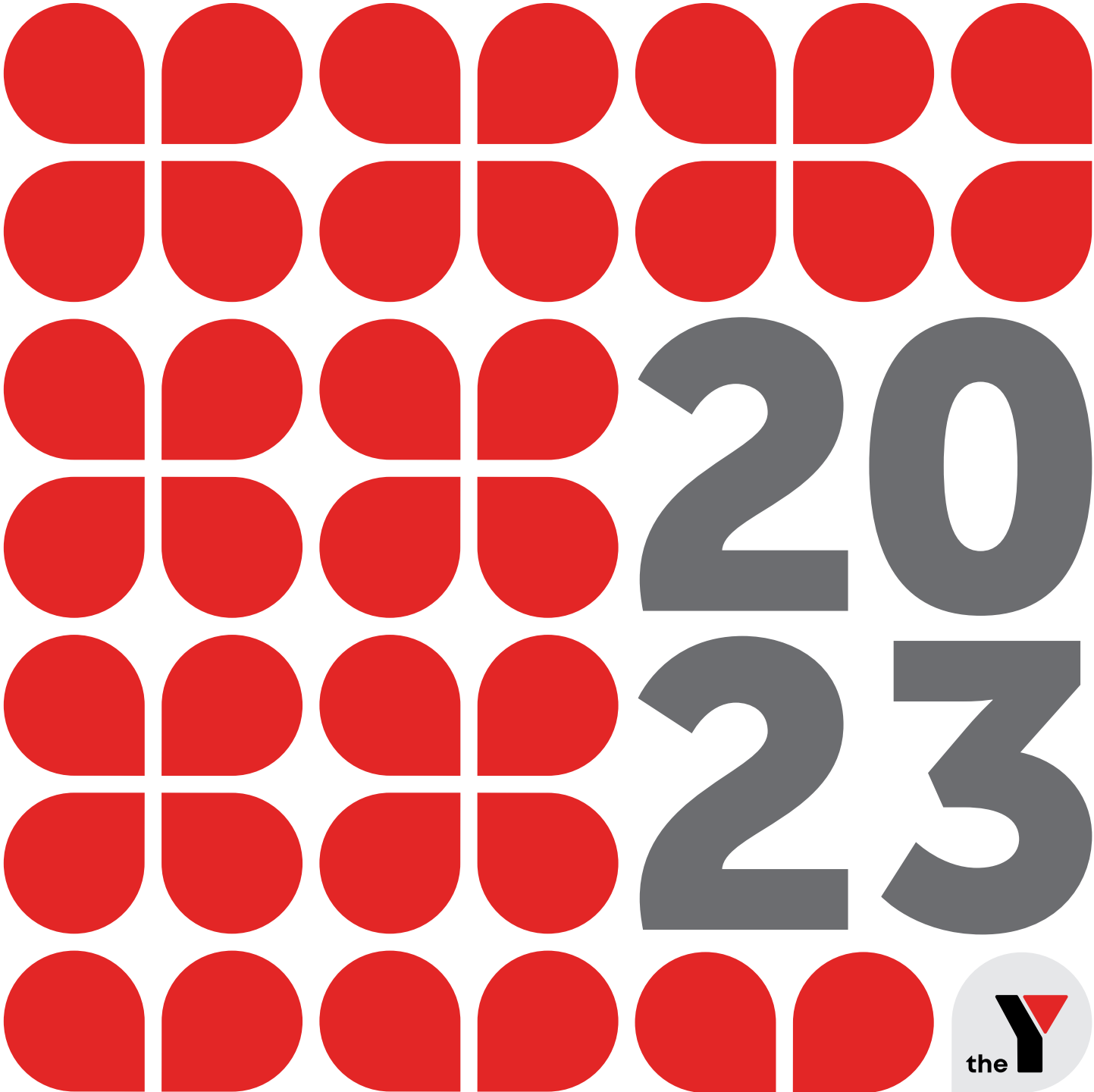


FINANCIAL REPORT

YMCA North Incorporated
For the year ended 30 June 2023



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BOARD REPORT

For the year ended 30 June 2023

Your Board have pleasure in submitting their 2023 report and accounts.

	2023 \$000	2022 \$000
Results Net (deficit) for the year	(473)	(1,850)

The Board acknowledges and thanks the following organisations for their support:

Partnerships & Funders

Auckland Council
Albert-Eden Local Board
Franklin Local Board
Devonport-Takapuna Local Board
Henderson-Massey Local Board
Hibiscus & Bays Local Board
Kaipātiki Local Board
Manurewa Local Board
Maungakiekie-Tāmaki Local Board
Ōrākei Local Board
Otara-Papatoetoe Local Board
Papakura Local Board
Puketāpapa Local Board
Southern Parks
Upper Harbour Local Board
Waitematā Local Board
Whau Local Board
Australian Childhood Foundation
Diabetes New Zealand
Ministry of Social Development
Ministry of Education
New Zealand Principals' Federation
Outward Bound
Pharmaco
ProCare Health Limited
Revlon New Zealand
Skills Active
Sport New Zealand
The University of Auckland Dietetic Clinic

Contributing Partners

Bankers – BNZ
Solicitors – Heimsath Alexander
Independent Auditors – RSM Hayes Audit

Grants and Donations

Acorn Foundation
Ara Taiohi Youth week
Auckland Business Chamber Back to Work Grants
Auckland Council Emergency Relief Fund
Blue Waters Community Trust
CLM Tū Manawa Active Aotearoa
Clyde Graham Charitable Trust
Counties Energy
Creative Communities Scheme
David Paykel
Douglas Goodfellow Charitable Trust
Dragon Community Trust
Four Winds Foundation
Franklin Partnership Grant
Good Neighbour Charitable Trust
Grassroots Trust
Hibiscus & Bays Facilities Fund
Joyce Fisher Charitable Trust
Lottery National Grants Board
Marion Ross Memorial Trust
Milestone Foundation
Multi-Board Local Board Grant
North & South Trust
Potter Masonic Trust
Regional Event Fund
Simlar Trust
Sport Waikato Tū Manawa Active Aotearoa
Trust Waikato
Water Safety NZ
WEL Energy Trust
Westfield Local Hero
WMIF
Z Good in the Hood

BOARD REPORT (CONTINUED)
For the year ended 30 June 2023

Board of Directors

President	Christine Pears
Vice President	Matt Roberts
Members	Kim Choromanski (appointed 16 August 2022)
	Ken Durbin QSO (retired 16 August 2022)
	David Jones MNZM
	David Kranz (retired 16 August 2022)
	Mark Lawlor
	Mark McCartney
	Megan Scott (appointed 16 August 2022)
	Paul Yallop

Patron Sir Michael Jones KNZM

Life Members	Shona Ballinger	Verna Cook-Jackson	Christine Cormack
	Ben Davies	Arvid Ditchburn	Ken Durbin QSO
	John Fairhurst	Colin Giffney	Pat Gross
	Joe Hall	Jennifer Hewitt	Gerry Hugglestone
	Helen Hugglestone	David Jones MNZM	Tony Jones
	David Kranz	Mike Lacey	Katheren Leitner
	Peter O'Brien	Kevin Orrell	Maurie L Rendle
	Mac Robson	John Sinclair	Don Soloman
	Hugh Stedman	Wendy Stedman	Paul Stubbing
	Lyn Thornton	Christine Walter	Peter Waterhouse
	Rev. James Withers	Paul Yallop	

All the wonderful donors, supporters and fundraisers who made a contribution to our philanthropic programmes. Their support has helped facilitate the Society's contribution to the community.

