

Financial Statements

30 June 2024

SYC Ltd

ABN 27 167 737 144



so you can

SYC Ltd
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30 June 2024

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SYC Ltd
Company information
30 June 2024

Board of Directors

D. Hallett (Chairperson)
A. Branson
P. Di Iulio
P. Tapper
C. Schultz
L. Apthorpe
M. Hoffman-Davis

Ongoing Board Committees

- Finance, Audit and Risk Committee
- Governance Committee
- Infrastructure Committee
- ICT Committee

C. Schultz (Chairperson)
A. Branson (Chairperson)
C. Schultz (Chairperson)
P. Tapper (Chairperson)

Registered office

39-41 Dequetteville Terrace, KENT TOWN SA 5067

Principal place of business

39-41 Dequetteville Terrace, KENT TOWN SA 5067

Auditor

William Buck (SA)
Level 6, 211 Victoria Square, ADELAIDE SA 5000

Bankers

Commonwealth Bank of Australia Ltd
96 King William Street, ADELAIDE SA 5000

SYC Ltd
Directors' Report
30 June 2024

The Directors present their report, together with the financial statements, on the Company for the year ended 30 June 2024.

Directors

The following persons were Directors of the Company during the whole of the financial year and up to the date of this report, unless otherwise stated:

Mr David Hallett
Ms Arabella Branson
Mr Paul Di Iulio
Mr Patrick Tapper
Ms Catherine Schultz
Ms Lisa Apthorpe
Mr Mark Hoffman-Davis

Principal activities

SYC has a vision of wellbeing, independence and opportunity for everyone. The organisation exists so everyone can succeed.

This vision is delivered through six portfolios:

- **Employment**
Helping people to gain and sustain meaningful work.
- **Education & Training**
Enable people to acquire knowledge, new skills and experience.
- **Housing & Homelessness Support**
Supporting people to have a stable, safe and secure home.
- **Disability Support (NDIS services ceased in March 2024)**
Empowering people to live the life they choose.
- **Justice Programs**
Enabling people to reintegrate within the community and make positive choices.
- **Social Enterprise**
Giving people opportunity to grow, through a diverse range of direct employment opportunities.

Other than the cessation of NDIS services, there are no significant changes in the nature of the Company's activity that occurred during the financial year.

Short and long term objectives and strategies

The objects of the Company are to promote and foster the welfare and advancement of young people and the community generally. SYC provides a range of professional services relevant to the needs of young people and the community in the fields of information, counselling and therapy, accommodation, vocational services including employment placement and training and/or education.

Performance measures

The Company monitors its performance against budget and a rolling forecast. The budget is approved by the Board annually. Monthly results are presented to the Board by the Executive management of SYC Ltd. The Board applies this information for future planning, tracking progress over time and determining whether agreed objectives or strategies have been met. The Board reviews performance based on divisional segments.

Members' guarantee

In accordance with the Company's constitution, each member is liable to contribute \$20 in the event that the Company is wound up. The total amount that members of the Company are liable to contribute if the Company is wound up is \$140.

SYC Ltd
Directors' Report
30 June 2024

Operating results and review of operations for the year

The deficit of the Company amounted to \$1,496,782 [2023: surplus of \$4,804,610].

Information on Directors

Mr David Hallett Qualifications Term as Director	B Bus (Marketing), FAICD, FAMI, CPM, CMgr, FIML January 2006 to present
Ms Arabella Branson Qualifications Term as Director	LLB, Bcomm, FAICD May 2007 to present
Mr Paul Di Iulio Qualifications Term as Director	BE Civ (Hons), Grad Dip Mun Eng, Dip Mgmt, MAICD March 2011 to present
Mr Patrick Tapper Qualifications Term as Director	FAICD January 2011 to present
Ms Catherine Schultz Qualifications Term as Director	BA Accounting, FCAANZ, MBA, FAICD March 2012 to present
Ms Lisa Apthorpe Qualifications Term as Director	Masters in Business Coaching, Grad. Cert. Management, Adv.Dip.Business Management November 2019 to present
Mr Mark Hoffman-Davis Qualifications Term as Director	GAICD November 2021 to present

	Board Meetings		Governance		Finance, Audit and Risk		Infrastructure		ICT	
	No. attended	No. eligible to attend	No. attended	No. eligible to attend	No. attended	No. eligible to attend	No. attended	No. eligible to attend	No. attended	No. eligible to attend
D. Hallett	10	11	4	4	4	4	3	3	-	-
A. Branson	11	11	4	4	4	4	-	-	-	-
P. Di Iulio	9	11	4	4	-	-	3	3	2	3
P. Tapper	11	11	-	-	3	4	2	3	3	3
C. Schultz	8	11	-	-	2	4	2	3	2	3
L. Apthorpe	10	11	3	4	-	-	-	-	-	-
M. Hoffman-Davis	11	11	4	4	4	4	3	3	3	3

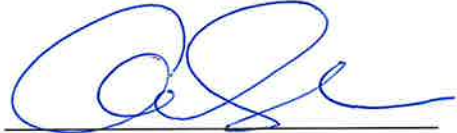
Meetings are for the full year, unless indicated otherwise.

