

**Young Men's Christian Association of
Sydney
(Trading as YMCA NSW)**

ABN 28 067 150 010

**Special purpose financial report
for the period ended 30 June 2017**

Young Men's Christian Association of Sydney
(Trading as YMCA NSW)

ABN 28 067 150 010

Special purpose financial report - 30 June 2017

Contents

	Page
Directors' report	1
Auditor's independence declaration	3
Financial statements	4
Directors' declaration	20
Independent auditor's report to the members	21

Directors' report

Your directors present their report on Young Men's Christian Association of Sydney (trading and referred to hereafter as YMCA NSW) for the financial period ended 30 June 2017.

Directors

The following persons were directors of Young Men's Christian Association of Sydney, unless otherwise stated, during the whole of the financial period and up to the date of this report:

- Ms Marg Lennon
- Mr Richard Hughes
- Mr Warwick Jones
- Mr Jonathon Rea
- Mr Phillip Knox (appointed 27 July 2016)
- Ms Shirley Chowdhary (appointed 27 July 2016)
- Ms Christina Harlamb (appointed 27 July 2016)
- Ms Janise Mitchell (resigned 6 January 2017)
- Ms Annalisa Haskell (resigned 30 June 2017)

Principal activities

The principal activities of the entity during the period included:

- Fitness swim and sports
- Camping
- Out of school hours care
- Community programs

There was no significant change in the nature of the activity of the Association during the period.

Review of operations

The result for the 18 month period from operations was a deficit of \$647,595 (year ended 31 December 2015: surplus of \$3,239,816).

The directors present an adjusted surplus/(deficit) excluding the impact of impairment of assets, onerous contract and restructuring provisions and profit on sale of land and building :

	30 June 2017 (18 months) \$	31 December 2015 (12 months) \$
Surplus/(deficit) for the period	(647,595)	3,239,816
Add/(deduct) back:		
Impairment of property, plant and equipment	138,750	546,249
Restructuring provision	480,000	-
Provision for onerous contract	350,204	3,830,000
Profit on sale of land and building	-	(10,279,187)
Adjusted surplus/(deficit) for the period	321,359	(2,663,122)

Significant changes in the state of affairs

YMCA NSW changed their financial period end to fiscal period ending June from calendar year ending December.

Except for the change in financial period end noted above, there were no significant changes in the state of affairs of the entity during the period ended 30 June 2017. YMCA NSW continued to provide the same principal activities throughout the period, focusing on creating healthier, happier and connected communities.

Matters subsequent to the end of the financial period

No matter or circumstance has arisen since 30 June 2017 that has significantly affected, or may significantly affect:

- (a) the entity's operations in future financial periods, or
- (b) the results of those operations in future financial periods, or
- (c) the entity's state of affairs in future financial periods.

Auditor

PricewaterhouseCoopers was appointed as auditors on 2 February 2017 in accordance to *Australian Charities and Not-for-profits Commission (ACNC) Act 2012*.

Auditor's independence declaration

A copy of the auditor's independence declaration as required under section 60-40 of the *Australian Charities and Not-for-profits Commission (ACNC) Act 2012* is set out on page 3 and forms part of the Directors' report.

This report is made in accordance with a resolution of directors.



Marg Lennon
Director



Richard Hughes
Director

Sydney
26 September 2017



Auditor's Independence Declaration

As lead auditor for the audit of Young Men's Christian Association of Sydney for the period 1 January 2016 to 30 June 2017, I declare that to the best of my knowledge and belief, there have been no contraventions of any applicable code of professional conduct in relation to the audit.

A handwritten signature in black ink, appearing to read 'Manoj Santiago'.

