



YMCA Christchurch Financial Statements

For the year ended 31 January 2017

YMCA Christchurch

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YMCA Christchurch

Trust Directory

Board Of Trustees

Steve Clarke President
Jon Purdue Vice President
Ed Heald
David Eaton
James Stewart
Helen Shorthouse

Chief Executive Officer

Josie Ogden Schroeder

Registered Office

12 Hereford Street
Christchurch

Bankers

ASB Bank
Cashel Mall
Christchurch

Solicitors

Cavell Leitch (Clare O'Neill)
6 Hazeldean Road
Addington
Christchurch

Charities Commission

Registration number CC32107

Independent Auditor

Ernst & Young
20 Twigger Street
Addington
Christchurch

YMCA Christchurch

Statement of Comprehensive Revenue and Expenses for the Year Ended 31 January 2017

	Note	\$ <u>2017</u>
Revenue from Exchange Transactions		
Sales & Services		5,799,076
Rent Received		57,049
Interest Received		<u>11,430</u>
Total Revenue from Exchange Transactions		5,867,555
Revenue from Non Exchange Transactions		
Donations		99,293
Community Grants	18	272,367
Government Grants	18	1,266,554
Bequests and Legacies		11,943
Capital Project Fundraising		<u>-</u>
Total Revenue from Exchange Transactions		1,650,157
Total Revenue		<u>7,517,712</u>
Less Expenditure		
Employee Benefits Cost	3	4,368,081
Other Operating Expenses	3	3,056,499
Interest		<u>171,979</u>
		<u>7,596,559</u>
Operating Surplus/(deficit) before Depreciation		(78,847)
Depreciation		<u>487,987</u>
Net Operating Surplus/(Deficit)		(566,834)
Other Gains/(Losses)		
Loss on Sale of Fixed Assets		(88)
Depreciation Recovered		-
Capital Profit on Sale of Fixed Assets		5,156
Goodwill Written Off		<u>-</u>
Total Other Gains/(Losses)		5,068
Total Surplus (Deficit) for the Year		<u>(561,766)</u>
Other Comprehensive Revenue and Expenses		-
Total Comprehensive Revenue and Expenses		<u>(561,766)</u>


YMCA Christchurch

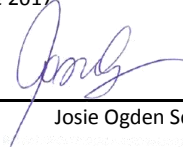
Statement of Changes in Equity for the Year Ended 31 January 2017

	Note	\$ <u>2017</u>
Movement in Accumulated Funds		
Opening balance as at 1 February 2016 in accordance with PBE Standards RDR	19	7,927,745
Total Comprehensive Revenue and Expenses for the year		(561,766)
Net transfers from (to) Special Funds		<u>(11,943)</u>
Accumulated Funds at 31 January 2017		<u>7,354,036</u>
Movement in Special Funds		
Opening balance as at 1 February 2016		663,606
Net transfers from (to) Accumulated Funds	4	<u>11,943</u>
Special Funds at 31 January 2017	4	<u>675,549</u>
Total Equity as at 31 January 2017		<u><u>8,029,585</u></u>

This statement should be read in conjunction with the following notes.

For and on behalf of the Trustees, who authorised the issue of these financial statements on 16 June 2017

President 
Steve Clarke

Chief Executive Officer 
Josie Ogden Schroeder

YMCA Christchurch

Statement of Financial Position as at 31 January 2017

	Note	\$ <u>2017</u>
ASSETS		
Current Assets		
Cash and Cash Equivalents	5	143,358
Receivables - Exchange Transactions		123,068
Receivables - Non Exchange Transactions		17,479
Prepayments		196,426
Inventories		33,821
Bank Account BGH	9	46,934
Bank Account YMCA Arts Trust	9	30
Total Current Assets		<u>561,116</u>
Non Current Assets		
Property, plant and equipment		
Land and Buildings	6	11,544,338
Equipment and Vehicles	6	<u>1,360,328</u>
Total Property, Plant & Equipment		<u>12,904,666</u>
TOTAL ASSETS		13,465,782
Current Liabilities		
Accounts Payable and Bonds		468,169
Employee Entitlements	7	248,424
Income in Advance - Exchange Transactions		420,444
Income in Advance - Non Exchange Transactions		160,521
Current Portion of Term Liabilities	8	331,264
Boys Gordon Hall Trust	9	43,783
YMCA Arts Trust	9	30
Total Current Liabilities		<u>1,672,635</u>
Non Current Liabilities		
Mortgage - ASB	8	3,644,082
Loan from Canterbury Community Trust	8	<u>119,480</u>
Total Term Liabilities		<u>3,763,562</u>
TOTAL LIABILITIES		<u>5,436,197</u>
NET ASSETS		<u>8,029,585</u>
EQUITY		
Accumulated Funds		7,354,036
Special Funds	4	<u>675,549</u>
TOTAL FUNDS		<u>8,029,585</u>

This statement should be read in conjunction with the following notes.

YMCA Christchurch

Cash Flow Statement for the Year Ended 31 January 2017

	2017
Cash Flows from Operating Activities	
Receipts from non exchange transactions	1,839,714
Receipts from exchange transactions	5,935,387
Payments to Suppliers & Employees	(7,585,426)
Interest received	11,430
Interest paid	<u>(173,061)</u>
Net Cash Flows from Operating Activities	<u>28,045</u>
Cash Flows from Investing Activities	
Purchase of property, plant and equipment	(851,951)
Proceeds from sale of assets	<u>13,280</u>
Net Cash Flows from (to) Investing Activities	<u>(838,672)</u>
Cash Flows from Financing Activities	
Proceeds from draw down of loans	475,000
Repayments of loans	<u>(232,959)</u>
Net Cash Flows from Financing Activities	<u>242,041</u>
Net Increase (Decrease) in Cash and Cash Equivalents	(568,586)
Cash and Cash Equivalents as at 1 February 2016	711,944
Cash and Cash Equivalents as at 31 January 2017	<u>143,358</u>

This statement should be read in conjunction with the following notes.

YMCA Christchurch

Notes to the Financial Statements for the Year Ended 31 January 2017

1. Reporting Entity

The Young Men's Christian Association of Christchurch Incorporated (YMCA) (the Trust) is domiciled in New Zealand and is a charitable organisation registered under the Charities Act 2005. The Trust is a public benefit entity for the purposes of financial reporting.