State of Affairs

The state of the Society's affairs as at 30 June 2023 was:

	2023 \$000	2022 \$000
Total assets	18,001	18,567
<i>Financed by:</i>		
Total accumulated funds	12,307	12,780
Total liabilities	5,694	5,787
	18,001	18,567

Nature of Business

The primary objective of the Society is to provide services in the fields of Health and Fitness, Recreation, Camping, Early Childhood and Accommodation. The Society is a not-for-profit organisation with profits from the services provided being used in programmes designed to deliver strong kids, strong families and strong communities.

The nature of the Society's business has not changed during the year.

BOARD REPORT (CONTINUED)
For the year ended 30 June 2023

Board Members' Interests and Remuneration and Other Benefits

The Society engaged the services of Heimsath Alexander for legal services which were carried out by employees and partners of that firm during the year. David Jones, who is a YMCA North Board Member, is neither an employee nor a partner of Heimsath Alexander. David provides contracting services to the firm as a "Special Counsel". No fees or benefits were paid to David during the year by YMCA North Inc.

The Society also engaged the services of Duncan Cotterill Law for legal services. Mark Lawlor is a Partner of Duncan Cotterill Law and a YMCA North Board Member.

The Society received funding from YMCA National for the national rollout of Raise Up. David Jones QSM is President of YMCA National and a YMCA North Inc Board Member. Paul Yallop is a YMCA National Board member and a YMCA North Inc Board Member.

Details of the fees paid in relation to the above transactions and services are disclosed in Note 17 of the Financial Statements. Other than as described in Board Members' Interests above, no other fees or benefits were paid to any Board Member during the year.

Use of Society Information

The Board received no notices during the year from Board Members requesting to use Society information received in their capacity as Board Members which would not have been otherwise available to them.

Indemnity and Insurance

The Society has indemnity insurance to protect the Board Members and officers from any claims arising in the course of their duties.

For and on behalf of the Board by:



President

16 October 2023

Date



Chair of Audit and Finance

16 October 2023

Date

Independent Auditor's Report

To the members of YMCA North Incorporated

Opinion

We have audited the general purpose financial report (hereinafter referred to as 'financial report') of YMCA North Incorporated (the Society), which comprises the financial statements on pages 11 to 33 and the service performance information on pages 8 to 10. The complete set of financial statements comprises the statement of financial position as at 30 June 2023, the statement of comprehensive revenue and expense, statement of changes in net assets/equity, statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion the accompanying financial report presents fairly, in all material respects,

- the financial position of the Society as at 30 June 2023, and its financial performance, and its cash flows for the year then ended; and
- the service performance for the year ended 30 June 2023 in accordance with the entity's service performance criteria

in accordance with Public Benefit Entity Standards Reduced Disclosure Regime issued by the New Zealand Accounting Standards Board.

Basis for opinion

We conducted our audit of the financial statements in accordance with International Standards on Auditing (New Zealand) (ISAs (NZ)) and the audit of the service performance information in accordance with the ISAs (NZ) and New Zealand Auditing Standard (NZ AS) 1 *The Audit of Service Performance Information*. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial report* section of our report.

We are independent of the Society in accordance with Professional and Ethical Standard 1 *International Code of Ethics for Assurance Practitioners (including International Independence Standards) (New Zealand)* issued by the New Zealand Auditing and Assurance Standards Board, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other than in our capacity as auditor we have no relationship with, or interests in, YMCA North Incorporated.

Other matter

The corresponding service performance information for the year ended 30 June 2022 is unaudited.

Other information

The board members are responsible for the other information. The other information comprises the Board report on pages 3 to 5 (but does not include the financial report and our auditor's report thereon), which we obtained prior to the date of this auditor's report. Our opinion on the financial report does not cover the other information and we do not express any form of audit opinion or 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 that we 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 board members for the financial report

The board members are responsible, on behalf of the Society, for:

- (a) the preparation and fair presentation of the financial statements and service performance information in accordance with Public Benefit Entity Standards Reduced Disclosure Regime issued by the New Zealand Accounting Standards Board;
- (b) service performance criteria that are suitable in order to prepare service performance information in accordance with Public Benefit Entity Standards Reduced Disclosure Regime; and
- (c) such internal control as the board members determine is necessary to enable the preparation of financial statements and service performance information that are free from material misstatement, whether due to fraud or error.

In preparing the financial report, the board members are responsible for assessing the Society's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the board members either intend to liquidate the Society 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 statements as a whole, and the service performance information, are 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 ISAs (NZ) and NZ AS 1 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 or collectively, they could reasonably be expected to influence the decisions of users taken on the basis of this financial report.

A further description of the auditor's responsibilities for the audit of the financial report is located at the XRB's website at:

<https://www.xrb.govt.nz/assurance-standards/auditors-responsibilities/audit-report-14/>

Who we report to

This report is made solely to the members, as a body. Our audit work has been undertaken so that we might state to the members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than YMCA Northern Incorporated and the members as a body, for our audit work, for this report, or for the opinions we have formed.

A stylized, handwritten-style signature of 'RSM' in blue ink.

