial Statements

St Kilda Police and Citizens Youth Club Inc

For the year ended 30 June 2018

The financial statements cover St Kilda Police & Citizens Youth Club Inc as an individual entity, being a not-for-profit Association incorporated in Victoria under requirements of the *Associations Incorporation Reform Act 2012* ('the Act').

The principal activities of the Association for the year ended 30 June 2018 were delivering Youth Programs in Melbourne that mentor and engage youth of all ages and backgrounds with recreational activities. Our ultimate goal is to provide support and training to develop future leaders with programs that empower youth for life.

The functional and presentation currency of St Kilda Police & Citizens Youth Club Inc is Australian dollars.

Comparatives are consistent with prior years, unless otherwise stated.

1. Basis of Preparation

In the opinion of the Board of Management, the Association is not a reporting entity since there are unlikely to exist users of the financial report who are not able to command the preparation of reports tailored so as to satisfy specifically all of their information needs. These special purpose financial statements have been prepared to meet the reporting requirements of the Act.

The financial statements have been prepared in accordance with the recognition and measurement requirements of the Australian Accounting Standards and Accounting Interpretations, and the disclosure requirements of AASB 101 *Presentation of Financial Statements*, AASB 107 *Statement of Cash Flows*, AASB 108 *Accounting Policies, Changes in Accounting Estimates and Errors* and AASB 1054 *Australian Additional Disclosures*.

Comparative Figures

Where necessary comparative figures have been reclassified to facilitate comparisons.

2. Summary of Significant Accounting Policies

(a) Income tax

The Association is exempt from income tax under Division 50 of the *Income Tax Assessment Act 1997*.

(b) Revenue and other income

Revenue is recognised when the amount of the revenue can be measured reliably, it is probable that economic benefits associated with the transaction will flow to the Association and specific criteria relating to the type of revenue as noted below, has been satisfied.

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

Fundraising revenue

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

The Association is one of the beneficiaries of the ongoing national PCYC Lottery (Art Union Raffle) which has provided it with recurring monetary resources. The national PCYC Lottery is promoted by PCYC NSW, holder of NSW Charitable Fundraiser License No. 11892 and managed by a third-party fundraising and lottery management service provider. Revenue is recognised by the Association when the funds are raised by or on behalf of the Association.

Corresponding fundraising expenses are recognised when incurred during the period include all direct fundraising fees payable to the third-party service providers and contributions to lottery prizes.

Grant revenue

Grant revenue is recognised in the statement of profit or loss when the entity obtains control over the funds, which is generally at the time of receipt, it is probable that the economic benefits gained from the grant will flow to the entity and the amount of the grant can be measured reliably.

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

Where grant monies are raised for specific purpose such as designated programs, projects and activities for the youth run by the Association, the recognition of the grant as revenue will be deferred until such funds have been expended in accordance with the specified purposes.

Donations

Donations and bequests are recognised as revenue when received where they were provided to the Association without being directed to specific purpose or projects.

Where donations are made to the Association directed to specific purpose such as designated programs, projects and activities for the youth run by the Association, the recognition of the grant as revenue will be deferred until such funds have been expended in accordance with the specified purposes.

Interest revenue

Interest revenue is recognised using the nominal interest method.

Provision of services

Revenue in relation to rendering of services is recognised depending on whether the outcome of the services can be estimated reliably. If the outcome can be estimated then the stage of completion of the services is used to determine the appropriate level of revenue to be recognised in the period.

Other income

Other income is recognised on an accruals basis when the Association is entitled to it.

(c) Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Taxation Office (ATO). 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 ATO is included with other receivables or payables in the statement of financial position.

(d) Inventories

Inventories are measured at the lower of cost and net realisable value. Cost of inventory is determined using the standard costs basis and is net of any rebates and discounts received.

(e) Property, Plant and Equipment (PPE)

Each class of property, plant and equipment is carried at Board's valuation less, where applicable, any accumulated depreciation.