The financial statements have been prepared in accordance with the requirements of the Charities Act 2005.

2. Summary of Significant Accounting Policies

2.1 Basis of Preparation

The Trust's financial statements have been prepared in accordance with Generally Accepted Accounting Practice in New Zealand (NZ GAAP). They comply with Public Benefit Entity Standards Reduced Disclosure Regime (PBE Standards RDR). The Trust elects to report in accordance with PBE Standards RDR as it does not have public accountability and is not large.

2.2 Change in Accounting Standards

The financial statements for the year ended 31 January 2017 are the first set presented in accordance with PBE Standards RDR. For the year ended 31 January 2016 the Trust prepared special purpose financial statements in accordance with the "Not for Profit Financial Reporting Guide" issued by the NZ Institute of Chartered Accountants (NZICA) in 2006 and utilizing the differential reporting concessions.

An explanation of how the transition to Standards RDR has affected the reporting in the statement of Financial Position is provided in Note 19 of the financial statements.

The audited financial statements for the year ended 31 January 2016 are included in the appendix to these financial statements.

2.3 Basis of Measurement

The financial statements are prepared on a historical cost basis.

The financial statements are presented in New Zealand dollars (\$) which is the functional currency, rounded to the nearest dollar. There has been no change in the functional currency of the Trust during the year.

2.4 Revenue

Revenue transactions are classified either as "exchange" transactions or "non-exchange" transactions:

Revenue from Exchange Transactions

Exchange transactions are transactions where the Trust receives assets or services, or has liabilities extinguished, and directly gives approximately equal value (primarily in the form of cash, goods, services, or use of assets) to another entity in exchange. Revenue from exchange transactions is accounted for when it is probable that the economic benefits or service potential associated with the transaction will flow to the Trust and the amount of revenue can be measured reliably, regardless when payment is made. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duty.

Sale of Goods

Revenue is recognised when the significant risks and rewards of ownership have been transferred to the customer.

Sale of Services

Revenue from services rendered (health and fitness memberships and programmes, adventure centre memberships and programmes and OSCAR programmes) is recognised in proportion to the stage of completion of the transaction at balance date. Stage of completion is measured by reference to the term of the membership or programme, and when the services are to be provided. Amounts received in advance for services to be provided in future periods are recognised as a liability until such time as the service is provided.

Wainui Camp Revenue

Revenue from services rendered is recognised in proportion to the stage of completion of the transaction at balance date. The stage of completion is assessed by reference to the accommodation/programme services provided at balance date. Amounts received in advance for services to be provided in future periods are recognised as a liability until such time as the service is provided.

Rental Revenue

Rental income is recognised on a straight line basis over the term of the lease.

Interest Revenue

Interest revenue is recognised as it accrues in surplus or deficit, using the effective interest method.

Interest earned by funds held in relation to Boys Gordon Hall Trust is credited directly to the Boys Gordon Hall Trust Liability, recorded on the statement of Financial Position. Interest earned by funds held in relation to the YMCA Arts Trust is credited directly to the YMCA Arts Trust Liability, recorded on the statement of Financial Position.

Revenue from Non-Exchange Transactions

In a non-exchange transaction the Trust either receives value from another entity without directly giving approximately equal value in exchange, or gives values to another entity without directly receiving approximately equal value in exchange. The Trust's non-exchange revenue transactions include donations, grants, endowments and bequests as the Trust does not provide value in exchange. Government contract revenue is also accounted for as a non-exchange revenue transaction as the value is not provided directly, but to a third party.

YMCA Christchurch

Notes to the Financial Statements for the Year Ended 31 January 2017

2. Summary of Significant Accounting Policies (continued)

Volunteer Services

The Trust receives volunteer services from members, supporters, service groups and the general public. These services relate to both raising revenue and service delivery. Generally the contributions made by individuals is not recorded in detail. No complete record of hours is available and the diverse nature of contribution and individuals involved means it is not possible to reliably value the services they provide. For this reason the value of volunteer services is not recognised as revenue. Further disclosure in relation to volunteers' time is provided in Note 12.

Donated Assets

Where a physical asset is donated for nil consideration the asset received is recognised at fair value and the amount of the donation is recognised as non-exchange revenue. Assets vested in the Trust are recognised as revenue when control through ownership over the asset is obtained.

Donations, Grants, Endowments and Bequests, Government Grants and Funding

Revenue from non-exchange transactions with the Government and Government agencies, donations, grants and bequests is recognised when the Trust obtains control of the transferred asset and:

- it is probable that the economic benefits or service potential related to the asset will flow to the Trust and can be measured reliably; and

- the transfer is free from conditions that require the asset to be refunded or returned to the funder if the conditions are not fulfilled. Revenue is measured at the fair value of the assets transferred over to the Trust at the time of transfer.

To the extent that there is a condition or performance obligation attached that would give rise to a liability to repay the grant amount, a deferred revenue liability is recognised instead of revenue. Revenue is then recognised only once the Trust has satisfied these conditions or performed the service.

Concessionary Loans

When the Trust receives a loan at an interest rate that is lower than market terms (concessionary loan), the difference between the loan proceeds and the fair value of the loan (calculated using market terms) is recognised as revenue.

2.5 Employee Benefits

Liabilities for wages and salaries (including non monetary benefits) and annual leave are recognised in surplus or deficit during the period in which the employee rendered the related services, and are generally expected to be settled within 12 months of reporting date. The liabilities for these short term benefits are measured at the amounts expected to be paid when the liabilities are settled.

These include salaries and wages accrued up to reporting date, annual leave earned to, but not yet taken at reporting date.

Accumulating sick leave has not been expensed, as this is not a legal liability and the amount payable within 12 months of reporting date is unable to be reliably estimated. Expenses for sick leave are recognised when the leave is taken and are measured at the rates paid or payable.

Long term employee benefits that are not expected to be settled wholly within 12 months after the end of the reporting period are presented as non-current liabilities. Provision is made for benefits accruing to employees in respect of long service leave based on the probability that settlement will be required. Provisions made in respect of employee benefits which are not expected to be settled within 12 months are measured at the amounts expected to be paid when the liabilities are settled.