STATEMENT OF SERVICE PERFORMANCE

For the year ended 30 June 2023

Delivering strong kids, strong families and strong communities through four key pillars by:

1. Providing education and support to build strong kids, families and communities

People have opportunities to develop skills through quality education and enriching experiences

Service and Performance Measures	2023	2022
Programmes for growing skills and experiential development (OSCAR, Early Learning, Outdoors, Support)		
Number of children's bookings in out of school programmes	131,139	99,856
Number of children enrolled in our Early Learning Services	251	227
Number of participants attending our outdoor education camps	27,207	9,086
Number of safeguarding professional development sessions attended by staff	1,126	1,041

Service and Performance Measures	2023	2022
Independently reviewed standards (Early Learning)		
Obtain satisfactory ERO Akanuku and Akarangi standards		
Akanuku assurance review		
Curriculum	1 of 1 centre: Meeting	2 of 2 centres: Meeting
Premises and facilities	1 of 1 centre: Meeting	2 of 2 centres: Meeting
Health and safety	1 of 1 centre: Meeting	2 of 2 centres: Meeting
Governance, management and administration	1 of 1 centre: Meeting	2 of 2 centres: Meeting
Akarangi Quality Evaluation		
Outcome indicators	Evaluation not due	1 of 1 centre: Emerging
Domains	Evaluation not due	1 of 1 centre: Establishing/Emerging

STATEMENT OF SERVICE PERFORMANCE (CONTINUED)
 For the year ended 30 June 2023

2. Youth engagement – engaging and enriching lives

Young people have opportunities to develop leadership and life skills through involvement in community events and activities

Service and Performance Measures	2023	2022
Youth Development Focus (Raise Up)		
Number of National Raise Up Crews	23	21
Volunteer hours provided by Raise Up Crews in to the community	14,448	7,690
Number of attendees at youth development events, workshops and community outreach delivered	26,316	5,188
Percentage of young people participating in Raise Up who feel they have improved their skills, engagement, relationships and well being compared to when they joined	77%	No data for FY22
Community access and engagement (Outdoors, Fitness/Recreation/Aquatics, Support)		
Number of schools groups participating in Send a School to Camp	36	9
Fee assistance given for access to YMCA North programmes and activities	\$2.8m	\$1.3m
YMCA North investment in operations and support staff that help to deliver our services and youth and community programmes	\$17.1m	\$15.7m

3. Promoting community health and wellbeing Children and families are active, healthy and part of connected communities

Service and Performance Measures	2023	2022
Community participation (Fitness, Recreation, Aquatics)		
Number of people using fitness & recreation centres	1,413,148	748,862
Swim school attendance across all ages	98,890	63,168
16 year olds and under accessing free pool use	62,792	38,270

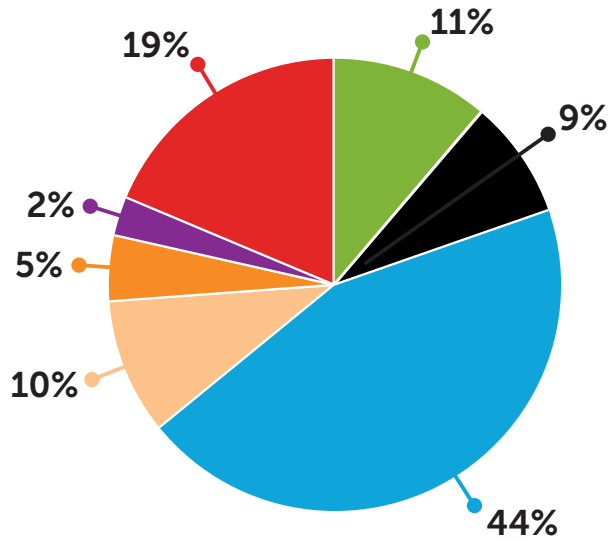
4. Connecting and supporting communities Helping communities to be strong and sustainable

Service and Performance Measures	2023	2022
Providing Community Space and Support (Accommodation)		
Number of room bookings in Y centres made available and utilised by community groups	73,625	46,418
Number of nights accommodation provided in YMCA backpackers hostel and lodge for guests and community groups	61,698	45,104

STATEMENT OF SERVICE PERFORMANCE (CONTINUED)
For the year ended 30 June 2023

Total expenses by activity %

- Outdoors
- Early Learning Centres (ELC)
- Support
- Fitness, Recreation & Aquatics (FR&A)
- Accommodation
- OSCAR
- Raise Up



STATEMENT OF COMPREHENSIVE INCOME AND EXPENSES

For the year ended 30 June 2023

	Notes	2023 \$000	2022 \$000
Revenue and other income			
Revenue	4	28,074	21,243
Other revenue	4	966	896
Total revenue and other income		29,040	22,139
Expenses			
Employee benefits expense	5	17,091	15,702
Administration expenses	5	6,487	4,328
Building expenses	5	3,153	1,869
Depreciation and amortisation expenses	5	1,279	1,471
Advertising, marketing and promotions expense		616	290
Interest expense		71	16
Changes in inventories of finished goods		816	313
Total expenses		29,513	23,989
Net (deficit) for the year		(473)	(1,850)
Other comprehensive revenue and expenses		-	-
Total comprehensive (deficit) for the year		(473)	(1,850)

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

STATEMENT OF CHANGES IN EQUITY

For the year ended 30 June 2023

	Accumulated Funds \$000	Total \$000
Balance as at 30 June 2021	14,630	14,630
Net (deficit) for the year	(1,850)	(1,850)
Other comprehensive income for the year	-	-
Total comprehensive (deficit) for the year	(1,850)	(1,850)
Balance as at 30 June 2022	12,780	12,780
Net (deficit) for the year	(473)	(473)
Other comprehensive income for the year	-	-
Total comprehensive (deficit) for the year	(473)	(473)
Balance as at 30 June 2023	12,307	12,307

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

STATEMENT OF FINANCIAL POSITION

As at 30 June 2023

	Notes	2023 \$000	2022 \$000
ASSETS			
Current assets			
Cash and cash equivalents	6	634	876
Trade and other receivables	8	1,209	1,653
Prepayments		127	56
Inventories	9	121	165
Total current assets		2,091	2,750
Non-current assets			
Property, plant and equipment	10	15,654	15,804
Intangible assets	11	256	13
Total non-current assets		15,910	15,817
Total assets		18,001	18,567
LIABILITIES			
Current liabilities			
Bank overdraft	7	1,291	1,719
Employee benefits	14	1,526	1,464
Trade and other payables	12	1,299	892
Subscriptions and revenue in advance	13	1,422	1,560
GST payable		156	152
Total current liabilities		5,694	5,787
Total non-current liabilities		-	-
Total liabilities		5,694	5,787
Net assets		12,307	12,780
NET EQUITY			
Accumulated funds		12,307	12,780
Total funds		12,307	12,780

Signed on behalf of the Board by:


 16 October 2023
 President Date


 16 October 2023
 Chair of Audit and Finance Date

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

STATEMENT OF CASH FLOWS

For the year ended 30 June 2023

	Notes	2023 \$000	2022 \$000
Cash flow from operating activities			
Receipts from customers, sponsorship, donations and grants		28,278	17,493
Receipts from insurance income	4	959	-
Wage subsidy & other support payments		51	3,768
Payments to suppliers and employees		(27,195)	(22,625)
Payments for insurance related expenses	5	(407)	-
Interest paid		(71)	(16)
Net cash flow from/(used for) operating activities	15	1,615	(1,380)
Cash flow from investing activities			
Proceeds from sale of property, plant and equipment		6	-
Purchase of property, plant and equipment	10	(1,183)	(462)
Purchase of intangible assets	11	(252)	-
Net cash flow used for investing activities		(1,429)	(462)
Net increase/(decrease) in cash and cash equivalents held		186	(1,842)
Cash and cash equivalents at beginning of year		(843)	999
Cash and cash equivalents at end of year	6	(657)	(843)
Represented by:			
Cash on hand		634	876
Bank overdraft		(1,291)	(1,719)
Total		(657)	(843)

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

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2023

1. INCORPORATED SOCIETY INFORMATION

Reporting entity

YMCA North Incorporated (“the Society”) is an Incorporated Society incorporated in New Zealand under the Incorporated Societies Act 1908 (Incorporation Number 853581) and registered under the Charities Act 2005 (Registration No. CC25191) and is domiciled in Auckland, New Zealand. The primary objective of the Society is to provide services in the fields of Health and Fitness, Recreation, Camping, Early Childhood and Accommodation. The Society is a not-for-profit organisation with profits from the services provided being used in programmes designed to strengthen families and develop youth.