Manoj Santiago
Partner
PricewaterhouseCoopers

Sydney
26 September 2017

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Young Men's Christian Association of Sydney (Trading as YMCA NSW)

ABN 28 067 150 010

Special purpose financial report - 30 June 2017

Contents

	Page
Financial statements	
Statement of profit and loss and other comprehensive income	5
Statement of financial position	6
Statement of changes in equity	7
Statement of cash flows	8
Notes to the financial statements	9
Directors' declaration	20
Independent auditor's report to the members	21

These financial statements consist of Young Men's Christian Association of Sydney financial information. The financial statements are presented in the Australian currency.

Young Men's Christian Association of Sydney is a not-for-profit entity, incorporated and domiciled in Australia. Its registered office and principal place of business is:

Young Men's Christian Association of Sydney
(Trading as YMCA NSW)
Level 5, 20 Smith Street
Parramatta NSW 2150

A description of the nature of the entity's operations and its principal activities is included in the directors' report on page 1, which is not part of these financial statements.

The financial statements were authorised for issue by the directors on 26 September 2017. The directors have the power to amend and reissue the financial statements.

**Young Men's Christian Association of Sydney
(Trading as YMCA NSW)
Statement of profit and loss and other comprehensive income
For the period ended 30 June 2017**

	Notes	30 June 2017 (18 months) \$	31 December 2015 (12 months) \$
Revenue from continuing operations	3	63,272,320	43,993,102
Other income	4	819,026	49,057
Expenses			
Employee benefits expense		(42,903,591)	(28,389,649)
Depreciation and amortisation		(1,363,004)	(1,061,571)
Finance costs		(15,666)	(13,834)
Profit on sale of land and building		-	10,279,187
Impairment of property, plant and equipment		(138,750)	(546,249)
Restructuring provision		(480,000)	-
Provision for onerous contract		(350,204)	(3,830,000)
Other expenses	5	(19,487,726)	(17,240,227)
Surplus/(deficit) before income tax		(647,595)	3,239,816
Income tax expense	1	-	-
Surplus/(deficit) for the period		(647,595)	3,239,816
Other comprehensive income			
Other comprehensive income for the period, net of tax		-	-
Total comprehensive income for the period		(647,595)	3,239,816

The above statement of profit and loss and other comprehensive income should be read in conjunction with the accompanying notes.

**Young Men's Christian Association of Sydney
(Trading as YMCA NSW)
Statement of financial position
As at 30 June 2017**

	Notes	30 June 2017 \$	31 December 2015 \$
ASSETS			
Current assets			
Cash and cash equivalents	6	4,604,568	5,613,660
Trade and other receivables	7	2,210,582	24,449,272
Financial assets	8	22,886,315	1,079,232
Inventories	9	86,823	92,543
Other current assets		397,567	238,192
Total current assets		30,185,855	31,472,899
Non-current assets			
Property, plant and equipment	10	11,907,698	13,154,690
Investment in shares		45,883	45,883
Total non-current assets		11,953,581	13,200,573
Total assets		42,139,436	44,673,472
LIABILITIES			
Current liabilities			
Trade and other payables	11	4,918,095	4,177,310
Borrowings	12	100,271	174,557
Provisions	13	4,059,249	7,513,959
Income received in advance		1,015,009	1,175,768
Total current liabilities		10,092,624	13,041,594
Non-current liabilities			
Borrowings	12	81,095	214,018
Provision	13	3,055,603	1,860,151
Total non-current liabilities		3,136,698	2,074,169
Total liabilities		13,229,322	15,115,763
Net assets		28,910,114	29,557,709
Equity			
Investment fund		-	1,502,000
Accumulated surplus		28,910,114	28,055,709
Total Equity		28,910,114	29,557,709

The above statement of financial position should be read in conjunction with the accompanying notes.