2.6 Borrowing Costs

Borrowing costs are expensed in the period they occur unless they directly relate to acquisition, construction of qualifying assets. Interest is expensed on an accruals basis.

2.7 Financial Instruments

All financial instruments are initially recognised at fair value of the consideration received less, in the case of financial assets and liabilities not recorded at fair value through profit or loss, directly attributable transaction costs. Subsequently the Trust applies the following accounting policies for financial instruments:

- Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. After initial recognition, these are measured at amortised cost using the effective interest method, less any allowance for impairment.

Loans and receivables comprise cash and cash equivalents and receivables and bank accounts.

Cash and cash equivalents represent highly liquid investments that are readily convertible into a known amount of cash with an insignificant risk of changes in value, with maturities of 3 months or less.

- Impairment of financial assets

All financial assets except for those at fair value through surplus or deficit are subject to review for impairment at least each reporting date. A financial asset or a group of financial assets is impaired and impairment losses are incurred if there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset, and that the loss event(s) had an impact on the estimated future cash flows of that asset and can be estimated reliably. The amount of the loss (or subsequent reversal) is recognised in the surplus or deficit for the reporting period.

-Financial Liabilities

The Trust's financial liabilities include trade and other creditors, mortgages and loans.

All financial liabilities are measured subsequently at amortised cost using the effective interest method.

2.8 Inventories

Inventories primarily consist of merchandise and stores and are stated at lower of cost and net realisable value. Cost is determined on a first in, first out basis.

YMCA Christchurch

Notes to the Financial Statements for the Year Ended 31 January 2017

2. Summary of Significant Accounting Policies (continued)

2.9 Foreign Transactions

Transactions in foreign currencies are converted at the rate of exchange at the date of the transaction. The amounts shown in the financial statements are stated in New Zealand dollars and rounded to the nearest dollar.

At balance date any foreign currency monetary assets and liabilities are translated at the exchange rate at that date and any resulting exchange variations are included in surplus or deficit.

2.10 Property, Plant & Equipment

Items of property, plant and equipment are measured at cost less accumulated depreciation and impairment losses. Cost includes expenditure that is directly attributable to the acquisition of the asset. Where an asset is acquired through a non-exchange transaction, its cost is measured at its fair value as at date of acquisition.

Depreciation is charged on a straight line basis over the useful life of the asset. Depreciation is charged at rates calculated to allocate the cost of the asset over its remaining useful life.

Land is measured at cost less impairment losses.

Assets	Economic Lives & Rates	
Buildings	15-60 years	1.67% - 6.67% SL
Plant and Equipment	2-20 years	5% - 50% SL
Furniture and Fittings	3-15 years	6.67% - 33.33% SL
Motor Vehicles	5-10 years	10% - 20% SL

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

2.11 Impairment of Non-Cash Generating Assets

Cash generating assets are assets that are held with the primary objective of generating a commercial return. All of the Trust's property, plant and equipment are considered to be non cash generating assets as the primary objective of all assets is considered to be the primary objective of the Trust, to provide goods or services for community and social benefit. The Trust assesses at each reporting date whether there is any indication that an asset may be impaired. If any such indication exists, the recoverable service amount of the asset is estimated.

An asset's recoverable service amount is the higher of the asset's fair value less costs to sell and its value in use. Value in use is determined using the future remaining service potential discounted to the present value using a discount rate that reflects current market assessments of time value of money and the risks specific to the asset.

Impairment losses are recognised immediately in surplus or deficit.

2.12 Leases

Operating leases are leases that do not transfer substantially all the risks and benefits incidental to ownership of the leased item to the Trust. Operating lease payments are recognised as an operating expense in surplus or deficit on a straight-line basis over the lease term.

2.13 Income Tax

As a charity the Trust is exempt from New Zealand income tax so no income tax expense has been provided for.

2.14 Goods and Services Tax (GST)

All amounts are recorded exclusive of GST, except for payables and receivables which are stated inclusive of GST (if any).

The net GST paid to, or received from the IRD, including the GST relating to financing and investing activities, is classified as an operating cash flow in the statement of cash flows.

2.15 Significant Judgements and Estimates

The preparation of financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period which the estimates are revised and in any future periods affected.

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 are noted below:

- The Trustees consider that all property, plant and equipment are classified as non cash generating assets as all assets are held to pursue the Trusts primary charitable objective.

- The properties held at Hereford Street, Bishopdale and Wainui are accounted for at cost less accumulated depreciation and impairment. To enable users of the financial statements to determine the effect of recent valuations of the properties owned by the Trust, council valuations and independent valuers' valuations have been included as a separate disclosure in these financial statements set out in Note 6.

YMCA Christchurch

Notes to the financial statements for the year ended 31 January 2017

3. Income and Expenditure	\$
Included in sales and services revenue:	2017
Accommodation	2,023,367
Camp Site Rental	311,620
Catering Services	183,112
Child Care Fees	197,760
Climbing Wall	327,355
Health & Fitness Memberships	667,756
Wainui Programme Services	228,919
Stadium Income - Bishopdale	127,173
 Included in operating expenditure:	
Audit Fees	20,975
Advocacy Documentary	81,564
Doubtful/Bad debt adjustments	947
Cleaning	135,019
Commission	132,748
Computer Expenses	128,298
Insurance	264,783
Nepal Trip	134,221
Power	240,197
Promotion	97,772
Staff Training	102,119
Cost of Leasing & Renting	221,002
 Included in employee benefit costs:	
Salaries and wages	4,175,607
Contributions to Kiwisaver	130,857
Contributions to medical insurance	41,107
 4. Special Funds	
Opening Balance	
Estate DR Murray	112,016
Capital Projects Fund	551,590
Total Opening Balances	663,606
 Sundry Receipts/Revaluation/Transfers from (to) Accumulated Funds	
Estate DR Murray	11,943
Capital Projects Fund	-
Total Sundry Receipts (Transfers)	11,943
 Closing Balance	
Estate DR Murray	123,959
Capital Projects Fund	551,590
Total Closing Balances	675,549
 The Capital Projects Fund is to go towards the Hereford St building development. Significant donations have been received by the Todd Foundation, Rata Foundation and the Christchurch City Council. The amount received from the Estate of DR Murray is to be used for widowers' children to attend Wainui camps.	
 5. Cash and Cash Equivalents	
Cash at Bank	139,968
Cash on Hand	3,390
	143,358