YMCA North Incorporated
Private Bag 92150, Victoria Street West, Auckland 1142

The Society is a public benefit entity.

The Society is required by its rules to prepare general purpose financial statements.

2. CHANGES IN ACCOUNTING POLICIES

(a) PBE FRS 48 – Service Performance Reporting

During the period, the Society has adopted PBE FRS 48 – Service Performance Reporting (refer to the statement of service performance) for the first time.

(b) PBE IPSAS 41 – Financial Instruments

The Society has adopted PBE IPSAS 41 Financial Instruments in the current financial year.

This standard replaces the provisions of PBE IPSAS 29 Financial Instruments: Recognition and Measurement that relate to the recognition, classification and measurement of financial assets and financial liabilities; derecognition of financial instruments; impairment of financial assets and hedge accounting.

In accordance with the transitional provisions in PBE IPSAS 41 comparative information for the 30 June 2022 period have not been restated. As a result, the comparative information provided continues to be accounted for in accordance with the Society’s previous accounting policies.

There were no material changes in recognition or measurement required upon adoption of PBE IPSAS 41.

3. STATEMENT OF ACCOUNTING POLICIES

(a) Statement of compliance and basis of preparation

The Financial Statements have been prepared in accordance with Generally Accepted Accounting Practice in New Zealand (NZGAAP). The Society has elected to report in accordance with Tier 2 Public Benefit Entity (PBE) Standards for Not-for-profit Entities and applied disclosure concessions (RDR). The Society is

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2023

3. Statement of accounting policies (continued)

3a. Statement of compliance and basis of preparation (continued)

able to apply Tier 2 as it does not meet the International Accounting Standards Board's definition of public accountability and its expenses did not exceed \$30m for the two consecutive preceding years.

Historical cost convention

The financial statements have been prepared on an historical cost basis.

Currency and rounding of amounts

The financial statements are presented in New Zealand dollars, rounded to the nearest thousand (\$'000) unless otherwise stated. The functional currency of the Society is New Zealand dollars.

Comparatives

Where appropriate, comparative figures have been reclassified to conform with the current financial year's presentation.

(b) Significant accounting judgements, estimates and assumptions

In preparing these financial statements, the Society has made estimates and assumptions concerning the future. These estimates and assumptions may differ from the subsequent actual results. Estimates and assumptions are continually evaluated and are based on historical experience and other factors, including expectations or future events that are believed to be reasonable under the circumstances.

Revisions to accounting estimates are recognised in the period which the estimates are revised and in any future periods affected.

When preparing the statement of service performance, judgements were made about information to present, focusing on the activities and outputs that had the greatest impact on the delivery of strategic objectives and would therefore be the most meaningful to members.

Activities and outputs that required the greatest amount of staff time, were able to be quantified or measured and resulted in outputs or outcomes for members were focused on. The activities and outputs reported on demonstrate:

- Providing Education & Support to Build Strong Kids, Families and Communities
- Youth Engagement – Engaging & Enriching Lives
- Promoting Community Health & Wellbeing
- Connecting & Supporting Communities

Information about significant areas of estimation uncertainty and critical judgements in applying accounting policies that have the most significant effect on the amounts recognised in the financial statements is noted below:

- Management has judged that the Society is a public benefit entity. The primary objective of the Society is to provide services in the fields of Health and Fitness, Recreation, Camping, Early Childhood and Accommodation. The Society is a not-for-profit organisation with profits from the services provided being used in programmes designed to strengthen families and develop youth.
- Estimated economic lives of property, plant and equipment and intangible software assets (Note 3(i)–(j)).
- Revenue from bequests and legacies: Where there is life interest associated with the bequest or legacy or the bequest or the legacy is being contested, the revenue from the bequest and legacy is not recognised until the revenue is considered reliably measurable and probable, which requires the exercise of judgement.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2023

3. Statement of accounting policies (continued)

3b. Significant accounting judgements, estimates and assumptions (continued)

- The Society assesses expected credit losses arising from its trade receivables at the end of each reporting period. The level of provision recognised is based on assumptions about risk of default and expected loss rates. The company uses judgement in making these assumptions and selecting the inputs to the impairment calculation, based on the Society's past history, existing market conditions as well as forward looking estimates at the end of each reporting period.

(c) Revenue

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

Revenue is comprised of exchange and non-exchange transactions. Exchange transaction revenue arises when the Society receives assets or services, or has liabilities extinguished, and directly gives approximately equal value in exchange. Non-exchange transaction revenue arises from transactions without an apparent exchange of approximately equal value. Non-exchange revenue includes grants, donations and government subsidies. When non-exchange revenue is received with conditions attached, the asset is recognised with a matching liability. As the conditions are satisfied the liability is decreased and revenue recognised.

Sponsorship, donations and grants

Sponsorship, grant and donation income is recognised as revenue when it becomes receivable unless the Society has a liability to repay the sponsorship, donations and grants if the conditions of the specific revenue received are not fulfilled. A liability is recognised as a deferred income liability to the extent that such conditions are unfulfilled at the end of the reporting period if there is an obligation to repay the funds.

Government grants

The Society's activities are supported by grants received from national and local governments. Some grants are received on the condition that specified services are delivered, or conditions are fulfilled otherwise the funds are repayable. Such grants are initially recognised as a liability and revenue is recognised as services performed or conditions fulfilled. Revenue from grants with no conditions attached are recognised when the Society obtains control of the funds.

COVID-19 leave support scheme and other Government covid related support payments are recognised as revenue in the related period of the wage cost being subsidised.

Bequests and legacies

Bequests are recognised in the statement of comprehensive income and expenses when probate of the will has been granted, receipt of the bequest is probable and the amount of the bequest can be measured reliably. Probate is determined when the undisputed right to receive the revenue is established. Revenue from bequests which have conditions attached, where the required expenditure during the year has not occurred or is incomplete and where there is an obligation to repay the funds, will be initially recognised as a deferred income liability and will be brought to revenue account in future years as the funds are expended to fulfill the conditions.

