

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

ABN 28 067 150 010

**Special purpose financial report  
for the year ended 30 June 2018**

# **Young Men's Christian Association of Sydney**

## **(Trading as YMCA NSW)**

ABN 28 067 150 010

### **Special purpose financial report - 30 June 2018**

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## Directors' report

Your Directors present their report on the Young Men's Christian Association of Sydney (trading and referred to hereafter as "YMCA NSW" or the "Association") for the financial year ended 30 June 2018.

### Directors

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

Mr Richard Hughes  
Mr Jonathon Rea  
Mr Phillip Knox  
Ms Shirley Chowdhary  
Ms Christina Harlamb  
Ms Nicole Rieveley (appointed 24 January 2018)  
Ms Frances-Anne Keeler (appointed 24 January 2018)  
Ms Marg Lennon (resigned 23<sup>rd</sup> January 2018)  
Mr Warwick Jones (resigned 10 October 2017)

### Principal activities

The principal activities of the Association during the year 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 year.

### Review of operations

The result from operations for the year ended 30 June 2018 was a deficit of \$545,411 (18 months period ended 30 June 2017: deficit of \$647,595).

### Significant changes in the state of affairs

Prior to 30 June 2017, YMCA NSW changed their financial period end to fiscal period ending June from calendar year ending December. Therefore, the results for the comparative period ended 30 June 2017 are for an 18 month period as compared to a 12 month period in the current year.

Except for the change in financial period end noted above, there were no significant changes in the state of affairs of the Association during the year ended 30 June 2018. YMCA NSW continued to provide the same principal activities throughout the year, 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 2018 that has significantly affected, or may significantly affect:

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

**Auditor**

PricewaterhouseCoopers continues in office in accordance with Section 327 of the *Corporations Act 2001*."

**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.



Richard Hughes  
Director



Philip Knox  
Director

Sydney  
10 October 2018



## Auditor's Independence Declaration

As lead auditor for the audit of Young Men's Christian Association of Sydney for the year 1 July 2017 to 30 June 2018, 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', is written over a faint, light-colored signature line.

Manoj Santiago  
Partner  
PricewaterhouseCoopers

10 Sydney  
October 2018

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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 2018

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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 Association's operations and its principal activities is included in the Directors' report on page 1-2, which is not a part of these financial statements. The financial statements were authorised for issue by the Directors on \_\_\_\_ October 2018. 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 year ended 30 June 2018**

		For the year ended 30 June 2018 \$ (12 months)	For the period ended 30 June 2017 \$ (18 months)
<b>Revenue from continuing operations</b>	3	<b>42,296,083</b>	63,272,320
<b>Other income</b>	4	<b>556,944</b>	819,026
<b>Expenses</b>			
Employee benefits expense		(28,692,761)	(42,903,591)
Depreciation and amortisation		(972,476)	(1,363,004)
Finance costs		(1,290)	(25,643)
Impairment of property, plant and equipment		-	(138,750)
Restructuring provision		-	(480,000)
Provision for onerous contract		-	(350,204)
Activity and program costs		(3,037,269)	(5,722,784)
Community program expenses		(801,444)	(1,189,046)
Other expenses	5	(9,893,198)	(12,565,919)
<b>Surplus/(deficit) before income tax</b>		<b>(545,411)</b>	<b>(647,595)</b>
Income tax expense	1	-	-
<b>Surplus/(deficit) for the period</b>		<b>(545,411)</b>	<b>(647,595)</b>
<b>Other comprehensive income</b>			
Other comprehensive income for the period, net of tax		-	-
<b>Total comprehensive income for the period</b>		<b>(545,411)</b>	<b>(647,595)</b>

*The above statement 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  
30 June 2018