**Young Men's Christian Association of Sydney
(Trading as YMCA NSW)
Statement of changes in equity
For the period ended 30 June 2017**

	Asset revaluation reserve \$	Investment fund \$	Accumulated surplus \$	Total equity \$
Balance at 1 January 2015	7,383,066	1,502,000	17,776,080	26,661,146
Surplus for the year	-	-	3,239,816	3,239,816
Other comprehensive income	-	-	-	-
Total comprehensive income for the year	-	-	3,239,816	3,239,816
Transfer from asset revaluation reserve	(7,383,066)	-	7,039,813	(343,253)
Balance at 31 December 2015	-	1,502,000	28,055,709	29,557,709
Balance at 1 January 2016	-	1,502,000	28,055,709	29,557,709
Surplus/(deficit) for the period	-	-	(647,595)	(647,595)
Other comprehensive income	-	-	-	-
Total comprehensive income for the period	-	-	(647,595)	(647,595)
Transfer from of investment fund to retained surplus	-	(1,502,000)	1,502,000	-
Balance at 30 June 2017	-	-	28,910,114	28,910,114

The above statement of changes in equity should be read in conjunction with the accompanying notes.

Young Men's Christian Association of Sydney
(Trading as YMCA NSW)
Statement of cash flows
For the period ended 30 June 2017

	30 June 2017 (18 months) \$	31 December 2015 (12 months) \$
Cash flow from operating activities		
Receipts from customers	68,362,273	48,724,432
Payments to suppliers and employees	(69,495,012)	(47,204,522)
Interest received	819,026	49,057
Finance costs	(15,666)	(13,834)
Net cash provided by/(used in) operating activities	(298,047)	1,555,133
Cash flows from investing activities		
Proceeds from sale of property, plant and equipment	21,088,927	35,398
Payments for investments	(20,988,057)	-
Payments for property, plant and equipment	(604,706)	(503,906)
Proceeds from redemption of investments	-	806,541
Net cash provided by/(used in) investing activities	(503,836)	338,033
Cash flows from financing activities		
Repayments of borrowings	(207,209)	(191,618)
Net cash provided by/(used in) financing activities	(207,209)	(191,618)
Net increase/(decrease) in cash and cash equivalents	(1,009,092)	1,701,548
Cash at beginning of period	5,613,660	3,912,112
Cash at end of period	4,604,568	5,613,660

The above statement of cash flows should be read in conjunction with the accompanying notes.

Contents of the notes to the financial statements

	Page	
1	Summary of significant accounting policies	10
2	Critical accounting estimates and judgements	16
3	Revenue from continuing operations	16
4	Other income	16
5	Other expenses	17
6	Current assets - Cash and cash equivalents	17
7	Current assets - Trade and other receivables	17
8	Current assets - Financial assets	17
9	Current assets - Inventories	18
10	Non-current assets - Property, plant and equipment	18
11	Current liabilities - Trade and other payables	18
12	Current and non-current liabilities - Borrowings	18
13	Current and non-current liabilities - Provisions	19
14	Reconciliation of surplus/(deficit) after income tax to net cash inflow from operating activities	19
15	Events occurring after the reporting period	19

1 Summary of significant accounting policies

The principal accounting policies adopted in the preparation of these financial statements are set out below. These policies have been consistently applied to all the period presented, unless otherwise stated. The financial statements are for Young Men's Christian Association of Sydney (trading as YMCA NSW) (the Association).

(a) Basis of preparation

(i) Special purpose financial report

In the directors' opinion, the Association is not a reporting entity because there are no users dependent on general purpose financial reports.

This is a special purpose financial report that has been prepared for the sole purpose of complying with the *Australian Charities and Not-for-profits Commission (ACNC) Act 2012* requirements to prepare and distribute a financial report to the members and must not be used for any other purpose.

The financial report has been prepared in accordance with the recognition and measurement principles of all applicable Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board and the ACNC. It contains the disclosures that are mandatory under the Accounting Standards and those disclosures considered necessary by the directors to meet the needs of the members. The Association is a not-for-profit entity for the purpose of preparing the financial statements.

(ii) Historical cost convention

These financial statements have been prepared under the historical cost convention, except for certain assets, which, as noted are at revalued amount.