Donated assets

Where a physical asset is donated or vested in the Society for nil or nominal consideration, the fair value of the asset received is recognised as revenue. Assets vested in the Society are recognised as revenue when control through ownership over the asset is obtained.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2023

3. Statement of accounting policies (continued)

3c. revenue (continued)

Donated services

Volunteer hours of service donated are not recognised in the statement of comprehensive income and expenses.

Health and fitness operations, hostel, camp and lodge operations and early childhood centre income

Revenue from the health and fitness operations, hostel, camp and lodge operations and early childhood centres is recognised when the service is rendered, using the stage of completion method.

Revenue received but not able to be recognised under the above policy is recognised in the statement of financial position as revenue in advance.

Retail sales

Revenue from the sale of goods is measured at the fair value of the consideration received or receivable, net of returns, trade discounts and volume rebates. Revenue is recognised when the significant risks and rewards of ownership have been transferred to the buyer, recovery of the consideration is probable, the associated costs and possible return of goods can be estimated reliably, there is no continuing management involvement with the goods, and the amount of revenue can be measured reliably.

Finance income

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

(d) Expenditure

All expenditure is accounted for on an accrual basis and has been classified under headings that aggregate all costs related to the category. Where costs cannot be directly attributed to a particular category they have been allocated to activities on a basis consistent with use of the resources.

Finance costs

Interest payable on borrowings is recognised on an accrual basis and calculated using the effective interest rate method.

(e) Financial instruments

Financial assets

The Society classifies its financial assets in the following categories:

- financial assets at fair value through surplus or deficit
- measured at amortised cost

The classification depends on the Society's business model for managing the financial assets and the contractual terms of the cash flows.

Financial assets at fair value through surplus or deficit

Financial assets that do not meet the criteria for amortised cost are measured at fair value through surplus or deficit.

The Society's derivatives are recognised in this category. Assets in this category are classified as current assets if expected to be settled within 12 months, otherwise they are classified as non-current.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2023

3. Statement of accounting policies (continued)

3e. Financial Instruments (continued)

Amortised cost

The Society classifies its financial assets at amortised cost only if both of the following criteria are met:

- the asset is held within a business model with the objective of collecting the contractual cash flows, and
- the contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal outstanding.

These assets are subsequently measured at amortised cost using the effective interest method.

Initial recognition

At initial recognition, the Society measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through surplus or deficit, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through surplus or deficit are expensed in surplus or deficit.

Impairment of financial assets

The Society assesses on a forward looking basis the expected credit losses associated with its debt instruments carried at amortised cost. The Society applies the simplified approach to providing for expected credit losses prescribed by PBE IPSAS 41, which permits the use of the lifetime expected losses for all trade receivables. Given the low risk of default on other financial assets (primarily short-term deposits with financial institutions with a strong credit rating), other expected credit losses have been assessed to be immaterial.

In the prior year, the impairment of trade receivables was assessed based on the incurred loss model. Individual receivables which were known to be uncollectible were written off by reducing the carrying amount directly. The other receivables were assessed collectively, to determine whether there was objective evidence that an impairment had been incurred but not yet been identified.

Financial liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through surplus or deficit, payables, loans and borrowings, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of payables and loans and borrowings, net of directly attributable transaction costs.

The Society's financial liabilities include trade and other payables, and loans and borrowings.

Subsequent measurement

The measurement of financial liabilities depends on their classification, as described below:

Financial liabilities at amortised cost

This is the category of financial liabilities that is most relevant to the Society. After initial recognition, trade and other payables and interest-bearing loans and borrowings are subsequently measured at amortised cost using the effective interest rate method.

Gains and losses are recognised in surplus or deficit when the liabilities are derecognised as well as through the effective interest rate amortisation process. The effective interest rate amortisation is included as finance costs in the statement of financial performance.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2023

3. Statement of accounting policies (continued)

3e. Financial Instruments (continued)

Trade and other payables are unsecured and are usually paid within 30 days of recognition. Due to their short-term nature they are not discounted.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the effective interest rate.

Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled, or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in surplus or deficit.

Offsetting

Financial assets and financial liabilities are offset and the net amount is reported in the consolidated statement of financial position if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

(f) Cash and cash equivalents and short term deposits

Cash and cash equivalents include cash on hand, deposits held on call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown under current liabilities in the statement of financial position. Bank overdrafts that are repayable on demand and form an integral part of the Society's cash management are included as a component of cash and cash equivalents for the purpose of the statement of cash flows.

Short term deposits include non-derivative financial assets with fixed or determinable payments and fixed maturities of greater than 90 days but less than 12 months.

(g) Trade and other receivables

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment based on expected credit losses. To measure the expected credit losses, trade receivables have been grouped based on shared credit risk characteristics and the days past due.

(h) Inventories

Inventories are measured at the lower of cost or net realisable value. Inventory held for distribution at no or nominal consideration is measured at the lower of cost and current replacement cost. Cost is based on the first-in first-out principle and includes expenditure incurred in acquiring the inventories and bringing them to their existing location and condition. When inventories are written down from cost to current replacement cost or net realisable value, the write down is recognised in the statement of comprehensive income and expenses.

(i) Property, plant and equipment

Bases of measurement of carrying amounts

Each class of property, plant and equipment is carried at cost less, where applicable, any accumulated depreciation and impairment losses. Donated assets are initially valued at the fair value of the asset

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2023

3. Statement of accounting policies (continued)

3i. Property, plant and equipment (continued)

recorded as their deemed cost with the resulting gain being recognised in the statement of comprehensive income and expense.

Cost includes expenditure that is directly attributable to the acquisition of the asset. All asset purchases are initially recorded in work in progress (WIP) before transfer to an asset class, including the cost of materials and direct labour based on normal operating capacity, any other costs directly attributable to bring the assets to a working condition for their intended use, and the costs of dismantling and removing the items and restoring the site on which they are located.

Purchased software that is integral to the functionality of the related equipment is capitalised as part of that equipment.

When parts of an item of property, plant and equipment have different useful lives, they are accounted as separate items (major components) of property, plant and equipment.

Derecognition and disposal

Gains or losses on disposal of an item of property, plant and equipment are determined by comparing the proceeds from disposal with the carrying amount of property, plant and equipment and are recognised in the statement of comprehensive income and expenses.

Subsequent costs

Costs incurred subsequent to initial acquisition are capitalised only when it is probable that future economic benefits or service potential associated with the item will flow to the Society and the costs of the item can be measured reliably. All other costs are recognised in the statement of comprehensive income and expenses as an expense as incurred.

Depreciation

The depreciable amount of all property, plant and equipment, including buildings, is depreciated on a straight line basis over their estimated useful lives to the Society commencing from the time the asset is held ready for use. Leasehold improvements are depreciated over the shorter of either the unexpired period of the lease or the estimated useful lives of the improvements. Land is not depreciated.