	Notes	As at 30 June 2018 \$	As at 30 June 2017 \$
<b>ASSETS</b>			
<b>Current assets</b>			
Cash and cash equivalents	6	2,794,867	4,604,568
Trade and other receivables	7	3,212,258	2,210,582
Financial assets	8	21,368,977	22,886,315
Inventories	9	83,677	86,823
Other current assets		512,394	397,567
<b>Total current assets</b>		<b>27,972,173</b>	<b>30,185,855</b>
<b>Non-current assets</b>			
Property, plant and equipment	10	16,595,526	11,907,698
Investment in shares		45,883	45,883
<b>Total non-current assets</b>		<b>16,641,409</b>	<b>11,953,581</b>
<b>Total assets</b>		<b>44,613,582</b>	<b>42,139,436</b>
<b>LIABILITIES</b>			
<b>Current liabilities</b>			
Trade and other payables	11	4,921,904	4,918,095
Borrowings	12	24,620	100,271
Provisions	13	3,497,686	4,059,249
Income received in advance		1,085,567	1,015,009
<b>Total current liabilities</b>		<b>9,529,777</b>	<b>10,092,624</b>
<b>Non-current liabilities</b>			
Borrowings	12	56,484	81,095
Provisions	13	3,154,203	3,055,603
<b>Total non-current liabilities</b>		<b>3,210,687</b>	<b>3,136,698</b>
<b>Total liabilities</b>		<b>12,740,464</b>	<b>13,229,322</b>
<b>Net assets</b>		<b>31,873,118</b>	<b>28,910,114</b>
<b>Equity</b>			
Investment fund		-	-
Asset revaluation reserve		3,508,415	-
Accumulated surplus		28,364,703	28,910,114
<b>Total Equity</b>		<b>31,873,118</b>	<b>28,910,114</b>

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**  
**30 June 2018**

	Investment fund \$	Asset revaluation reserve \$	Accumulated surplus \$	Total equity \$
<b>Balance at 1 January 2016</b>	<b>1,502,000</b>		<b>28,055,709</b>	<b>29,557,709</b>
Surplus / (deficit) for the year	-	-	(647,595)	(647,595)
Other comprehensive income	-	-	-	-
Total comprehensive income for the year	-	-	(647,595)	(647,595)
Transfer from asset revaluation reserve	(1,502,000)	-	1,502,000	-
<b>Balance at 30 June 2017</b>	<b>-</b>	<b>-</b>	<b>28,910,114</b>	<b>28,910,114</b>
<b>Balance at 30 June 2017</b>	<b>-</b>	<b>-</b>	<b>28,910,114</b>	<b>28,910,114</b>
Surplus/(deficit) for the period			(545,411)	(545,411)
Other comprehensive income			-	-
Total comprehensive income for the period	-	-	-	-
Increase/ (Decrease) in asset revaluation reserve		3,508,415	-	3,508,415
<b>Balance at 30 June 2018</b>	<b>-</b>	<b>3,508,415</b>	<b>28,364,703</b>	<b>31,873,118</b>

*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  
30 June 2018**

	Notes	For the year ended 30 June 2018 \$	For the period ended 30 June 2017 \$
<b>Cash flow from operating activities</b>			
Receipts from customers		45,576,614	68,362,273
Payments to suppliers and employees		(47,207,156)	(69,495,012)
Interest received		556,944	819,026
Finance costs		(1,290)	(15,666)
<b>Net cash provided by/(used in) operating activities</b>	<b>14</b>	<b>(1,074,888)</b>	<b>(298,047)</b>
<b>Cash flows from investing activities</b>			
Proceeds from sale of property, plant and equipment		187,440	21,088,927
Payments for investments		-	(20,988,057)
Payments for property, plant and equipment		(2,339,329)	(604,706)
Proceeds from redemption of investments		1,517,338	-
<b>Net cash provided by/(used in) investing activities</b>		<b>(634,551)</b>	<b>(503,836)</b>
<b>Cash flows from financing activities</b>			
Repayments of borrowings		(100,262)	(207,209)
<b>Net cash provided by/(used in) financing activities</b>		<b>(100,262)</b>	<b>(207,209)</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>		<b>(1,809,701)</b>	<b>(1,009,092)</b>
<b>Cash at beginning of period</b>		<b>4,604,568</b>	<b>5,613,660</b>
<b>Cash at end of period</b>		<b>2,794,867</b>	<b>4,604,568</b>

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

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## 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 the Young Men's Christian Association of Sydney (trading and referred to hereafter as "YMCA NSW" or 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. Young Men's Christian Association of Sydney is a not-for-profit entity for the purpose of preparing the financial statements.

(ii) YMCA NSW has determined that where it is engaged to operate contract sites on behalf of the sites owner (typically a local Council), it is in the capacity of agents rather than principals. As such the revenue/costs belong to the contracting party, eg the Council. On this basis the financial statements of YMCA NSW do not include assets, liabilities, revenue and expenses incurred in managing the contract sites. Where the operation of a site in the view of YMCA creates a residual liability to YMCA, this is accounted for separately as an onerous contract provision in accordance with accounting policy.

#### (iii) *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.

#### (iv) *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.

### (b) Functional and presentation currency

Items included in the financial statements are measured using the currency of the primary economic environment in which the Association operates ('the functional currency'). The financial statements are presented in Australian dollars, which is Young Men's Christian Association of Sydney'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 Association 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 expectation 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 being not for profit, 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 assets where substantially all the risks and benefits incidental to the ownership of the asset, but not the legal ownership, 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 period 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) 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.

