

Victoria Police Blue Ribbon Foundation Inc. Annual Report 2023

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**Victoria Police Blue Ribbon Foundation Inc.
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COMMITTEE OF MANAGEMENT DECLARATION

In accordance with a resolution of the C.O.M. of Victoria Police Blue Ribbon Foundation, I state that:

In the opinion of the committee members:

- (b) the financial statements and notes of the Foundation are in accordance with the Associations Incorporation Reform Act 2012, including:
 - (b) giving a true and fair view of the Foundation's financial position as at 30 June 2023 and of its performance for the 12 month period ended on that date; and
 - (ii) complying with Australian Accounting Standards; and
- (b) there are reasonable grounds to believe that the Foundation will be able to pay its debts as and when they become due and payable.

On behalf of the C.O.M.



David G. Mann
Chairman

Dated this 14th day of December 2023

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**INCOME STATEMENT
FOR THE YEAR ENDED 30 JUNE 2023**

	Note	2023 \$	2022 \$
REVENUE			
Donations		348,794	347,000
Interest income		-	3,324
Sale of merchandise		175,986	439,405
Special events		847,377	397,121
Police Graves		(2,909)	4,545
Total revenue		1,369,248	1,191,395
EXPENSES			
Cost of merchandise sold		140,561	323,542
Cost of special events		352,927	102,529
Employee benefits expenses	3	448,574	427,841
Fund raising		41,288	30,428
Administration		175,646	183,393
Total expenses		1,158,996	1,067,733
Surplus/(deficit) available for pay donations		210,252	123,662
Donations to approved projects		269,728	481,399
Retained surplus/(deficit)		(59,476)	(357,738)

The Income Statement is to be read in conjunction with the Notes to the Financial Statements

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BALANCE SHEET
AS AT 30 JUNE 2023

	Note	2023 \$	2022 \$
CURRENT ASSETS			
Cash and cash equivalents	4	1,620,809	1,757,704
Trade and other receivables	5	110,124	128,513
Inventory		226,287	227,937
		<u>1,957,220</u>	<u>2,114,154</u>
NON CURRENT ASSETS			
Plant and equipment	6	11,929	23,205
Total Non Current Assets		<u>11,929</u>	<u>23,205</u>
TOTAL ASSETS		<u>1,969,149</u>	<u>2,137,359</u>
CURRENT LIABILITIES			
Trade and other payables	7	208,473	307,674
Income in Advance	8	51,685	57,486
Employee Entitlements	9	234,621	238,351
Total Current Liabilities		<u>494,779</u>	<u>603,511</u>
TOTAL LIABILITIES		<u>494,779</u>	<u>603,511</u>
NET ASSETS		<u>1,474,370</u>	<u>1,533,848</u>
EQUITY			
Accumulated surplus/(deficit)		1,474,370	1,533,848
TOTAL EQUITY		<u>1,474,370</u>	<u>1,533,848</u>

The Balance Sheet is to be read in conjunction with the Notes to the Financial Statements

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**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2023**

	Reserves \$	Retained Earnings \$	Total \$
Total equity at 1 July 2021	-	1,891,584	1,891,584
Net operating result for the period	-	(357,738)	(357,738)
Total equity at 30 June 2022	-	1,533,846	1,533,846
Total equity at 1 July 2022	-	1,533,846	1,533,846
Net operating result for the period	-	(59,476)	(59,476)
Total equity at 30 June 2023	-	1,474,370	1,474,370

The Statement of Changes in Equity is to be read in conjunction with the Notes to the Financial Statements

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**CASH FLOW STATEMENT
FOR THE YEAR ENDED 30 JUNE 2023**

	Note	2023 \$	2022 \$
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from trading		186,609	383,461
Receipts from events		847,377	397,121
Interest received		-	3,324
Contributed Support		348,794	346,999
Police Graves		(2,909)	4,545
Other – Cash Flow Assist & Job keeper			-
Payments to suppliers and employees		(1,250,800)	(862,226)
Donations to Charities		(269,728)	(481,399)
Net cash flows from/(used in) operating activities		(140,657)	(208,175)
CASH FLOWS FROM INVESTING ACTIVITIES			
Investment in furniture, equipment & fittings		(5,650)	(3,534)
Net cash flows from/(used in) investing activities		(5,650)	(3,534)
CASH FLOWS FROM FINANCING ACTIVITIES			
Net cash flows from/(used in) financing activities			
Net increase/(decrease) in cash held		(146,310)	(211,705)
Cash at the beginning of the financial period		1,680,669	1,892,374
Cash at the end of the financial period	4	1,534,359	1,680,669

The Cash Flow Statement is to be read in conjunction with the Notes to the Financial Statements

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

1. Corporate Information

The financial report of Victoria Police Blue Ribbon Foundation for the 12 month period ended 30 June 2023 was authorised for issue in accordance with a resolution of the C.O.M. on the 14th of December 2023.