The estimated useful lives used for the calculation of depreciation for each class of assets for the current period and the prior year are:

Buildings	15-40 years
Furniture and fittings	3-15 years
Motor vehicles	5-10 years
Plant and equipment	2-33 years

The assets' residual values, depreciation methods, and useful lives are reviewed, and adjusted if appropriate, at each reporting date.

Impairment

An impairment loss is recognised whenever the carrying amount of an asset exceeds its recoverable amount. Impairment losses directly reduce the carrying amount of assets and are recognised in the statement of comprehensive income and expenses.

An impairment loss is reversed if the reversal can be related objectively to an event occurring after the impairment loss was recognised.

(j) Intangible assets

Software

Software is measured at cost, less amortisation and impairment losses. Software is considered to have a finite life and is amortised on a systematic basis over its useful life from the date that they are available for use. The estimated useful life of software on hand is:

Software 3 years

Amortisation methods, useful lives and current residual values are reassessed annually.

Subsequent Expenditure

Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific assets to which it relates. All other expenditure, including expenditure on internally generated goodwill and brands, is recognised in the Statement of comprehensive income and expenses as incurred.

Software as a Service Arrangement (SaaS)

SaaS arrangements are arrangements in which the Society does not currently control the underlying software used in the arrangement. Where costs incurred to configure or customise SaaS arrangements result in the creation of a resource which is identifiable, and where the Society has the power to obtain the future economic benefits flowing from the underlying resource and to restrict the access of others to those benefits, such costs are recognised as a separate intangible software asset and amortised over the useful life of the software on a straight-line basis. If costs do not meet the recognition criteria, they are expensed when incurred.

(k) Trade and other payables

Trade and other payables represent liabilities for goods and services provided to the Society which have not been paid at the end of the financial year. These amounts are usually settled in 30 days. Given their short term nature, the carrying values of trade and other payables are considered a reasonable approximation of their fair values. Trade and other payables are measured at amortised cost using the effective interest method.

(l) Interest bearing loans

Interest bearing loans are recognised at amortised cost with any difference between the cost and redemption value being recognised in the Statement of comprehensive income and expenses over the period of the borrowings on an effective interest basis.

(m) Employee benefits

An accrual is made for the Society's liability for employee benefits arising from services rendered by employees to reporting date.

Employee benefits that are expected to be settled within one year have been measured at the amounts expected to be paid when the liability is settled on an undiscounted basis.

Defined contribution pension plans

Contributions are made by the Society to an employee superannuation fund and are charged as expenses in the Statement of comprehensive income and expenses when incurred.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2023

3. Statement of accounting policies (continued)

(n) Provisions

Provisions are recognised when the Society has a legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will result and that outflow can be reliably measured.

(o) Taxation

Income tax

The Society is exempt from income tax due to its charitable status. As such, no taxation expense has been recognised in the Statement of comprehensive income and expenses.

Goods and services tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST.

Receivables and payables in the Statement of financial position are shown inclusive of GST.

Cash flows are presented in the cash flow statement on a net of GST basis, except for the GST component of investing and financing activities, which are disclosed as operating cash flows.

(p) Operating leases

Lease payments for operating leases, where substantially all the risks and benefits remain with the lessor, are recognised in revenue and expense on a straight line basis over the life of the lease.

Lease incentives under operating leases are recognised as an integral part of the total lease expense over the term of the lease.

(q) Impact of COVID-19

The outbreak of the Novel Coronavirus (COVID-19), declared by the World Health Organisation as a global pandemic on 11 March 2020, resulted in uncertainty across local and global markets, including during the year in review.

During the year ended 30 June 2023, the level of uncertainty associated with Covid-19 reduced in respect to the Society's revenue streams as a result of, amongst other things, no further Government mandated lockdowns and New Zealand's borders re-opening on 31 July 2022. This has had positive economic impacts across the Society's core revenue activities, particularly for accommodation services as domestic and international travel numbers recover and camp, recreation, fitness and education services have been able to fully open to youth, families and communities in the regions that the Society operates.

The New Zealand Government has, effective 15 August 2023, removed all remaining COVID-19 public health requirements.

4. REVENUE

	Notes	2023 \$000	2022 \$000
(a) Revenue from Non-Exchange Transactions			
Early childhood income – subsidies and grants	4(b)	1,599	1,603
Sponsorship, donations and grants		1,676	1,441
Recreation and fitness operations - grants		515	520
Leave support scheme & other support payments		51	3,940
Insurance income		959	-
Other non-exchange transactions revenue		239	840
Total Revenue from Non-Exchange Transactions		5,039	8,344
Revenue from exchange transactions			
Recreation and fitness operations		15,875	10,287
Hostel, camp and lodge operations		6,769	3,044
Retail sales		440	278
Early childhood income – parent fees		190	130
Other exchange transactions revenue		727	56
Total Revenue from Exchange Transactions		24,001	13,795
Total Revenue		29,040	22,139

Government grants

\$2.1m of government grants were included in the non-exchange revenue categories (2022: \$2.1m) in addition to the leave support scheme payments and other Government support payments received in relation to COVID-19 disclosed above.

Insurance income

The Society's Camp Adair, Hostel and Cameron Pool assets and operations were impacted, to varying degrees, as a result of severe tropical weather events on 27 January and 13 February 2023.

The Society has submitted claims to its insurers for assets damaged and/or destroyed, lost revenue and increased operational expenses.

At balance date, all Hostel material damage asset claims were settled. The Camp Adair and Cameron Pool material damage asset claims are ongoing. The Hostel, Camp Adair and Cameron Pool business interruption claims were all settled in June 2023.

Insurance income and expenses related to claims for asset replacement, reimbursable direct expenses and asset impairment/loss has been recognised in the Statement of Comprehensive Income and Expenses at balance date.