YMCA Christchurch

Notes to the financial statements for the year ended 31 January 2017

6. Property, Plant & Equipment

	Land	Buildings	Furniture & Fittings	Plant & Equipment	Motor Vehicles	Total \$
Prior Year Cost	1,568,384	13,751,171	1,014,123	2,445,608	49,116	18,828,402
Additions	-	233,382	341,544	279,020	-	853,946
Disposals	(7,559)		(1,886)	(870)	-	(10,315)
Closing Cost	1,560,825	13,984,553	1,353,781	2,723,758	49,116	19,672,033
Opening Accumulated Depreciation	-	3,742,468	780,200	1,709,510	47,202	6,279,380
Current Year Depreciation	-	258,572	49,687	178,373	1,355	487,987
Closing Accumulated Depreciation	-	4,001,040	829,887	1,887,883	48,557	6,767,367
Net Book Value	1,560,825	9,983,513	523,894	835,875	559	12,904,666

Property Valuations

All YMCA properties are insured for replacement values with excesses applicable to each property of 5% of sum insured in relation to earthquake peril.

Market valuations of YMCA properties are undertaken periodically. Valuation of properties exceed the book value.

A valuation of land and buildings at 12 Hereford Street was done by Ryan D Tear, Registered Valuer with Colliers International in 2010.

A valuation of land and buildings at Bishopdale YMCA was done by Ryan D Tear, Registered Valuer with Colliers International in March 2015.

12 Hereford Street valuation:	9,800,000	Bishopdale YMCA valuation:	7,580,000
12 Hereford Street book value:	2,764,135	Bishopdale YMCA book value:	6,938,763
12 Hereford Street Government valuation:	16,400,000	Bishopdale YMCA Government valuation:	8,000,000
Wainui Park Government valuation:	4,230,000		
Wainui Park book value:	1,807,050		

A valuation of the property at Wainui Park has not been undertaken since 2007.

7. Employee Benefit Liabilities

Annual leave accrual	202,678
Long service leave accrual	18,831
Time in lieu accrual	3,671
Accrued expense	23,244
	<u><u>248,424</u></u>

8. Non Current Liabilities

	Current	Term	Interest Rate	Security
ASB Bank Limited - 037	199,522	3,419,486	4.65%	13A Bishopdale Court, Bishopdale
ASB Bank Limited - 043	50,404	224,596	4.65%	13A Bishopdale Court, Bishopdale
ASB Bank Limited	<u>249,926</u>	<u>3,644,082</u>		

The 037 loan is for a term of 15 years, expiring in September 2030. The interest rate is the floating rate plus a margin of 1.1% per annum. Repayments of interest and principal are \$29,582 monthly.

The 043 loan is for a term of 5 years, expiring in January 2022. The interest rate is the floating rate plus a margin of 1.1% per annum. Repayments of interest and principal are \$5,146 monthly.

The loans are secured by a registered mortgage over all the property at 13A Bishopdale Court, Bishopdale, Christchurch.

Canterbury Community Trust	81,338	119,480	3.00%	Secured Adventure Centre assets
Total	<u>\$ 331,264</u>	<u>\$ 3,763,562</u>		

The Canterbury Community Trust loan was to help fund the purchase of The Adventure Centre. The loan is for a period of five years expiring in June 2019. It is secured over the equipment of the Adventure Centre.

Refer to note 17.

YMCA Christchurch

Notes to the financial statements for the year ended 31 January 2017

9. Trust Funds

Boys Gordon Hall Trust

The Trust is managed by the YMCA which is the beneficiary of the income. The funds held at the bank are restricted and can only be used for the purpose of assisting young people.

Opening Balance	46,815
Less: Legal Fees Paid	<u>(3,032)</u>
Closing Balance	<u>43,783</u>
Represented by: ASB Term Deposit	<u>\$ 46,934</u>

YMCA Arts Trust

The Trust was formed on 1 May 2015 and is registered with the Charities Commission. The purpose of the trust is to raise funds for arts related charitable activities in Christchurch. The trust is administered by the YMCA and is constitutionally bound to have YMCA Trustees involved in its governance. All revenue received by the YMCA Arts Trust was received with the intention that it would be used to fund the Spectrum St Art Festival. Spectrum is administered by the YMCA Christchurch and all expenses pertaining to Spectrum are incurred by the YMCA Christchurch. The revenue received by the YMCA Arts Trust has been transferred to the YMCA Christchurch as a contribution to the expenses incurred in administering Spectrum, in keeping with the overall purpose of the YMCA Arts Trust.

Opening Balance	19
Grants Received	11,250
Plus: Interest Received	<u>11</u>
	11,280
Less: Contribution to Spectrum Expenses	<u>(11,250)</u>
Closing Balance	<u>30</u>
Represented by: ASB Bank Account	<u>\$ 30</u>

10. Lease Commitments

Leases as lessee

Lease commitments under non-cancellable operating leases at balance date were:

	\$
	<u>2017</u>
Not later than one year	
Later than one year but not later than two years	222,113
Later than two years but not later than five years	131,447
Greater than five years	<u>164,536</u>
	<u>518,096</u>

The Trust leases office equipment and premises at Colombo Street and Waltham Road.

Leases as lessor

The future minimum lease payments under non-cancellable leases are as follows:

	\$
	<u>2017</u>
Not later than one year	194,185
Later than one year but not later than two years	184,652
Later than two years but not later than five years	181,845
Greater than five years	<u>-</u>
	<u>560,682</u>

The Trust leases out spaces in its Hereford Street and Bishopdale buildings and a separate building at Hereford Street.

11. Related Parties

Key management personnel

The Board considers key management personnel includes the Trustees and staff in senior management positions.

The total remuneration of key management personnel are:

	Full Time	\$
	Equivalent	<u>2017</u>
Senior management employees	12.00	<u>935,644</u>

Trustees perform their roles on a voluntary basis.

Related parties

There were no transactions with related parties during the year.

YMCA Christchurch

Notes to the financial statements for the year ended 31 January 2017

12. Volunteer Services

The YMCA Christchurch recognises that volunteers are an integral part of its operations. Volunteers assist in fundraising, as leaders of holiday programmes, as camp staff at Wainui, running events, supporting recreation programmes and as Trustees providing Governance oversight.