(iii) Critical accounting estimates

The preparation of financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the 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 2.

(iv) New and amended standards adopted by the Association

None of the new standards and amendments to standards that are mandatory for the first time for the financial period beginning 1 January 2016 affected any of the amounts recognised in the current period or any prior period and are not likely to affect future periods.

(b) Functional and presentation currency

Items included in the financial statements are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The financial statements are presented in Australian dollars, which is the Association's functional and presentation currency.

(c) Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable.

The Association recognises revenue when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the entity and specific criteria have been met for each of the Association's activities as described below. The Association bases its estimates on historical results taking into consideration the type of customer, the type of transaction and specifics to each arrangement.

(i) Render of services

Revenues from activity, program, hire and membership fees are recognised as service is provided. Revenue is recognised on a basis that reflects the timing, nature and value of the benefits provided.

1 Summary of significant accounting policies (continued)

(c) Revenue recognition (continued)

(ii) Sale of merchandise

Revenue from the sale of merchandise is recognised in the statement of comprehensive income when the significant risks and rewards of ownership have been transferred to the buyer.

(iii) Management fees

Management fees derived from the operation of facilities for third party bodies, such as Councils, are brought to account in accordance with the contractual arrangements established. Only management fees applicable to the financial period of operation are recognised in that period. Any prepayment of recognised management fees is recorded as income in advance in the statement of financial position and, where applicable, management fees outstanding are accrued and recorded as trade receivable in the statement of financial position

Management contracts entered into by the YMCA NSW may also include a provision for the sharing of profits/losses of the particular centres operations. The vast majority of management contracts are reportable on a 30 June financial period.

(iv) Government grants

Grants from government are recognised at their fair value where there is a reasonable assurance that the grant will be received and the Association will comply with all attached conditions. Government assistance income is recognised when YMCA NSW fulfills its obligations and obtains control of the funding.

(v) Donations and fundraising activities

Donations and fund raising activities represent monies received into the Association's bank account.

(vi) Interest income

Interest income is recognised using the effective interest method.

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

(d) Income tax

Based on the nature of its activities the YMCA NSW is exempt from income tax in accordance with the terms of Section 50 of the *Income Tax Assessment Act 1997*.

1 Summary of significant accounting policies (continued)

(e) Leases

Leases of fixed assets where substantially all the risks and benefits incidental to the ownership of the asset, but not the legal ownership that are transferred to the YMCA NSW are classified as finance leases.

Finance leases are capitalised by recording an asset and a liability at the lower of the amounts equal to the fair value of the leased property or the present value of the minimum lease payments, including any guaranteed residual values. Lease payments are allocated between the reduction of the lease liability and the lease interest expense for the period. Leased assets are depreciated on a straight-line basis over the shorter of their estimated useful lives or the lease term.

Lease payments for operating leases, where substantially all the risks and benefits remain with the lessor, are charged as expenses in the periods in which they are incurred.

(f) Impairment of assets

Other assets are tested 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. The recoverable amount is the higher of an asset's fair value less costs to sell and value-in-use. For the purposes of assessing impairment, assets are compared at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or group of assets (cash-generating units). Non-financial assets that suffered an impairment are reviewed for possible reversal of the impairment at the end of each reporting period.

(g) Cash and cash equivalents

For the purpose of presentation in the statement of cash flows, 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, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities in the statement of financial position.

(h) Trade receivables

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment. Trade receivables are generally due for settlement within 30 days.

Collectability of trade receivables is reviewed on an ongoing basis. Debts which are known to be uncollectible are written off. An allowance account (provision for impairment of trade receivables) is used when there is objective evidence that the Association will not be able to collect all amounts due according to the original terms of the receivables. The amount of the provision is recognised in the profit or loss.