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 30 June 2023
4. Revenue (continued)

(b) Ministry of Education Extract from Revenue

The following funding was received from the Ministry of Education (MOE) and Ministry of Social Development (MSD):

	2023 \$000	2022 \$000
Early Childhood Education Bulk Funding		
MOE Funding recognised in early childhood income	1,490	1,520
MSD WINZ subsidies	52	42
MOE equity funding recognised in the statement of comprehensive income	57	41
	1,599	1,603

(c) Grants

The Society acknowledges the following funding which is included in revenue from non-exchange transactions:

	2023 \$000	2022 \$000
Aktive Tū Manawa Active Aotearoa Fund	-	12
CLM Tū Manawa Active Aotearoa Fund	72	10
Foundation North	-	125
Joyce Fisher Charitable Trust	125	125
Lottery National Community	50	50
Potter Masonic Trust	100	-
Sport Waikato Tū Manawa Active Aotearoa Fund	39	-

NOTES TO THE FINANCIAL STATEMENTS
 For the year ended 30 June 2023

5. EXPENSES

	2023 \$000	2022 \$000
Employee Benefits Expense		
Wages and salaries	16,757	15,389
Defined contribution pension plan expenses	334	313
	17,091	15,702
Administration expenses		
Occupancy costs	2,547	2,036
Contractors	819	320
Other staff expenses	337	336
Other general administration	2,297	1,552
Legal	417	34
Audit of the financial statements	69	50
Other Services provided by Auditors	1	-
	6,487	4,328
Building Expenses		
Insurance related expenses	407	-
Repairs and maintenance - general	858	566
Utilities	1,826	1,302
Impairment	61	-
Rental expenses	1	1
	3,153	1,869
DEPRECIATION AND AMORTISATION EXPENSE		
Depreciation		
Buildings	594	664
Plant and equipment	399	376
Furniture and fittings	199	203
Motor vehicles	78	79
	1,270	1,322
Amortisation		
Intangible assets	9	149
Total Depreciation and Amortisation	1,279	1,471

6. CASH AND CASH EQUIVALENTS

	2023 \$000	2022 \$000
Cash at bank and on hand	541	695
Call account	93	181
Cash and cash equivalents	634	876
Bank overdraft (secured) - refer to Note 7	(1,291)	(1,719)
	(657)	(843)

7. BANK

The Society holds an overdraft facility of \$4.0m with the BNZ. The balance of the overdraft at 30 June 2023 was \$1.3m (2022: \$1.7m) leaving an undrawn facility of \$2.7m (2022: \$2.3m). The overdraft facility had an interest rate of 9.39% p.a. at 30 June 2023 and is an on-going facility used to manage working capital. The overdraft facility is secured against the land and buildings located at 150 Vincent Street, Auckland and 36–50 Pembroke Street, Hamilton.

Financial covenants for the overdraft facility are in place requiring EBITDA (earnings before interest, tax expense, depreciation and amortisation of intangibles) to be maintained at a minimum of three times gross interest expense. Software as a service costs may be added back for the purposes of testing the above covenant. The covenant is tested as at the last day of each financial year on a rolling 12 month basis. The covenant was met at 30 June 2023.

Post balance date, the Society restructured its existing \$4m overdraft facility to:

- i) a 3yr, interest only, term loan, and
- ii) a \$1.5m overdraft facility.

The loan facility continues to be secured against the land and buildings located at 150 Vincent Street, Auckland and 36–50 Pembroke Street, Hamilton.

8. TRADE AND OTHER RECEIVABLES

	2023 \$000	2022 \$000
Trade receivables	1,123	1,070
Less allowances for impairment losses	(214)	(109)
Other receivables	300	692
	1,209	1,653

Trade receivables are subject to normal trade terms and are interest free.

The carrying value of accounts receivables approximates their fair value.

Included within trade receivables is \$135,000 recognised in respect of non-exchange transactions (2022: \$191,000).

Other receivables include \$224k of costs for legal representation and professional services in relation to the

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 30 June 2023
4. Trade and Other Receivables (continued)

City Rail Link sub-surface land acquisition claim (refer Note 10). These costs are considered recoverable as they represent an offer made by Auckland Council for the settlement of costs in relation to the City Rail Link matter. The Society is claiming reimbursement of all reasonable costs from Council in accordance with s90 of the Public Works Act 1981.

9. INVENTORIES

	2023 \$000	2022 \$000
Finished goods	121	165

No inventories are specifically and separately pledged as securities for liabilities in the Society. There are no impairment losses on the inventory in the Society.

10. PROPERTY, PLANT & EQUIPMENT

	Land \$000	Buildings & Carparks \$000	Furniture, Fittings & Equipment \$000	Motor Vehicles \$000	Plant & Equipment \$000	Work In Progress \$000	Total \$000
Cost							
Balance as at 1 July 2021	4,984	19,468	2,664	589	7,181	182	35,068
Acquisitions	-	11	(111)	-	217	345	462
Transfer from WIP	-	-	247	-	11	(258)	-
Disposals	-	(41)	(3)	-	(18)	-	(62)
Balance as at 30 June 2022	4,984	19,438	2,797	589	7,391	269	35,468
Acquisitions	-	87	290	107	594	105	1,183
Transfer from WIP	-	24	99	-	146	(269)	-
Disposals	-	-	(10)	(18)	(196)	-	(224)
Balance as at 30 June 2023	4,984	19,549	3,176	678	7,935	105	36,427
Accumulated Depreciation							
Balance as at 1 July 2021	-	10,063	2,082	413	5,841	-	18,399
Depreciation for the year	-	666	203	79	376	-	1,324
Release on disposal	-	(38)	(3)	-	(18)	-	(59)
Balance as at 30 June 2022	-	10,691	2,282	492	6,199	-	19,664
Depreciation for the year	-	594	199	78	399	-	1,270
Release on disposal	-	-	(4)	(18)	(139)	-	(161)
Balance as at 30 June 2023	-	11,285	2,477	552	6,459	-	20,773
Carrying Amounts							
At 30 June 2022	4,984	8,747	515	97	1,192	269	15,804
At 30 June 2023	4,984	8,264	699	126	1,476	105	15,654

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 30 June 2023
10. Property, Plant & Equipment (continued)

(i) Land and buildings located at 150 Vincent Street, Auckland and 36-50 Pembroke Street, Hamilton, with a total net carrying amount of \$4m (2022: \$4m) are the security for the overdraft facility detailed in Note 7. Land and buildings located in Tauranga with a carrying amount of \$1m (2022: \$1m) are the security for a contingent payment obligation outlined in Note 16.

(ii) City Rail Link - Subsurface land acquisition 149-157 Greys Avenue

On 5 October 2018, Auckland Council issued a Notice of Desire under s.18 (1) (a) of the Public Works Act 1981 (PWA) expressing a desire to acquire and impose restrictive covenants over certain parts of the substrata of the Society's titles at its property at 149-157 Grey's Ave, Auckland Central (Property).

On 1 April 2019, Council issued a Notice of Intent (NOI) under s 23 of the PWA confirming its intention to acquire such property rights.

Title to the notified property rights vested in the Council as the acquiring authority in accordance with s26(3) of the PWA by way of Proclamation from 9 September 2020. The Society subsequently made a claim for compensation to the Land Valuation Tribunal (LVT) who issued its decision on 24 May 2022 and awarded the Society, in accordance with s60(1)(a) and (b) of the PWA, \$2m compensation for the take and restrictive covenant and for the effect of the restrictive covenant and the injurious affection of the take of the land on the balance of the land. Costs were also awarded.