Victoria Police Blue Ribbon Foundation is an association that is incorporated and domiciled in Australia.

The registered office is located at Suite 4, 2 Central Avenue, Moorabbin, Victoria 3189

2. Summary of significant accounting policies

(a) Basis of preparation

The committee have prepared the financial statements on the basis that the association is not a reporting entity as it is considered that there are no users who are dependent on general purpose financial statements. These financial statements are therefore special purpose financial statements that have been prepared in order to meet the needs of its members. The financial statements have been prepared in accordance with the significant accounting policies disclosed below, which the committee have determined are appropriate to meet the needs of its members.

The financial report has also been prepared on a historical cost basis and is presented in Australian dollars.

The current period accounts represent the 12 month period to 30 June 2023.

(b) Cash and cash equivalents

Cash and cash equivalents in the balance sheet comprise cash at bank and in hand.

For the purposes of the Cash Flow Statement, cash and cash equivalents consist of cash and cash equivalents as defined above.

(c) Revenue recognition

Revenue is recognised and measured in accordance with Australian Accounting Standards and in particular AASB 1058 and AASB 15.

(i) Merchandise sales

Revenue from the sale of goods is recognised at the point in time when the customer obtains control of the goods, which is generally at the time of delivery

(ii) Charitable Income

Funds raised or received from fundraising, donations and bequests is recognised as revenue when the funds are received, unless the receipt of funds gives rise to a contractual obligation with specific performance obligations, in which case, the funds received are initially recognised as a contract liability and brought to account as revenue as the performance obligations are met.

(iii) Interest

Interest income is recognised in the income statement as it accrues, using the effective interest method.

(iv) Government grants

An unconditional government grant is recognised in the income statement as operating income when the grant is received. If the grant gives rise to a contractual obligation with specific performance obligations, the funds received are initially recognised as a contract liability and brought to account as revenue as the performance obligations are met.

(d) Plant and equipment

Plant and equipment is stated at cost less accumulated depreciation and any accumulated impairment losses.

Depreciation is calculated on a straight-line basis over the estimated useful life of the assets as follows:

- Furniture and equipment – over 2 to 5 years
- Motor Vehicles – over 5 to 10 years

The assets' residual values, useful lives and amortisation methods are reviewed, and adjusted if appropriate, at each financial period end.

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

(i) Impairment

The carrying values of plant and equipment are reviewed for impairment at each reporting date, with recoverable amount being estimated when events or changes in circumstances indicate that the carrying value may be impaired.

(ii) Derecognition and disposal

An item of plant and equipment is derecognised upon disposal or when no further future economic benefits are expected from its use or disposal.

Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in surplus or deficit in the year the asset is derecognised.

(e) Trade and other payables

Trade payables and other payables are carried at amortised cost and represent liabilities for goods and services provided to the Foundation prior to the end of the financial period that are unpaid and arise when the Foundation becomes obliged to make future payments in respect of the purchase of these goods and services. They are normally settled on 30 day terms and are unsecured.

(f) Employee benefits expenses

(i) Wages, salaries, annual leave and long service leave

Liabilities for wages and salaries, including non-monetary benefits, annual leave expected to be settled within 12 months of the reporting date, and long service leave accrued for employees who have completed three years service, are recognised in either other payables, the provision for annual leave or the provision for long service leave in respect of employees' services up to the reporting date. Long service leave is payable upon termination to employees who have completed five years of service. They are measured at the amounts expected to be paid when the liabilities are settled. Liabilities for non-accumulating sick leave are recognised when the leave is taken and are measured at the rates paid or payable.

(ii) Superannuation

Superannuation contributions by the Foundation of 10% of employees' wages and salaries are legally enforceable in Australia.

(g) Income tax

The Foundation is exempt from income tax pursuant to section 50-1 of the ITAA 1997.

(h) Goods and services tax

Revenue, expenses and assets are recognised net of the amount of goods and services tax (GST), except where the amount of GST incurred is not recoverable from the Australian Taxation Office (ATO). In these circumstances, the GST is recognised as part of the cost of acquisition of the asset or as part of the expense.