### **(i) 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.

### **(j) 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.

## 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 for impairment.

#### (iii) Depreciation

The depreciable amount of all property, plant and equipment, excluding freehold land, is depreciated using straight line basis 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%

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)(iii), 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 any expected outcomes not covered by insurance.

#### (iii) Onerous contracts

Onerous contract provisions are recognised in accordance to IAS 37 for losses on contracts where the forecast costs of 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 with AASB 137 - *Provisions*. Contractual obligation to restructure arises when the Association has a detailed formal plan and has raised a valid expectation in those affected that it will carry out the restructuring by starting to implement that plan or announcing its main features to those affected by it.

### (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 council (being a '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 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 2018 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 Association 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 and premises leases that the Association has entered into. The provision is based on the period of time the Association expects to operate the management contract or premises lease, discount rates and forecast cashflows.

## 2 Critical accounting estimates and judgements (continued)

### (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.

### (iii) Provision for legal claims

The Association has received a number of claims with allegations of past child abuse in its venues and/or by its employees.

The Association considers each and every claim seriously, applying a robust internal process to deal with claims on a fair and timely basis. Each claim is also reviewed to identify the potential for settlement through either the National Redress Scheme (the Scheme) and/or Association's insurance coverage. Where either the Scheme applies or insurance coverage is available, the financial impact of the claim to the YMCA NSW is normally capped and this amount is accrued for each claim in light of legal advice and prior experience. It should be noted that redress is always offered as the first option for alleged victims as it is more expeditious than civil claims and is generally a less traumatic process.

In FY18, the Association received two claims relating to period during which insurance coverage was not available. Both claims are currently being considered by our legal advisors as the claimants chose not to access Redress Scheme at this time. Further to consultation, management have accrued an amount that reflects the best estimate as to the likely amounts payable on each claim. The final amounts paid may vary due to the facts and circumstances of each individual case, ongoing investigations and any decision of the courts (should either case proceed to that stage).

## 3 Revenue

	For the year ended 30 June 2018 \$ (12 months)	For the period ended 30 June 2017 \$ (18 months)
Activity and programs	33,665,183	50,183,106
Management fees	1,854,619	3,689,399
Government grants	1,729,678	1,280,363
Rent received	32,000	215,807
Hire of hall	415,071	857,990
Sale of merchandise	448,915	799,473
Other revenues	4,150,617	6,246,182
	<u>42,296,083</u>	<u>63,272,320</u>

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

The government grant income includes \$ 1.3M from the restart NSW fund related to the redevelopment of the Broken Hill site.

## 4 Other income

	For the year ended 30 June 2018 \$ (12 months)	For the period ended 30 June 2017 \$ (18 months)
Interest income	556,944	819,026

Young Men's Christian Association of Sydney  
(Trading as YMCA NSW)  
Notes to the financial statements  
30 June 2018  
(continued)

## 5 Expenses

	For the year ended 30 June 2018 \$ (12 months)	For the period ended 30 June 2017 \$ (18 months)
Operational Overheads	8,181,893	10,923,134
Cost of goods sold – merchandise	268,581	482,538
Net loss on management contracts	208,040	590,634
Other expenses	1,234,684	569,613
	<u>9,893,198</u>	<u>12,565,919</u>

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

## 6 Current assets – Cash and cash equivalents

	As at 30 June 2018 \$	As at 30 June 2017 \$
Cash on hand	9,938	12,872
Cash at bank	2,784,929	4,591,696
	<u>2,794,867</u>	<u>4,604,568</u>

## 7 Current assets – Trade and other receivables

	As at 30 June 2018 \$	As at 30 June 2017 \$
Trade receivables	1,436,583	750,747
Less provision for doubtful debts	(76,581)	(36,915)
	<u>1,360,002</u>	<u>713,832</u>
Other receivables	266,337	230,217
Contract management receivables	1,585,919	1,266,533
	<u>3,212,258</u>	<u>2,210,582</u>

## 8 Current assets – Financial assets

	As at 30 June 2018 \$	As at 30 June 2017 \$
Term deposits	21,368,977	22,886,315

## 9 Current assets – Inventories

	As at 30 June 2018 \$	As at 30 June 2017 \$
Merchandise goods	83,677	86,823

Young Men's Christian Association of Sydney  
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(continued)