The value of volunteer services has not been included in the statement of Financial Position or the Statement of Comprehensive Revenue & Expense.

During the year, volunteers donated an estimated 30,800 hours of their time to the YMCA Christchurch.

13. Fundraising Costs

Gross direct fundraising costs have not been separately shown as the amount of time and cost is too difficult to measure, the tasks involved being shared by the CEO, the CEO Executive Assistant, and Management.

Direct costs other than time are minimal and include things such as printing of a regular donor newsletter.

14. Events After Balance Date

Refer to note 17 below. The Trustees are not aware of any additional events after balance date that will materially effect the position in the 2017 Financial Statements. (2016:nil)

15. Capital Commitments

There were no capital commitments as at 31 January 2017. (2016:nil)

16. Contingent Assets and Liabilities

There were no known contingent assets or liabilities at balance date. (2016:nil)

17. Liquidity and Going Concern

Current liabilities exceed current assets by \$1,111,519. This is partly due to the fact that a proportion of current liabilities represents income in advance of \$580,965 relating to payments received in advance for gym memberships, booking deposits and grants. Net assets remain positive at \$8,029,585 (2016; \$8,515,042). Subsequent to year end the existing ASB facilities were repaid by way of new facilities. New bank facilities totalling \$4,252,000 were entered into and are secured by way of existing mortgage and further security by way of mortgage of all property held at 12 Hereford Street.

18. Community & Government Grants

	\$
	<u>2017</u>
Community Grants	
Rata Foundation	203,333
Christchurch City Council	42,053
NZ Lottery Grants Board	18,000
Pub Charity	5,000
IHC Foundation	3,000
Z Energy Good in The Hood	981
	<u>272,367</u>
Government Grants	
Ministry of Education - Preschool and Alternative Education	646,248
Tertiary Education Commission - Youth Guarantee	407,890
Ministry of Social Development- Youth Development	110,002
Ministry of Social Development- Oscar Subsidy	62,676
Sport New Zealand	39,738
	<u>1,266,554</u>

YMCA Christchurch

Notes to the financial statements for the year ended 31 January 2017

19. Explanation of the Transition to PBE Standards RDR

The Trust's financial statements for the year ended 31 January 2017 are the first annual financial statements prepared in accordance with PBE Standards RDR. The Trust has applied PBE FRS 47 "First-time adoption of PBE Standards by entities other than those previously applying NZ IFRS" in preparing these financial statements.

The Trust's adoption date was 1 February 2016 and it has prepared the opening PBE Standards RDR Statement of Financial Position as at that date. Comparative figures have not been restated to comply with PBE Standards RDR. The audited financial statements for the year ended 31 January 2016 are attached as an appendix to these financial statements.

An explanation of the transition is tabled below:

	Old Special Purpose 31-Jan-16 \$	Notes	PBE Standards Transition Adjustment \$	PBE Standards RDR 1-Feb-16 \$
Equity				
Retained Earnings	7,851,436		76,307	7,927,743
Special Funds	663,606			663,606
	<u>8,515,042</u>	*	<u>76,307</u>	<u>8,591,349</u>
Represented By:				
Current Assets				
Bank & Cash	711,944			711,944
Accounts Receivable, Payments in Advance	664,157			664,157
Stock	39,365			39,365
Bank accounts BGH & YMCA Arts Trust	46,953			46,953
	<u>1,462,419</u>			<u>1,462,419</u>
				-
Fixed Assets	12,548,914			12,548,914
Total Assets	<u>14,011,333</u>			<u>14,011,333</u>
Less Liabilities				
Current Liabilities				
Accounts Payable, Accruals & Bonds	910,223			910,223
Income in Advance	686,448		- 76,307	610,141
Current portion of loans	259,858			259,858
Trust Funds BGH & YMCA Arts Trust	46,834			46,834
	<u>1,903,363</u>			<u>1,827,056</u>
Non Current Liabilities				
Loans	3,592,928			3,592,928
Total Liabilities	<u>5,496,291</u>			<u>5,419,984</u>
Net Assets	<u>8,515,042</u>		<u>- 76,307</u>	<u>8,591,349</u>

* Recognition of revenue on the year ended 31 January 2016 for non-exchange transaction not subject to restrictions and reversal of the liability as at 31 January 2016 that had previously been recognised in relation to these transactions. See Note 2.4.

Independent Auditor's Report to the Trustees of the Young Men's Christian Association of Christchurch Incorporated ("YMCA")

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of YMCA on pages 2 to 13, which comprise the statement of financial position of the Trust as at 31 January 2017, and the statement of comprehensive revenue and expenses, statement of changes in equity and cash flow statement for the year then ended of the Trust, and the notes to the financial statements including a summary of significant accounting policies.

In our opinion, the financial statements on pages 2 to 13 present fairly, in all material respects, the financial position of the Trust as at 31 January 2017 and its financial performance and cash flows for the year then ended in accordance with Public Benefit Entity Standards Reduced Disclosure Regime.

This report is made solely to the Trustees as a body. Our audit has been undertaken so that we might state to the Trustees 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 the Trustees as a body, for our audit work, for this report, or for the opinions we have formed.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (New Zealand). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report.

We are independent of the Trust in accordance with Professional and Ethical Standard 1 (revised) *Code of Ethics for Assurance Practitioners* 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 interest in, the Trust. Partners and employees of our firm may deal with the Trust on normal terms within the ordinary course of trading activities of the Trust.

Information Other than the Financial Statements and Auditor's Report

The Trustees are responsible for the Annual Report, which includes information other than the financial statements and auditor's report which is expected to be made available to us after the date of this auditor's report.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained during the audit, or otherwise appears to be materially misstated.

When we read the Annual Report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance and, if uncorrected, to take appropriate action to bring the matter to the attention of users for whom our auditor's report was prepared.

Trustees' Responsibilities for the Financial Statements

Those charged with Governance are responsible, on behalf of the entity, for the preparation and fair presentation of the financial statements in accordance with Public Benefit Entity Standards Reduced Disclosure Regime, and for such internal control as those charged with governance determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Trustees are responsible for assessing on behalf of the Trust the Trust's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the

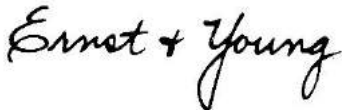
going concern basis of accounting unless those charged with governance either intend to liquidate the Trust or cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole 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 International Standards on Auditing (New Zealand) 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 these financial statements.