Items of property, plant and equipment are carried at the Board's valuation. Refer to Note 12 for Plant, equipment and vehicles and Note 13 for Land and Buildings for further details.

Depreciation

Property, plant and equipment, excluding freehold land, is depreciated on a straight-line basis over the assets useful life to the Association, commencing when the asset is ready for use.

(f) Cash and cash equivalents

Cash and cash equivalents comprises cash on hand, deposits held at call with banks, and other short-term highly liquid investments which are readily convertible to known amounts of cash and which are subject to insignificant risk of change in value.

(g) Employee benefits

Provision is made for the association's liability for employee benefits arising from services rendered by employees to the end of the reporting period. Employee benefits that are expected to be wholly settled within one year have been measured at the nominal amounts expected to be paid when the liability is settled.

3. Critical Accounting Estimates and Judgments

Those charged with governance make estimates and judgment during the preparation of these financial statements regarding assumptions about current and future events affecting transactions and balances.

These estimates and judgments are based on the best information available at the time of preparing the financial statements, however as additional information is known then the actual results may differ from the estimates.

The significant estimates and judgments made have been described below.

Key estimates – property held at Board's valuation

The Board has valued the property (land and building) on 30 June 2018. The Board has reviewed this valuation and determined that it remained current at 30 June 2018 having regard to council rate notices.

Note 12 and Note 13 provide information on respective inputs and techniques to determine valuation.

	2018	2017
4. Grants		
Grants from government departments	73,242	55,310
Grants from community and foundations	45,311	24,705
Total Grants	118,553	80,014

Grants revenue has been recognised in accordance with accounting policies stated in Note 2. Grants awarded to the Association during the year in advance of the designated programs or projects are deferred until such future periods when such programs or projects are fulfilled. See Note 15 for details of such deferred income.

Government grants recognised during the year ended 30 June 2018 included \$52,242 from the Female Friendly Facilities Fund awarded by Sport and Recreation Victoria, as a result of the Association's expenditure of approximately \$150,000 on its gym bathroom amenities improvements during the year.

	2018	2017
5. Provision of services		
Membership and gym entry (net of discounts)	230,867	233,258
Hire of venue	71,384	58,616
Fitness classes and programs	13,205	26,747
Merchandise net sales and commission	451	(371)
Non-recurring prior year adjustments	-	33,933
Total Provision of services	315,907	352,182

	2018	2017
6. Youth Program costs		
Program supplies and activities	40,900	69,475
Depreciation expense (refer to note 7)	6,061	6,824
Allocated remuneration costs (refer to note 8)	161,274	135,862
Total Youth Program costs	208,236	212,161

	2018	2017
7. Depreciation		
Gym equipment and building improvements	32,499	31,100
Motor vehicles for Youth programs (refer to note 6)	6,061	6,824
Office administration	10,962	8,336
Rooming house fittings	465	120
Total Depreciation	49,987	46,380

	2018	2017
8. Employment Costs		
Gym operation	172,494	145,314
Youth programs (refer to Note 6)	161,274	135,862
Administration	145,722	126,099
Rooming house	33,815	28,487
Total Employment Costs	513,306	435,762

	2018	2017
9. Cash and Cash Equivalents		
Cash at bank and in hand	380,575	408,547
Total Cash and Cash Equivalents	380,575	408,547

Reconciliation of cash

Cash and cash equivalents reported in the statement of cash flows are reconciled to the equivalent items in the statement of financial position as follows:

	2018	2017
Cash and Cash Equivalents		
Cash at bank	380,947	412,044
Cash and electronic funds transfer floats	3,003	(1,359)
Corporate credit cards	(3,375)	(2,138)
Balance as per statement of cash flows	380,575	408,547

	2018	2017
10. Trade and Other Receivables		
Trade receivables	11,862	3,565
Other receivables and prepayments	6,820	5,785
Accrued revenue	17,325	-
Total Trade and Other Receivables	36,007	9,350