The Society lodged an appeal in the High Court which was heard in November 2022. The High Court issued its decision on 31 May 2023 and the compensation ordered by the LVT was reduced from \$2m to \$858,000. The Society lodged an application for appeal to the Court of Appeal on 28 June 2023 (with Council lodging a notice of opposition to the leave to appeal on 12 July 2023). Accordingly, no asset has been recognised relating to the compensation at balance date.

11. INTANGIBLE ASSETS

	Software - General \$000	Work In Progress \$000	Total \$000
Cost			
Balance as at 1 July 2021	1,157	-	1,157
Balance as at 30 June 2022	1,157	-	1,157
Acquisitions	2	250	252
Balance as at 30 June 2023	1,159	250	1,409
Amortisation and impairment losses			
Balance as at 1 July 2021	995	-	995
Amortisation for the year	149	-	149
Balance as at 30 June 2022	1,144	-	1,144
Amortisation for the year	9	-	9
Balance as at 30 June 2023	1,153	-	1,153
Carrying Amounts			
At 30 June 2022	13	-	13
At 30 June 2023	6	250	256

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2023

11. Intangible Assets (continued)

Amortisation charge

No amortisation was recognised on the work in progress intangible assets as they were not available for use during the year. Amortisation will commence when the asset is available for use.

12. TRADE AND OTHER PAYABLES

	2023 \$000	2022 \$000
Trade payables	838	380
Other payables and accruals	461	512
	1,299	892

Trade payables are on normal trade terms and interest free.

The carrying value of accounts payable approximates their fair value.

13. SUBSCRIPTIONS AND REVENUE IN ADVANCE

	2023 \$000	2022 \$000
Sponsorship, donations and grants	457	710
Health and fitness operations	776	624
Hostel, camp and lodge operations	189	226
	1,422	1,560

14. EMPLOYEE BENEFITS

	2023 \$000	2022 \$000
Short-Term Employee Benefits		
Accrued wages	501	369
Annual leave	1,025	1,095
	1,526	1,464

NOTES TO THE FINANCIAL STATEMENTS
 For the year ended 30 June 2023

15. RECONCILIATION OF NET SURPLUS FOR THE YEAR TO NET CASH FLOWS FROM OPERATIONS

	2023 \$000	2022 \$000
Net deficit for the year	(473)	(1,850)
Non-cash items		
Depreciation and amortisation	1,279	1,471
Impairment	61	-
(Gain) / loss on sales of property, plant and equipment	(4)	4
(Increase)/decrease in assets		
Trade and other receivables	444	(917)
Inventories	44	(80)
Prepayments	(71)	(17)
Increase/(decrease) in liabilities		
Trade and other payables	407	41
Provisions & other changes	66	(72)
Subscriptions and revenue in advance	(138)	40
Net cash flow from/(used for) operating activities	1,615	(1,380)

16. COMMITMENTS AND CONTINGENCIES

(a) Operating Leases

The Society has the following lease commitments:

	2023 \$000	2022 \$000
Not later than one year	15	62
Later than one year and not later than five years	21	12
Later than five years	-	12
	36	86

The above lease commitments are calculated to the contracted final maturity dates.

(b) Contingent Liabilities

On 1 January 2018, the Society acquired the business and assets of the Tauranga YMCA.

Included in those assets is a property over which TECT Holdings Limited has a first registered mortgage.

The mortgage secures a Payment Obligation of \$250,000 in the event the property is sold. The intention of TECT Holdings Limited is to ensure the property is used to benefit the Tauranga region.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2023

16. Commitments and Contingencies (continued)

16b. Contingent Liabilities (continued)

No liability has been recognised in the Financial Statements for this Payment Obligation as the Society has no intention to sell the property.

(c) Capital Commitments

As at 30 June 2023 the Society has no significant capital commitments (2022: Nil).

17. RELATED PARTY TRANSACTIONS

(a) Key Management Personnel

The Board members and executive team are considered the key management personnel of the Society.

Board members of the Society receive no remuneration.

The executive team consists of 8 full time equivalents (2022: 8) and received the following remuneration:

	2023 \$000	2022 \$000
Employee benefit expense	1,543	1,414
Defined contribution pension plan expenses	38	36
	1,581	1,450

(b) Transactions with Director related entities

Fees paid to Duncan Cotterill Law for legal services provided. Mark Lawlor is a Partner of Duncan Cotterill Law and a YMCA North Board member. Fees paid to Duncan Cotterill for the current year total \$6,000 (2022: \$17,000). There is no outstanding balance at reporting date.

The Society received funding from YMCA National for the national rollout of Raise Up. David Jones QSM is President of YMCA National and a YMCA North Inc Board Member. Paul Yallop is a YMCA National Board member and YMCA North Inc Board Member. The revenue for the year was \$170,000 (2022: \$224,000). There is an outstanding balance of \$15,000 at reporting date.

Amounts were billed under normal rates for such services and were due and payable under normal payment terms.

18. GOING CONCERN

Going Concern Assessment

The Society reported a loss of \$473k for the year ended 30 June 2023. The Society's current liabilities exceeded its current assets at balance date by \$3.6m (2022: \$3.0m) and, as noted in the Statement of Financial Position, the Society had positive equity of \$12.3m (2022: \$12.7m) and \$2.7m of undrawn borrowing facilities. Post year end, the Society restructured its existing on-call borrowing facility to include both a term loan and on-call component.

On 31 August 2023, the Auckland Council issued a Request for Proposal to approved parties for the management of Council's 43 fitness, recreation and aquatics facilities within the Auckland region, including 10 sites currently managed by the Society. The Society will be submitting a tender for current and other Council facilities. The facilities management contracts are for an initial term of five years from 1 July 2024.

As the outcome of the Council tender is not known at balance date, there is uncertainty as to future cashflows post the effective date of the new contract term. However, with the restructured long-term loan facility of \$2.5m, continued close monitoring of operating, capital and discretionary spending, and that the

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2023

18. Going Concern (continued)

Society is able to meet its debts as they fall due, the directors of the Society are of the view that the ongoing use of the going concern assumption is appropriate in the preparation of the financial statements for the year ended 30 June 2023 and for the 12 months following the signing of these statements.

19. SUBSEQUENT EVENTS

Subsequent to year end:

(i) the Society has lodged an application to appeal in the Court of Appeal in relation to the City Rail Link matter (refer Note 10) and Auckland Council has lodged a cross appeal. At balance date, the Court of Appeal has not set a date for hearing the appeal.

(ii) on 31 August 2023, Auckland Council issued a Request for Proposal to approved parties for the management of their 43 fitness, recreation and aquatics facilities within the Auckland region, including the 10 sites currently managed by YMCA North Incorporated (refer Note 18). As an approved party, the Society will be submitting a tender for the management of current and other Council facilities.

iii) the Society restructured its existing on-call borrowing facility to include both a term loan and on call component (refer Notes 7 and 18).

There have been no other post balance date events.