A further description of our responsibilities for the audit of the financial statements is located at the External Reporting Board website:

<https://www.xrb.govt.nz/standards-for-assurance-practitioners/auditors-responsibilities>. This description forms part of our auditor's report.



Christchurch
20 June 2017



YMCA Christchurch Annual Accounts

For the year ended 31 January 2016

Annual Accounts and notes to accounts for the Young Men's Christian Association of Christchurch (YMCA Christchurch)
for the financial period 1 February 2015 – 31 January 2016

YMCA Christchurch

Statement of Financial Performance for the Year Ended 31 January 2016

	Note	\$ 2016	\$ 2015
Gross Revenue from Activities and Sales	13	7,816,915	7,185,484
Less:			
Wages		(4,274,825)	(3,859,511)
Other Operating Expenses	7	(3,151,629)	(2,751,288)
Interest		(210,900)	(293,566)
Operating Costs		(7,637,354)	(6,904,365)
Net Operating Surplus before Depreciation and Goodwill written off		179,561	281,119
Depreciation		(439,478)	(392,251)
Loss on sale		(24,870)	
Depreciation recovered		1,443	2,665
Goodwill written off		(36,497)	-
Gross Operating Surplus/(Deficit)		(319,841)	(108,467)
Plus income from:			
Investment Rentals		55,358	54,629
Investment Income		20,552	17,822
Grants		287,784	410,790
		363,694	483,241
Surplus/(Deficit)		43,853	374,774
Capital Project Fundraising		550,190	1,000
Surplus / (Deficit) After Capital Fundraising		594,043	375,774

Statement of Movements in Accumulated Funds

Opening balance as at 1 February 2015	7,920,999	7,545,225
Retained surplus (deficit)	594,043	375,774
Transfers from (to) Special Funds (from) to Retained Earnings		
Endowment Fund	105,543	-
Powell Fund	139,494	-
Rudkin Court Fund	10,121	
Insurance Fund	35,163	-
Earthquake Recovery Initiatives	-	25,006
Estate DR Murray	-	(88,445)
Capital Projects Fund	(550,590)	(1,000)
Net transfers from (to) Special Funds (from) to Retained Earnings	260,269	64,439
Closing balance	8,515,042	7,920,999

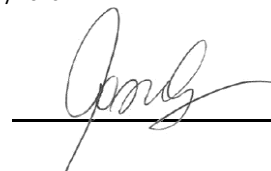
This statement should be read in conjunction with the following notes.

For and on behalf of the Trustees, who authorised the issue of these financial statements on 30 May 2016

President



Chief Executive Officer



YMCA Christchurch

Statement of Financial Position as at 31 January 2016

		\$	\$
	Note	2016	2015
Accumulated Funds			
Retained Surplus		7,851,436	7,517,662
Special Funds	4	663,606	403,337
TOTAL FUNDS		8,515,042	7,920,999
Represented by:			
Current assets			
Cash and Bank		711,944	439,848
Debtors		438,540	172,780
Payments in advance		225,617	175,894
Stocks		39,365	14,529
Total Current Assets		1,415,466	803,051
Intangible Assets			
Goodwill		-	36,497
Total Intangible Assets		-	36,497
Trust Funds			
Bank Account BGH	5	46,934	46,598
Bank Account YMCA Arts Trust	5	19	-
Total Trust Funds		46,953	46,598
Property, plant and equipment			
Land and Buildings	3	11,577,087	11,796,593
Equipment and Vehicles	3	971,827	1,009,526
Total Property, Plant & Equipment		12,548,914	12,806,119
Current Liabilities			
Accounts Payable and Bonds		618,872	582,777
Employee Entitlements		291,351	244,693
Income in Advance		686,448	622,454
Current Portion of Term Liabilities	6	259,858	3,995,001
Total Current Liabilities		1,856,529	5,444,925
Term Liabilities			
Mortgage - ASB	6	3,392,110	-
Loan from Canterbury Community Trust	6	200,818	279,754
Total Term Liabilities		3,592,928	279,754
Trust Funds			
Boys Gordon Hall	5	46,815	46,587
YMCA Arts Trust	5	19	-
Total Trust Funds		46,834	46,587
Net Assets		8,515,042	7,920,999

This statement should be read in conjunction with the following notes.

YMCA Christchurch

Movements in Special Funds for the Year Ended 31 January 2016

	\$ 2016	\$ 2015
Opening balance		
Endowment	105,543	105,543
G. Powell Fund	139,494	139,494
Rudkin Court Fund	10,121	10,121
Insurance Fund	35,163	35,163
YMCA Earthquake Recovery Initiatives	-	25,006
Capital Projects Fund	1,000	-
Estate DR Murray	112,016	23,571
Total Opening Balances	403,337	338,898
Sundry Receipts/Revaluation/Transfers from (to) Retained Earnings		
Endowment	(105,543)	-
G. Powell Fund	(139,494)	-
Rudkin Court Fund	(10,121)	-
Insurance Fund	(35,163)	-
YMCA Earthquake Recovery Initiatives	-	(25,006)
Estate DR Murray	-	88,445
Capital Projects Fund	550,590	1,000
Total Sundry Receipts (Transfers)	260,269	64,439
Closing Balance		
Endowment	-	105,543
G. Powell Fund	-	139,494
Rudkin Court Fund	-	10,121
Insurance Fund	-	35,163
Estate DR Murray	112,016	112,016
Capital Projects Fund	551,590	1,000
Total Closing Balances	663,606	403,337

This statement should be read in conjunction with the following notes.

YMCA Christchurch

Notes to the financial statements for the Year Ended 31 January 2016

1. Statement of Accounting Policies

1.1 General Accounting Policies

These financial statements have been prepared as special purpose financial statements. The Trustees believe that full disclosure as defined by general accepted accounting practice is unnecessary for the board of the Young Men's Christian Association of Christchurch Incorporated (YMCA).