(i) Inventories

Inventories are stated at the lower of cost and net realisable value. Costs are assigned to individual items of inventory on basis of weighted average costs. Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

(j) Financial assets

Financial assets consist of term deposits and investments in shares of stocks. Term deposits have maturity of more than three months and are classified as current assets in the statement of financial position. Investments in shares of stocks are from listed and unlisted companies in Australia. This is classified as non-current assets in the statement of financial position.

1 Summary of significant accounting policies (continued)

(k) Property, plant and equipment

Each class of property, plant and equipment is carried at cost, directors' valuation or fair value less, where applicable, any accumulated depreciation and impairment losses.

Historical cost includes expenditure that is directly attributable to the acquisition of the items. All repairs and maintenance are charged to the profit or loss during the financial period in which they are incurred.

(i) Property

Property, which consists of freehold land and buildings, is carried at their fair value (being the amount for which an asset could be exchanged between knowledgeable willing parties in an arm's length transaction), based on periodic valuations by external independent valuers, less subsequent depreciation for buildings.

In periods where the freehold land and buildings are not subject to an independent valuation, the directors may conduct directors' valuations to ensure the carrying amount for the land and buildings is not materially different to the fair value.

Increases in the carrying amount arising on revaluation of land and buildings are credited to an asset revaluation reserve in equity. Decreases that offset previous increases of the same class of assets are charged against the asset revaluation reserve directly in equity. All other decreases are charged to the statement of profit or loss and other comprehensive income.

Any accumulated depreciation at the date of the revaluation is eliminated against the gross carrying amount of the asset and the net amount is restated to the revalued amount of the asset.

(ii) Plant and equipment

Plant and equipment are measured at cost.

The carrying amount of plant and equipment is reviewed annually by directors to ensure it is not in excess of the recoverable amount from these assets. The recoverable amount is assessed on the basis of the expected net cash flows that will be received from the asset's employment and subsequent disposal. The expected net cash flows have been discounted to their present values in determining recoverable amounts.

(iii) Depreciation

The depreciable amount of all property, plant and equipment, excluding freehold land, is depreciated over their useful lives to the YMCA NSW commencing from the time the asset is held ready for use.

The depreciation rates used for each class of depreciable assets are:

- | | |
|---------------------------------------|-------------|
| ▪ Building and leasehold improvements | 2.5% to 10% |
| ▪ Plant and equipment | 10% to 33% |

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period. 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 carrying amount. These are included in profit or loss. When revalued assets are sold, amounts included in the asset revaluation reserve relating to that asset are transferred to accumulated surplus.

1 Summary of significant accounting policies (continued)

(l) Trade and other payables

These amounts represent liabilities for goods and services provided to the Association prior to the end of financial period which are unpaid. The amounts are unsecured and are usually paid within 30 days of recognition.

(m) Borrowings

Borrowings are initially recognised at fair value. Borrowings are subsequently measured at amortised cost. Borrowings are classified as current liabilities unless the Association has an unconditional right to defer settlement of the liability for at least 12 months after the reporting period.

(n) Provisions

Provisions are recognised when the Association has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and the amount has been reliably estimated. Provisions are not recognised for future operating losses.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

(i) Profit/loss share on management contracts

As mentioned in note 1(c)(ii), the directors have made an assessment as to the necessity for a provision as to profits/losses applicable to the various management contracts being undertaken that have profits/loss sharing arrangement.

(ii) Insurance

A provision has been established to reflect the deductible amount payable under the respective insurance policy/policies for any claims made (though not necessarily litigated or settled or under negotiation) and where the organisation's operations are expected to result in an increase in the premiums currently paid.

(iii) Onerous contracts

Onerous contract provisions are recognised in accordance to for losses on contracts where the forecast costs fulfilling the contract throughout the contract period exceed the forecast income receivables. The provision is calculated based on discounted cash flows to the end of the contract.