Receivables and payables are stated with the amount of GST included. The net amount of GST recoverable from, or payable to, the ATO is included as a current asset or liability in the balance sheet.

Cash flows are included in the Cash flow statement on a gross basis. The GST components of cash flows arising from investing and financial activities, which are recoverable from, or payable to, the ATO are classified as operating cash flows.

(i) Segment reporting

The Foundation has only one operating segment.

(j) Inventories

Inventories are valued at the lower of cost and net realisable value.

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

3. Employee Benefits Expense	2023	2022
	\$	\$
Wages, salaries and other benefits	417,905	401,833
Superannuation contributions	30,669	26,008
Total	448,574	427,841

4. Cash and Cash Equivalents	2023	2022
	\$	\$
Head Office Accounts	976,046	1,174,315
Branch Accounts	555,105	503,309
Event Funds	86,451	77,035
Cash & Floats	3,208	3,045
Total	1,620,809	1,757,704

Cash at bank earns interest at floating rates based on daily bank deposit rates. The carrying amounts of cash and cash equivalents represent fair value.

5. Trade and Other Receivables	2023	2022
	\$	\$
Accounts Receivable	75,707	25,500
Prepaid Expenses	24,092	81,987
Other	10,325	21,026
Total	110,124	205,548

6. Plant and Equipment	Furniture & equipment	Motor Vehicles	Total
	\$	\$	\$
At cost	164,981	36,927	201,908
Accumulated depreciation	(153,052)	(36,927)	(189,979)
Net carrying amount	11,929	0	11,929

Reconciliation of carrying amounts at the beginning and end of the period:

Balance at the beginning of the period	23,205	0	23,205
Additions	5,651	-	5,651
Disposals – Original cost	-	-	-
Disposals – Depreciation	-	-	-
Depreciation charge for the period	(16,927)	-	(16,927)
Net carrying amount	11,929	0	11,929

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

7. Trade and other payables	2023	2022
	\$	\$
Trade payables	21,138	30,108
Accruals	13,486	27,173
Payroll liabilities	5,119	11,094
ATO Liabilities	13,307	902
Prepaid Event Income	154,930	212,689
Other Creditors	493	25,708
	208,473	307,673

Due to the short term nature of these payables, their carrying value is assumed to approximate their fair value. Trade and other payables are non-interest bearing and are normally settled on 30 day terms.

8. Income in Advance	2023	2022
	\$	\$
Special Purpose Fund	51,685	57,486
	51,685	57,486

During the 2017 year the Foundation Received a \$197,000 donation from a benefactor. It was stipulated by the benefactor that these funds were to be used specifically by the Foundation for capital works, equipment and facilities used in the course of its fund raising activities. Income from the fund is recognised in the year in which expenditures are made.

9. Employee Entitlements	2023	2022
	\$	\$
Annual leave	160,447	179,900
Long service leave	74,174	58,451
	234,621	238,351

10. Cash flow statement reconciliation	2023	2022
	\$	\$
Reconciliation of surplus/(deficit) for the period to net cash flows from operations		
Surplus/(deficit) for the period	(59,476)	(357,738)
Depreciation and Amortisation	16,927	22,536
(Increase)/Decrease in trade & other receivables	8,973	(104,570)
(Increase)/Decrease in inventories	1,650	48,626
(Decrease)/Increase in trade payables & other payables	(99,200)	151,954
(Decrease)/Increase in provisions	(9,531)	31,017
Net cash provided from/(used in) operating activities	(140,657)	(208,175)

11. Auditor's remuneration	2023	2022
	\$	\$
Amounts received or due and receivable by the auditor:		
- For the audit of the financial statements	2,250	2,954
- Other services	-	-
	2,250	2,954

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

12. Economic dependency

Victoria Police Blue Ribbon Foundation is dependent on the on-going use of the brand of the Victoria Police.

13. Related party disclosures

Committee members and employees are reimbursed for out-of-pocket expenses associated directly with the business of the Foundation. These expenses are limited to travel, meal and accommodation costs.

14. Financial risk management objectives and policies

The Foundation's principal financial instruments comprise cash. The main purpose of these financial instruments is to fund the Foundation's operations. The Foundation has various other financial assets and liabilities such as receivables and payables, which arise directly from its operations. The main risks arising from the Foundation's financial instruments are interest rate, credit and liquidity risk. The committee reviews and agrees policies for managing each of these risks.