The financial statements have been prepared according to the "Not for Profit Financial Reporting Guide" issued by the NZ Institute of Chartered Accountants (NZICA) in 2006 and utilizing the differential reporting concessions. This reflects the fact that the YMCA has no "members" in the conventional accounting sense of the term and the Annual Financial Statements are not used as the basis of decision making by anyone who does not have ready access to the full Financial Statements of the organisation.

The financial statements have not been prepared in accordance with New Zealand International Financial Reporting Standards (NZ IFRS). There are material differences between NZ IFRS and the basis of preparation described above.

The measurement basis adopted is historical cost accounting.

Reliance is placed on the fact the business is a going concern.

Accrual accounting is used to match expenses and revenues.

1.2 General Disclosures

The currency used is the \$NZ and figures are rounded to the nearest dollar.

1.3 Particular Accounting Policies

The following particular accounting policies have a material effect on the measurement of results and financial position.

(a) Depreciation

Depreciation is provided using the straight line method, writing off the cost over the estimated economic life of the asset. Average economic lives for the main classes of property, plant and equipment are as follows:

Assets	Economic Lives
Buildings	15-60 years
Plant and Equipment	2-20 years
Furniture and Fittings	3-15 years
Motor Vehicles	5-10 years

(b) Property, Plant and Equipment

Land is stated at cost. Other assets are stated at cost less accumulated depreciation.

(c) Accounts Receivable

Accounts receivable are stated at expected realisable value.

(d) Investments

Investments are stated at cost less provision for any loss on realisation.

YMCA Christchurch

Notes to the financial statements for the year ended 31 January 2016

1. Statement of Accounting Policies (continued)

(e) Liabilities

Liabilities are stated at the estimated amounts payable.

(f) Stock

Raw materials and inventory held for resale are stated at the lower of cost or net realisable value and determined on a first in, first out basis.

(g) GST

This set of financial statements has been prepared on a GST exclusive basis.

(h) Credit Risk

Financial instruments which potentially subject the YMCA to credit risk principally consist of bank balances and accounts receivable.

(i) Investments and other financial assets

All revenue related to the Association is accounted for on an accrual basis.

The interest earned by funds held in relation to Boys Gordon Hall Trust is credited directly to the Boys Gordon Hall Trust Liability recorded on the statement of Financial Position.

The interest earned by funds held in relation to the YMCA Arts Trust is credited directly to the YMCA Arts Trust Liability recorded on the statement of Financial Position.

2. Changes in Accounting Policies

There have been no changes in accounting policies from the previous year.

3. Property, Plant & Equipment

Asset	Cost		Accumulated depreciation		Current depreciation		Net book value	
	2016	2015	2016	2015	2016	2015	2016	2015
Furniture/Fittings	1,014,123	998,284	781,421	740,617	40,804	33,312	232,702	257,667
Plant/Equipment	2,445,608	2,293,757	1,708,397	1,547,536	167,700	128,176	737,211	746,221
Land	1,568,384	1,568,384	-	-	-	-	1,568,384	1,568,384
Vehicles	49,116	49,116	47,202	43,478	3,754	3,725	1,914	5,638
Buildings	13,751,171	13,743,456	3,742,468	3,515,247	227,220	227,038	10,008,703	10,228,209
Total	18,828,402	18,652,997	6,279,488	5,846,878	439,478	392,251	12,548,914	12,806,119

Property Valuations

All YMCA properties are insured for replacement values with excesses applicable to each property of 5% of sum insured in relation to earthquake peril.

Market valuations of YMCA properties are undertaken periodically. Valuation of properties exceed the book value.

A valuation of land and buildings at 12 Hereford Street was done by Ryan D Teear, Registered Valuer with Colliers International in 2010.

A valuation of land and buildings at Bishopdale YMCA was done by Ryan D Teear, Registered Valuer with Colliers International in March 2015.

12 Hereford Street valuation:	9,800,000	Bishopdale YMCA valuation:	7,580,000
12 Hereford Street book value:	2,650,788	Bishopdale YMCA book value:	7,061,467
12 Hereford Street Government valuation:	14,775,000	Bishopdale YMCA Government valuation:	7,425,000
Wainui Park Government valuation:	4,175,000		
Wainui Park book value:	1,850,042		

A valuation of the property at Wainui Park has not been undertaken since 2007.

YMCA Christchurch

Notes to the financial statements for the year ended 31 January 2016

4. Special Funds

The Board of Trustees considers that funds have been applied from the G Powell, Rudkin Court and Insurance Funds over a number of years and that these funds have now been used up in their entirety.

The endowment amount represents a number of bequests for general purposes prior to 1988. No endowment fund was required to be established. These funds have now been used up in their entirety for general YMCA purposes.

The Capital Projects Fund is to go towards the Hereford St building upgrade. Significant donations have been received by the Todd Foundation and the Christchurch City Council.

The amount received from the Estate of DR Murray is to be used for widowers children to attend Wainui camps.

5. Boys Gordon Hall & YMCA Arts Trusts

Boys Gordon Hall Trust

The trust is managed by the YMCA which is the beneficiary of the income. The funds held at the bank are restricted and can only be used for the purpose of assisting young people.

Opening Balance	46,587
Plus: Interest Received	228
Closing Balance	46,815
Represented by: ASB Term Deposit	\$ 46,934

YMCA Arts Trust

The trust was formed on 1 May 2015 and is registered with the Charities Commission. The purpose of the trust is to raise funds for arts related charitable activities in Christchurch. The trust is administered by the YMCA and is constitutionally bound to have YMCA Trustees involved in its governance. All revenue received by the YMCA Arts Trust was received with the intention that it would be used to fund the Spectrum Street Art Festival. Spectrum is administered by the YMCA Christchurch and all expenses pertaining to Spectrum are incurred by the YMCA Christchurch.

The revenue received by the YMCA Arts Trust has been transferred to the YMCA Christchurch as a contribution to the expenses incurred in administering Spectrum, in keeping with the overall purpose of the YMCA Arts Trust.

Grants Received	123,750
Donations Received - Spectrum	2,500
Plus: Interest Received	19
	126,269
Less: Contribution to Spectrum Expenses	(126,250)
Closing Balance	19
Represented by: ASB Bank Account	\$ 19

6. Term Liabilities

	Current	Term	Interest Rate	Security
ASB Bank Limited	174,449	3,392,110	4.80%	13A Bishopdale Court, Bishopdale

The loans with Westpac were refinanced with the ASB Bank in June 2015.