(iv) Restructuring provision

Restructuring provision is recognised in accordance to AASB 137, *Provisions*. Contractual obligation to restructure arises when the Association has a detailed formal plan and there is already valid expectation for those involved that the restructuring is to be made, in which the plan has been communicated to the affected employees.

(o) Employee benefits

(i) Short-term obligations

Liabilities for wages and salaries, including non-monetary benefits and annual leave expected to be settled within 12 months of the reporting date are recognised in provisions in respect of employees' services up to the reporting date and 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 measured at the rates paid and payable.

(ii) Long service leave

A provision for long service leave is recognised after five years of service on a pro-rata basis and is measured at current rates, plus related on costs.

1 Summary of significant accounting policies (continued)

(o) Employee benefits (continued)

(iii) Superannuation

Contributions made to employee defined contribution funds are charged as an expense as the contributions are paid or become payable.

(iv) Contract sites employees

In respect to the management contracts that the YMCA NSW has entered into, the staff wages and superannuation entitlements are attributed directly to the contract centre cost centres and separate audited accounts are prepared and made available to the principal. As a result, the wages and superannuation entitlements attributable to those staff employed by the YMCA NSW, but involved in the management of the various centre operations, are not reflected in the statement of profit or loss and other comprehensive income as employee benefits.

(p) Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of associated GST, unless the GST incurred is not recoverable from the taxation authority. In this case it is recognised as part of the cost of 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 taxation authority is included with other receivables or payables in the consolidated balance sheet.

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 taxation authority, are presented as operating cash flows.

(q) New accounting standards and interpretations

Certain new accounting standards and interpretations have been published that are not mandatory for 30 June 2017 reporting periods:

- AASB 9 Financial Instruments, effective 1 January 2018
- AASB 15, Revenue from Contracts with Customers, effective 1 January 2018
- AASB 117, Leases, effective 1 January 2019
- AASB 1058, Income for Not-for-profit Entities, effective 1 January 2018

YMCA NSW is yet to assess the impact of these new standards on its financial statements.

(r) Comparative figures

Comparative figures have been adjusted to conform to changes in presentation for the current financial period where required by the accounting standards or as a result of changes in accounting estimate.

2 Critical accounting estimates and judgements

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that may have a financial impact on the entity and that are believed to be reasonable under the circumstances.

(a) Critical accounting estimates and assumptions

(i) Provision for onerous contract

There is judgement involved in determining the onerous portion of the net present value of future losses from management contracts that the Association entered into. The provision is based on the period of time the Association expects to operate the management contract, discount rates and forecast cashflows.

(ii) Management contract fee

The directors have determined that the organisation is not acting as Principal under the management contracts and therefore are not required to account for the gross revenues and expenses, nor assets and liabilities of the business unit, only the management fees receivable and profit and loss share arrangements.

3 Revenue from continuing operations

	30 June 2017 (18 months) \$	31 December 2015 (12 months) \$
Activity and programs	50,183,106	33,394,291
Management fees	3,689,399	2,964,008
Government grants	1,280,363	1,015,399
Rent received	215,807	1,560,849
Hire of hall	857,990	603,180
Sale of merchandise	799,473	565,604
Other revenues	6,246,182	3,889,771
	<u>63,272,320</u>	<u>43,993,102</u>

Rent received has reduced significantly from prior year due to the sale of the property in February 2016.

Other revenues consist of fundraising, community program income, membership fees and sundry income which are individually immaterial to disclose.

4 Other income

	30 June 2017 (18 months) \$	31 December 2015 (12 months) \$
Interest income	<u>819,026</u>	<u>49,057</u>

Young Men's Christian Association of Sydney
(Trading as YMCA NSW)
Notes to the financial statements
30 June 2017
 (continued)

5 Other expenses

	30 June 2017 (18 months) \$	31 December 2015 (12 months) \$
Activity and program costs	5,722,784	3,258,701
Community program expenses	1,189,046	946,304
Cost of goods sold – merchandise	482,538	367,601
Net loss on management contracts	590,634	4,316,859
Other expenses	11,502,724	7,949,884
	<u>19,487,726</u>	<u>17,240,227</u>

Other expenses consist of expenses which are individually immaterial to disclose.