SYC Ltd
Directors' Report
30 June 2024

On behalf of the Directors



Mr David Hallett
Director



Ms Catherine Schultz
Director

29 October 2024

Auditor's Independence Declaration under Section 60-40 of the Australian Charities and Not-for-profits Commission Act 2012

To the Directors of SYC LTD

As auditor for the audit of SYC LTD for the year ended 30 June 2024, I declare that, to the best of my knowledge and belief, there have been:

- no contraventions of the auditor independence requirements as set out in the *Australian Charities and Not-for-profits Commission Act 2012* in relation to the audit; and
- no contraventions of any applicable code of professional conduct in relation to the audit.

William Buck

William Buck (SA)
ABN 38 280 203 274

M. D. King

M. D. King
Partner

Adelaide, 29th October 2024

SYC Ltd
Statement of profit or loss and other comprehensive income
For the year ended 30 June 2024

	Note	2024 \$	2023 \$
Revenue from continuing operations			
Sales revenue	4	67,877,490	68,484,863
Other income	5	3,414,621	881,926
Total revenue from continuing operations		<u>71,292,111</u>	<u>69,366,789</u>
Expenses for continuing operations			
Employee benefits expense	6	(45,298,998)	(40,649,868)
Lease expenses	7	(442,708)	(350,509)
Other expenses	8	(4,863,386)	(4,170,824)
Depreciation and amortisation expense	9	(5,500,975)	(4,724,802)
Finance costs	10	(336,912)	(386,403)
Client related services		(9,793,999)	(9,235,137)
IT support and equipment costs		(3,273,567)	(2,956,366)
Office expenses		(1,874,086)	(1,459,807)
Total expenses for continuing operations		<u>(71,384,631)</u>	<u>(63,933,716)</u>
Surplus/(deficit) from continuing operations		(92,520)	5,433,073
Deficit from discontinued operations	27	(1,404,262)	(628,463)
Surplus/(deficit) for the year		(1,496,782)	4,804,610
Other comprehensive income			
<i>Items that will not be reclassified subsequently to profit or loss</i>			
Gain on the revaluation of land and buildings		-	3,728,481
Other comprehensive income for the year		-	3,728,481
Total comprehensive income for the year		<u>(1,496,782)</u>	<u>8,533,091</u>

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

SYC Ltd
Statement of financial position
As at 30 June 2024

	Note	2024 \$	2023 \$
Assets			
Current assets			
Cash and cash equivalents	11	9,023,716	7,922,626
Trade and other receivables	12	1,575,016	2,029,281
Investments	13	10,680,898	12,274,387
Other assets	15	1,191,149	637,108
Total current assets		<u>22,470,779</u>	<u>22,863,402</u>
Non-current assets			
Investments	13	363,400	363,400
Property, plant and equipment	16	30,743,275	32,224,098
Right-of-use assets	14	4,516,150	6,495,192
Total non-current assets		<u>35,622,825</u>	<u>39,082,690</u>
Total assets		<u>58,093,604</u>	<u>61,946,092</u>
Liabilities			
Current liabilities			
Trade and other payables	17	3,228,048	3,667,246
Financial liabilities	18	3,287,395	3,358,308
Provisions	19	3,334,859	3,233,081
Grants received in advance	20	-	212,770
Total current liabilities		<u>9,850,302</u>	<u>10,471,405</u>
Non-current liabilities			
Financial liabilities	18	997,232	2,901,694
Provisions	19	2,381,861	2,212,002
Total non-current liabilities		<u>3,379,093</u>	<u>5,113,696</u>
Total liabilities		<u>13,229,395</u>	<u>15,585,101</u>
Net assets		<u>44,864,209</u>	<u>46,360,991</u>
Equity			
Reserves		3,749,151	3,749,151
Retained earnings		41,115,058	42,611,840
Total equity		<u>44,864,209</u>	<u>46,360,991</u>

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

SYC Ltd
Statement of changes in equity
For the year ended 30 June 2024

	Reserves \$	Retained earnings \$	Total equity \$
Balance at 1 July 2022	20,670	37,807,230	37,827,900
Surplus for the year	-	4,804,610	4,804,610
Other comprehensive income for the year	3,728,481	-	3,728,481
Total comprehensive income for the year	<u>3,728,481</u>	<u>4,804,610</u>	<u>8,533,091</u>
Balance at 30 June 2023	<u><u>3,749,151</u></u>	<u><u>42,611,840</u></u>	<u><u>46,360,991</u></u>
	Reserves \$	Retained earnings \$	Total equity \$
Balance at 1 July 2023	3,749,151	42,611,840	46,360,991
Deficit for the year	-	(1,496,782)	(1,496,780)
Other comprehensive income for the year	-	-	-
Total comprehensive income for the year	<u>-</u>	<u>(1,496,782)</u>	<u>(1,496,780)</u>
Balance at 30 June 2024	<u><u>3,749,151</u></u>	<u><u>41,115,058</u></u>	<u><u>44,864,211</u></u>