	2018	2017
11. Inventories		
Finished goods - at cost	875	2,161
Total Inventories	875	2,161

	2018	2017
12. Plant and Equipment, Vehicles		
Plant and equipment		
Plant and equipment	217,998	197,514
Less accumulated depreciation on plant and equipment	(145,951)	(112,543)
Total Plant and equipment	72,047	84,971
Vehicles		
Motor vehicles and trailers	30,364	30,364
Less accumulated depreciation on vehicles	(22,861)	(16,800)
Total Vehicles	7,503	13,564
Total Plant and Equipment, Vehicles	79,550	98,535

(a) Asset revaluations

The Association's motor vehicles, plant and equipment were revalued at 30 June 2015 by the Board. Motor vehicles and certain plant and equipment that have been donated to the club have been recorded at the Board's valuation, otherwise, measured at cost.

	2018	2017
13. Land and Buildings		
Land		
Land at revaluation	2,980,000	2,980,000
Total Land	2,980,000	2,980,000
Buildings		
Buildings at revaluation	420,000	420,000
Building improvements and capital works		
Building improvements at cost	192,446	35,860
Less accumulated depreciation on building improvements	(4,275)	(871)
Total Building improvements and capital works	188,171	34,989
Total Buildings	608,171	454,989
Total Land and Buildings	3,588,171	3,434,989

(a) Land and Building valuation

The Association's land and buildings were revalued at 30 June 2018. The 2018 valuation was performed by the Board using the 30 June 2018 rate notice of the properties.

(b) Land and Building as security for loans

The Association's land and buildings were provided as collateral for interest-bearing debt facilities maintained. Refer to Note 17 for Financial Liabilities.

	2018	2017
14. Trade and Other Payables		
CURRENT		
Trade payables	70,336	44,059
Superannuation payable	11,792	10,418
PAYG withholding payable	6,208	8,760
Wages payable	8,349	6,288
Total Trade and Other Payables	96,685	69,525
	2018	2017

15. Deferred Income

CURRENT		
Youth program fundings received in advance (up to 12 months)	63,016	14,750
Rooming house renovation fundings received in advance (up to 12 months)	12,719	-
Membership fees received in advance	26,631	30,914
Total CURRENT	102,365	45,664
NON-CURRENT		
Grants received in advance (over 12 months)	-	14,750
Total NON-CURRENT	-	14,750
Total Deferred Income	102,365	60,414

	2018	2017
16. Employee Entitlements		
CURRENT		
Provision for annual leave	16,632	5,851
Total CURRENT	16,632	5,851
NON-CURRENT		
Provision for long service leave	4,110	2,031
Total NON-CURRENT	4,110	2,031
Total Employee Entitlements	20,742	7,882
	2018	2017

17. Financial Liabilities

CURRENT		
Secured bank loans	59,840	102,033
NON CURRENT		
Secured bank loans	526,170	542,122
Total NON CURRENT	526,170	542,122
Total current borrowings	586,010	644,155

The bank loans are secured by a first registered mortgage over the freehold land and buildings of St Kilda Police & Citizens Youth Club Inc.

During the year ended 30 June 2018, the Association refinanced the loans, intended for the improvements on the gym facilities and condition of both the commercial and investment properties owned. The Association has been able to meet its debt servicing obligations.

18. Contingencies

In the opinion of the Board of Management, the Association did not have any contingencies at 30 June 2018 (30 June 2017: none).

19. Events after the end of the Reporting Period

The financial report was authorised for issue on 17 October 2018 by the Board.

No other matters or circumstances other than the abovementioned have arisen since the end of the financial year which significantly affected or may significantly affect the operations of the Association the results of those operations or the state of affairs of the Association in future financial years.

20. Association Details

The registered office and principal places of the association is:

St Kilda Police & Citizens Youth Club Inc.