6 Current assets – Cash and cash equivalents

	30 June 2017 \$	31 December 2015 \$
Cash on hand	12,872	21,106
Cash at bank	4,591,696	5,592,554
	<u>4,604,568</u>	<u>5,613,660</u>

7 Current assets – Trade and other receivables

	30 June 2017 \$	31 December 2015 \$
Trade receivables	750,747	518,930
Less provision for doubtful debts	(36,915)	(69,683)
	<u>713,832</u>	<u>449,247</u>
Other receivables	230,217	21,079,827
Contract management receivables	1,266,533	2,920,198
	<u>2,210,582</u>	<u>24,449,273</u>

Prior period other receivables include proceeds from the sale of property amounting to \$21 million which was received in February 2016.

8 Current assets – Financial assets

	30 June 2017 \$	31 December 2015 \$
Term deposits	22,886,315	1,079,232

Young Men's Christian Association of Sydney
(Trading as YMCA NSW)
Notes to the financial statements
30 June 2017
 (continued)

9 Current assets – Inventories

	30 June 2017	31 December 2015
	\$	\$
Merchandise goods	86,823	92,543

10 Non-current assets – Property, plant and equipment

	Land and buildings – at revalued amount \$	Leasehold improvements – at cost \$	Plant and equipment – at cost \$	Total \$
At 30 June 2017				
Cost/revalued amount	12,976,715	32,835	3,536,548	16,547,098
Accumulated depreciation and impairment	(1,930,523)	(32,835)	(2,675,042)	(4,638,400)
Net book amount	11,046,192	-	861,506	11,907,698
At 31 December 2015				
Cost/revalued amount	13,300,349	1,503,869	4,090,123	18,894,341
Accumulated depreciation and impairment	(1,206,430)	(1,293,587)	(3,239,634)	(5,739,651)
Net book amount	12,093,919	210,282	850,489	13,154,690

11 Current liabilities – Trade and other payables

	30 June 2017	31 December 2015
	\$	\$
Trade payables	439,904	727,488
Accrued expense	2,252,957	1,771,615
Other payables	2,225,234	1,678,208
	4,918,095	4,177,310

12 Current and non-current liabilities – Borrowings

	30 June 2017	31 December 2015	30 June 2017	31 December 2015
	\$	\$	\$	\$
	Current		Non-current	
Unsecured loans	24,629	24,620	81,095	86,140
Lease liability	75,642	149,937	-	127,878
	100,271	174,557	81,095	214,018

Young Men's Christian Association of Sydney
(Trading as YMCA NSW)
Notes to the financial statements
30 June 2017
(continued)

13 Current and non-current liabilities – Provisions

	30 June 2017 \$	31 December 2015 \$	30 June 2017 \$	31 December 2015 \$
	Current		Non-current	
General	1,819,652	4,915,883	2,039,000	1,316,000
Employee benefits	2,239,596	2,598,076	1,016,603	544,151
	4,059,249	7,513,959	3,055,603	1,860,151

14 Reconciliation of surplus/(deficit) after income tax to net cash inflow from operating activities

	30 June 2017 (18 months) \$	31 December 2015 (12 months) \$
Surplus/(deficit) for the period	(647,995)	3,239,816
Add/(deduct) non-cash items:		
Loss/(profit) on disposal of non-current assets	101,669	(10,269,079)
Depreciation and amortisation	1,363,004	1,061,571
Impairment of property, plant and equipment	138,750	546,249
Change in operating assets and liabilities:		
Decrease/(increase) in:		
Trade and other receivables	1,398,038	3,106,602
Financial assets	(819,026)	-
Inventories	5,720	(13,189)
Other current assets	(159,375)	63,004
Increase/(decrease) in:		
Trade and other payables	740,785	(435,037)
Provisions	(2,559,258)	4,347,210
Income received in advance	(160,759)	(92,014)
Net cash provided by/(used in) operating activities	(298,047)	1,555,133

15 Events occurring after the reporting period

No matter or circumstance has occurred subsequent to period end that has significantly affected, or may significantly affect, the operations of the Association, the results of those operations or the state of affairs of the Association or economic entity in subsequent financial periods.