Interest rate risk

We do not have interest bearing liabilities, and so no risk exists in relation to interest rate fluctuations in repayment of debt.

Credit risk

We do not have any significant receivables due at year end, thus the credit risk is minimal. All monies are deployed in Bank Accounts where monies are protected.

Liquidity risk

Liquidity risk is the risk that the Foundation will encounter difficulty in raising funds to meet commitments and obligations to repay its financial liabilities as and when they fall due. The Foundation is dependent on its ability to raise funding for its operations through appeals to government, private trusts and foundations, sale of goods to the general public, and the conduct of fund raising events.

15. Events subsequent to balance date

There have been no significant events occurring after the balance date which may affect either the Foundation's operations or results of those operations or the Foundation's state of affairs.

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INDEPENDENT AUDIT REPORT TO THE MEMBERS OF THE VICTORIA POLICE BLUE RIBBON FOUNDATION

Audit Opinion

I have audited the accompanying financial report of The Victoria Police Blue Ribbon Foundation Incorporated. ("the Foundation"), which comprises the income statement, balance sheet as at 30 June 2023, statement of changes in equity and cash flow statement for the year then ended, notes to the financial statements comprising a summary of significant accounting policies and other explanatory information, and the certification by members of the committee on the annual statements giving a true and fair view of the financial position and performance of the association.

In my opinion, except for the effects on the financial report of such adjustments to revenue and inventory, if any, as might have been determined to be necessary had the limitation in the scope of my work as defined in the qualification paragraph below not existed, the accompanying financial report of Victoria Police Blue Ribbon Foundation is in accordance with the *Associations Incorporation Reform Act 2012*, including:

- (a) giving a true and fair view of the Foundations financial position as at 30 June 2023 and of its performance for the year ended on that date; and
- (b) complying with Australian Accounting Standards.

Basis for Qualified Opinion

Cash for donations and other fundraising activities are a significant source of revenue for the Foundation. The committee have determined that it is impractical to establish control over the collection of revenue from these sources prior to entry into its financial records. Accordingly, as the evidence available to me regarding revenue from cash donations and other fundraising activities was limited, my audit procedures with respect to revenue from these sources had to be restricted to the amounts recorded in the foundation's financial records. I am therefore unable to express an opinion as to whether all revenue from cash donations and other fundraising activities has been accounted for the year ended 30 June 2023.

I have conducted my audit in accordance with Australian Auditing Standards. My responsibilities under those standards are further described in the **Auditor's Responsibilities for the Audit of the Financial Report** section of this report. I am independent of the Entity 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 my audit of the financial report in Australia. I have also fulfilled my other ethical responsibilities in accordance with the Code.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

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

Management is responsible for the preparation and fair presentation of the financial report in accordance with the financial reporting requirements of the with Associations Incorporation Reform Act 2012 and for such internal control as management determines is necessary to enable the preparation and fair presentation of a financial report that is free from material misstatement, whether due to fraud or error. In preparing the financial report, management is responsible for assessing the Entity's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless management either intends to liquidate the Foundation or to cease operations, or has no realistic alternative but to do so. Those charged with governance are responsible for overseeing the Foundation's financial reporting process.

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INDEPENDENT AUDIT REPORT TO THE MEMBERS OF THE VICTORIA POLICE BLUE RIBBON FOUNDATION

Auditor's Responsibilities for the Audit of the Financial Report

My 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 my 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.

As part of an audit in accordance with Australian Auditing Standards, I exercise professional judgment and maintain professional scepticism throughout the audit. I also:

- 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.
- 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 Entity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management'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 Entity'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 Entity to cease to continue as a going concern.
- 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.

I communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.



Phillip Elliott *
620 St Kilda Road Melbourne.
Dated this 14th day of December 2023

* Liability limited by a scheme approved under Professional Standards Legislation

**Victoria Police Blue Ribbon Foundation Inc.
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**AUDITOR'S INDEPENDENCE DECLARATION
TO THE DIRECTORS OF THE VICTORIA POLICE BLUE RIBBON FOUNDATION INC**

I declare that, to the best of my knowledge and belief, during the year ended 30 June 2023 there have been:

- i. no contraventions of the auditor independence requirements as set out in the *Associations Incorporation Reform Act 2012* or *Australian Auditing Standards* in relation to the audit; and
- ii. no contraventions of any applicable code of professional conduct in relation to the audit.



.....
Phillip Elliott *
620 St Kilda Road Melbourne.
Dated this 14th day of December 2023

* Liability limited by a scheme approved under Professional Standards Legislation