179 Inkerman Street

ST KILDA VIC 3182

Tel: 03 9534 7584

Statement by Members of the Board

St Kilda Police and Citizens Youth Club Inc For the year ended 30 June 2018

The Board has determined that the Association is not a reporting entity and that this special financial report should be prepared in accordance with the accounting policies outlined in Note 2 of the financial statements.

In the opinion of the Board the financial report as set out on pages 1 - 13:

1. Presents fairly the financial position of St Kilda Police & Citizens Youth Club Inc as at 30 June 2018 and its performance for the year ended on that date.
2. At the date of this statement, there are reasonable grounds to believe that St Kilda Police & Citizens Youth Club Inc will be able to pay its debts as and when they fall due.

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

President 

Treasurer 

Dated this 17 day of October 2018

LDB Audit Services Pty Ltd

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Working as One

St Kilda Police & Citizens Youth Club Inc

ABN 68 206 026 983

Auditor's Independence Declaration under Section 60-40 of the Australian Charities and Not-for-Profits Commission Act 2012 to the Responsible Persons of St Kilda Police & Citizens Youth Club Inc

I declare that, to the best of my knowledge and belief, during the year ended 30 June 2018, there have been:

- (i) no contraventions of the auditor independence requirements as set out in section 60-40 of 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.

LDB Audit Services Pty Ltd
1-3 Albert St
BLACKBURN VIC 3130

Hilton Miller
DIRECTOR

19/10/2018



Working as One

St Kilda Police & Citizens Youth Club Inc

Independent Audit Report to the members of St Kilda Police & Citizens Youth Club Inc

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of St Kilda Police & Citizens Youth Club Inc, which comprises the statement of financial position as at 30 June 2018, the , 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 Members of the board.

In our opinion the financial report of St Kilda Police & Citizens Youth Club Inc has been prepared in accordance with Division 60 of the *Australian Charities and Not-for-profits Commission Act 2012*, including:

- (i) giving a true and fair view of the Association's financial position as at 30 June 2018 and of its financial performance for the year ended; and
- (ii) complying with Australian Accounting Standards to the extent described in Note1, 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. 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 Association in accordance with the auditor independence requirements of the *Australian Charities and Not-for-profits Commission Act 2012* (ACNC Act) and 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.

Emphasis of Matter - Basis of Accounting

We draw attention to Note 1 to the financial report, which describes the basis of accounting. The financial report has been prepared for the purpose of fulfilling the Association's financial reporting responsibilities under the ACNC Act. As a result, the financial report may not be suitable for another purpose. Our opinion is not modified in respect of this matter.

Responsibilities of Management and Those Charged with Governance

Management are responsible for the preparation of the financial report that gives a true and fair view and have determined that the basis of preparation described in Note 1 to the financial report is appropriate to meet the requirements of the ACNC Act and the needs of the members. Managements' responsibility also includes such internal control as they determine is necessary 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.

LDB Audit Services Pty Ltd

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Working as One

St Kilda Police & Citizens Youth Club Inc

Independent Audit Report to the members of St Kilda Police & Citizens Youth Club Inc

In preparing the financial report, management are responsible for assessing the Association's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the responsible entities either intend to liquidate the Association or to cease operations, or have 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 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 the financial report.

LDB Audit Services Pty Ltd

LDB Audit Services Pty Ltd
1-3 Albert St
BLACKBURN VIC 3130

Hilton Miller
DIRECTOR

Dated this 19TH day of October 2018

Certificate by Members of Board

St Kilda Police and Citizens Youth Club Inc
For the year ended 30 June 2018

Annual statements give true and fair view of financial performance and position of incorporated association

We, DENNIS EDLIN and Ramon Lopez, being members of the Board of the St Kilda Police & Citizens Youth Club Inc, certify that -

The statements attached to this certificate give a true and fair view of the financial performance and position of St Kilda Police & Citizens Youth Club Inc during and at the end of the financial year of the Association ending on 30 June 2018.

Dated 17/10/18


(Board Member)



(Board Member)