The loan is for a term of 15 years. The interest rate is the floating rate plus a margin of 1.1% per annum.

Repayments of interest and principal are \$28,486 monthly.

It is secured by a registered mortgage over all the property at 13A Bishopdale Court, Bishopdale, Christchurch.

Canterbury Community Trust	85,409	200,818	3.00%	Secured Adventure Centre assets
Total	\$ 259,858	\$ 3,592,928		

The Canterbury Community Trust loan was to help fund the purchase of The Adventure Centre. The loan is for a period of five years expiring in June 2019. It is secured over the equipment of the Adventure Centre.

YMCA Christchurch

Notes to the financial statements for the year ended 31 January 2016

7. Costs Included in Operating Accounts

	\$	\$
	2016	2015
Audit Fees	15,605	14,785
Doubtful/Bad debt adjustments	1,066	1,317
Cost of Leasing & Renting	229,920	216,750
	<u>246,591</u>	<u>232,852</u>

8. Ministry of Social Development

YMCA CHRISTCHURCH OSCAR PROGRAMMES INCOME & EXPENDITURE Jan 1 2015 –Dec 31 2015 (excl GST)

	Riccarton	City	Bishopdale	Hornby	Activ8	Creative Arts	Performing Arts	Wainui	Total
MSD Grant	10,761	9,495	13,926	6,330	9,495	6,963	6,330	12,656	75,956
User Fees	55,604	10,796	34,182	27,600	29,739	11,831	3,795	78,460	252,007
Total Income	<u>66,365</u>	<u>20,291</u>	<u>48,108</u>	<u>33,930</u>	<u>39,234</u>	<u>18,794</u>	<u>10,125</u>	<u>91,116</u>	<u>327,963</u>
Wages	24,878	17,022	23,568	15,712	32,734	11,784	5,237	17,145	148,080
Activities	9,042	2,197	7,483	5,921	8,335	1,929	826	51,966	87,699
Overheads	14,531	8,564	11,793	11,145	6,849	4,353	4,086	20,374	81,695
NQSM	753	665	975	443	665	487	443	886	5,317
Total Expenses	<u>49,204</u>	<u>28,448</u>	<u>43,819</u>	<u>33,221</u>	<u>48,583</u>	<u>18,553</u>	<u>10,592</u>	<u>90,371</u>	<u>322,791</u>
Net Profit (Loss)	17,161	(8,157)	4,289	709	(9,349)	241	(467)	745	5,172

Wages include:	All direct wages costs - OSCAR co-ordinator, supervisors, instructors.
Activities includes:	Venue hire, activity costs, equipment, transport, volunteer costs - all DIRECT costs related to the activity programme.
Overheads includes:	All costs that are shared by all programmes such as staff/volunteer training and recruitment, back office staff/ accounting, insurance, computer, cleaning, promotion, stationary, telephone, administration etc.
NQSM includes:	Levy paid for National quality assurance processes.

9. Liquidity and Going Concern

Current liabilities exceed current assets by \$441,063. This is due to the fact that a large proportion of current liabilities represents income in advance of \$686,448 relating to payments received in advance for gym memberships, booking deposits and grants.

All current and term loans are being progressively paid and financial commitments are being met.

Net assets remain positive at \$8,515,042 (2015; \$7,920,999).

YMCA Christchurch

Notes to the financial statements for the year ended 31 January 2016

10. Aggregate Lease Commitments

	\$	\$
Lease commitments:	2016	2015
Not later than one year	215,163	229,342
Later than one year but not later than two years	213,730	217,759
Later than two years but not later than five years	274,082	425,536
Greater than five years	500	32,840
Total Operating lease commitments	703,475	905,477

11. Volunteer Services

The value of volunteer services has not been included in the statement of Financial Performance because it cannot be reliably measured. It is estimated that in excess of 42,000 volunteer hours are contributed in the course of a year.

12. Fundraising Costs

Gross direct fundraising costs have not been separately shown as the amount of time and cost is too difficult to measure, the tasks involved being shared by the CEO, the CEO Executive Assistant, and Management. Direct costs other than time are minimal and include things such as printing of a regular donor newsletter.

13. Insurance Proceeds

Included in gross revenues are insurance receivables of \$363,743 for repairs required to the Stadium building at 12 Hereford Street, Christchurch.

14. Capital Commitments

Capital commitments are \$nil (2015 \$nil).

Independent Auditor's Report

To the Trustees of The Young Men's Christian Association of Christchurch Incorporated ("YMCA")

We have audited the accompanying financial statements of YMCA (the "trust") on pages 5 to 12 which comprise the statement of financial position as at 31 January 2016, and the statement of financial performance and movements in special funds for the year then ended, and a summary of significant accounting policies and other explanatory information. The financial statements have been prepared based on the "Not for Profit Financial Reporting Guide" issued by the New Zealand Institute of Chartered Accountants, which is the reporting framework adopted by the trustees.

Trustees Responsibility for the Financial Report

The trustees of YMCA are responsible for the preparation of the financial statements in accordance with the basis of accounting as described in note 1.1 to the financial statements and for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on the financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing (New Zealand). Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal controls relevant to the entity's preparation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates, as well as evaluating the overall presentation of the financial statements.

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

Ernst and Young also provide other assurance services to the trust. We have no other relationship with, or interest in, the trust.

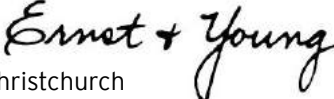
Partners and employees of our firm may deal with the trust on normal terms within the ordinary course of trading activities of the trust.

Opinion

In our opinion the financial statements of YMCA on pages 5 to 12 for the year ended 31 January 2016 have been prepared, in all material respects, in accordance with the reporting framework adopted by the trustees.

Basis of Accounting and Restriction on Distribution and Use

Without modifying our audit opinion, we draw attention to note 1.1 of the financial statements which describes the basis of accounting. The financial statements are prepared to assist YMCA to meet the requirements of its Trust Deed, the Charitable Trust Act 1957 and other relevant provisions by which YMCA is governed. As a result the financial statements may not be suitable for another purpose. Our report is intended solely for the trustees of YMCA, as a body, and should not be distributed or used by parties other than the trustees of YMCA.


Christchurch
30 May 2016