**Young Men's Christian Association of Sydney
(Trading as YMCA NSW)
Directors' declaration
30 June 2017**

As stated in note 1(a) to the special purpose financial statements, in the directors' opinion, the Association is not a reporting entity because there are no users dependent on general purpose financial reports. This is a special purpose financial report that has been prepared to meet *Australian Charities and Not-for-profits Commission (ACNC) Act 2012* requirements.

The financial report has been prepared in accordance with Accounting Standards and mandatory professional reporting requirements to the extent described in note 1.

In the directors' opinion:

- (a) the financial statements and notes set out on pages 4 to 19 are in accordance with the ACNC, including:
 - (i) complying with Accounting Standards and other mandatory professional reporting requirements as detailed above, and the ACNC, and
 - (ii) giving a true and fair view of the consolidated entity's financial position as at 30 June 2017 and of its performance for the 18-month period ended on that date, and
- (b) and there are reasonable grounds to believe that the Association will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the directors.



Marg Lennon
Director



Richard Hughes
Director

Sydney
26 September 2017



Independent auditor's report

To the members of Young Men's Christian Association of Sydney

Our opinion

In our opinion:

The accompanying financial report of Young Men's Christian Association of Sydney (the Association) is in accordance with Division 60 of the *Australian Charities and Not-for-profits Commission (ACNC) Act 2012*, including:

- (a) giving a true and fair view of the Association's financial position as at 30 June 2017 and of its financial performance for the period 1 January 2016 to 30 June 2017
- (b) complying with Australian Accounting Standards to the extent described in Note 1 and Division 60 of the *Australian Charities and Not-for-profits Commission Regulation 2013*.

What we have audited

The financial report comprises:

- the statement of financial position as at 30 June 2017
- the statement of profit or loss and other comprehensive income for the period 1 January 2016 to 30 June 2017
- the statement of changes in equity for the period 1 January 2016 to 30 June 2017
- the statement of cash flows for the period 1 January 2016 to 30 June 2017
- the notes to the financial statements, which include a summary of significant accounting policies
- the declaration of the directors.

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

Independence

We are independent of the Association 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.

Emphasis of matter - basis of accounting and restriction on use

We draw attention to Note 1 in the financial report, which describes the basis of accounting. The financial report has been prepared for the purpose of fulfilling the directors' financial reporting responsibilities under the *Australian Charities and Not-for-profits Commission (ACNC) Act 2012*. As a result, the financial report may not be suitable for another purpose. Our report is intended solely for Young Men's Christian Association of Sydney and its members and should not be used by parties other than Young Men's Christian Association of Sydney and its members. Our opinion is not modified in respect of this matter.

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Other information

The directors are responsible for the other information. The other information obtained at the date of this auditor's report comprises the Directors' Report included in the Directors' Report, but does not include the financial report and our 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 identified above 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 on the other information obtained prior to the date of this auditor's report, 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 the directors for the financial report

The directors of the Association are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and have determined that the basis of preparation described in Note 1 to the financial report is appropriate to meet the requirements of *Australian Charities and Not-for-profits Commission (ACNC) Act 2012* and is appropriate to meet the needs of the members. The directors' responsibility also includes such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.


In preparing the financial report, the directors are responsible for assessing the ability of the Association to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors 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 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 the 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.


PricewaterhouseCoopers


Manoj Santiago
Partner

Sydney
26 September 2017