## 10 Non-current assets – Property, plant and equipment

	Land and buildings – at cost \$	Land and buildings – at revalued amount \$	Leasehold improvements – at cost \$	Plant and equipment – at cost \$	Total \$
<b>At 30 June 2018</b>					
Cost/revalued amount	5,395,232	13,031,738	32,835	3,290,780	<b>21,750,585</b>
Accumulated depreciation and impairment	(1,827,974)	(672,459)	(32,835)	(2,621,791)	<b>(5,155,059)</b>
Net book amount	<b>3,567,258</b>	<b>12,359,279</b>	-	<b>668,989</b>	<b>16,595,526</b>
<b>At 30 June 2017</b>					
Cost/revalued amount	3,453,392	9,523,323	32,835	3,536,548	<b>16,546,098</b>
Accumulated depreciation and impairment	(1,527,047)	(403,476)	(32,835)	(2,675,042)	<b>(4,638,400)</b>
Net book amount	<b>1,926,345</b>	<b>9,119,847</b>	-	<b>861,506</b>	<b>11,907,698</b>

The Land and buildings – at cost includes \$1.58M which relates to the work in progress to date on the redevelopment of the Broken Hill site in to a Wellness Centre. It is due for completion in early 2019 with a total cost of \$5.4M.

## 11 Current liabilities – Trade and other payables

	As at 30 June 2018 \$	As at 30 June 2017 \$
Trade payables	1,032,215	439,904
Accrued expense	1,957,666	2,252,957
Other payables	1,932,023	2,225,234
	<b>4,921,904</b>	<b>4,918,095</b>

## 12 Current and non-current liabilities – Borrowings

	As at 30 June 2018 \$ Current	As at 30 June 2017 \$	As at 30 June 2018 \$ Non-current	As at 30 June 2017 \$
Unsecured loans	24,620	24,629	56,484	81,095
Lease liability	-	75,642	-	-
	<b>24,620</b>	<b>100,271</b>	<b>56,484</b>	<b>81,095</b>

### 13 Current and non-current liabilities – Provisions

	As at 30 June 2018 \$	As at 30 June 2017 \$	As at 30 June 2018 \$	As at 30 June 2018 \$
	Current		Non-current	
General	1,395,528	1,819,652	2,014,000	2,039,000
Employee benefits	2,102,158	2,239,596	1,140,203	1,016,603
	<b>3,497,686</b>	4,059,249	<b>3,154,203</b>	3,055,603

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

	For the year ended 30 June 2018 \$ (12 months)	For the period ended 30 June 2017 \$ (18 months)
Surplus/(deficit) for the period	(545,411)	(647,995)
Add/(deduct) non-cash items:		
Loss/(profit) on disposal of non-current assets	-	101,669
Depreciation and amortization	972,476	1,363,004
Impairment of property, plant and equipment	-	138,750
Change in operating assets and liabilities:		
Decrease/(increase) in:		
Trade and other receivables	(1,001,676)	1,398,038
Financial assets	-	(819,026)
Inventories	3,146	5,720
Other current assets	(114,827)	(159,375)
Increase/(decrease) in:		
Trade and other payables	3,809	740,785
Provisions	(462,963)	(2,559,258)
Income received in advance	70,558	(160,759)
Net cash provided by/(used in) operating activities	<b>(1,074,888)</b>	<b>(298,047)</b>

### 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 in subsequent financial periods.

**Young Men's Christian Association of Sydney  
(Trading as YMCA NSW)  
Directors' declaration  
30 June 2018**

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 Association's financial position as at 30 June 2018 and of its performance for the year ended on that date, and
- (b) 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.



Richard Hughes  
Director



Philip Knox  
Director

Sydney  
10 October 2018



## *Independent auditor's report*

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

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### *Our opinion*

In our opinion:

The accompanying financial report of Young Men's Christian Association of Sydney (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 2018 and of its financial performance for the year then ended
- (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 profit and loss and other comprehensive income for the year then ended
- the statement of financial position as at 30 June 2018
- the statement of changes in equity for the year then ended
- the statement of cash flows for the year then ended
- the notes to the financial statements, which include a summary of significant accounting policies
- the Director's declaration.

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### *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.

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### *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 comprises the information included in the Directors' report for the year ended 30 June 2018, 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.

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### *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 the *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.






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*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.aasb.gov.au/auditors\\_responsibilities/ar4.pdf](http://www.aasb.gov.au/auditors_responsibilities/ar4.pdf). This description forms part of our auditor's report.

  
PricewaterhouseCoopers

  
Manoj Santiago  
Partner

10 Sydney  
October 2018