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

SYC Ltd
Statement of cash flows
For the year ended 30 June 2024

	Note	2024	2023
		\$	\$
Cash flows from operating activities			
Receipts from customers		63,114,120	65,830,780
Receipts from grants		13,499,251	12,651,434
Payments to suppliers and employees		(75,845,369)	(69,676,634)
Interest received		240,359	105,308
Finance costs		(11,328)	(13,474)
Donations received		75,019	138,609
Dividends received		30,215	116,469
		<u> </u>	<u> </u>
Net cash from operating activities	26	<u>1,102,267</u>	<u>9,152,492</u>
Cash flows from investing activities			
Purchase of property, plant and equipment		(3,045,833)	(5,681,274)
Payments for investments		(2,400,000)	(3,100,000)
Proceeds from sale of property, plant and equipment		4,597,209	-
Proceeds from disposal of investments		5,000,000	106,600
		<u> </u>	<u> </u>
Net cash from/(used in) investing activities		<u>4,151,376</u>	<u>(8,674,674)</u>
Cash flows from financing activities			
Repayment of borrowings		-	(109,809)
Repayment of lease liabilities		(4,152,553)	(3,706,326)
		<u> </u>	<u> </u>
Net cash used in financing activities		<u>(4,152,553)</u>	<u>(3,816,135)</u>
Net increase/(decrease) in cash and cash equivalents		1,101,090	(3,338,317)
Cash and cash equivalents at the beginning of the financial year		<u>7,922,626</u>	<u>11,260,943</u>
		<u> </u>	<u> </u>
Cash and cash equivalents at the end of the financial year	11	<u><u>9,023,716</u></u>	<u><u>7,922,626</u></u>

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

Note 1. General information

The financial statements cover SYC Ltd as an individual entity. The financial statements are presented in Australian dollars, which is SYC Ltd's functional and presentation currency.

SYC Ltd is a not-for-profit unlisted public company limited by guarantee, incorporated and domiciled in Australia.

The financial statements were authorised for issue, in accordance with a resolution of Board of Directors, on 29 October 2024. The Board of Directors have the power to amend and reissue the financial statements.

Note 2. Material accounting policy information

The accounting policies that are material to the company are set out below. The accounting policies adopted are consistent with those of the previous financial year, unless otherwise stated.

New or amended Accounting Standards and Interpretations adopted

The company has adopted all of the new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period.

Any new or amended Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

Basis of preparation

These general purpose financial statements have been prepared in accordance with the Australian Accounting Standards - Simplified Disclosures issued by the Australian Accounting Standards Board ('AASB') and the Australian Charities and Not-for-profits Commission Act 2012.

Critical accounting estimates

The preparation of the financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the company's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in note 3.

Revenue recognition

The company recognises revenue as follows:

Revenue from contracts with customers

Revenue is recognised at an amount that reflects the consideration to which the company is expected to be entitled in exchange for transferring goods or services to a customer. For each contract with a customer, the company: identifies the contract with a customer; identifies the performance obligations in the contract; determines the transaction price which takes into account estimates of variable consideration and the time value of money; allocates the transaction price to the separate performance obligations on the basis of the relative stand-alone selling price of each distinct good or service to be delivered; and recognises revenue when or as each performance obligation is satisfied in a manner that depicts the transfer to the customer of the goods or services promised.

Variable consideration within the transaction price, if any, reflects concessions provided to the customer such as discounts, rebates and refunds, any potential bonuses receivable from the customer and any other contingent events. Such estimates are determined using either the 'expected value' or 'most likely amount' method. The measurement of variable consideration is subject to a constraining principle whereby revenue will only be recognised to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur. The measurement constraint continues until the uncertainty associated with the variable consideration is subsequently resolved. Amounts received that are subject to the constraining principle are recognised as a refund liability.

Rendering of services

The company provides professional services to communities and recognises the associated fees over time as the services are rendered

Note 2. Material accounting policy information (continued)

Interest

Interest revenue is recognised as interest accrues using the effective interest method. This is a method of calculating the amortised cost of a financial asset and allocating the interest income over the relevant period using the effective interest rate, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the net carrying amount of the financial asset.

Other revenue

Other revenue is recognised when it is received or when the right to receive payment is established.

Income tax

As the company is a charitable institution, in terms of subsection 50-5 of the Income Tax Assessment Act 1997, as amended, it is exempt from paying income tax.

Trade and other receivables

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

The company has applied the simplified approach to measuring expected credit losses, which uses a lifetime expected loss allowance. To measure the expected credit losses, trade receivables have been grouped based on days overdue.

Other receivables are recognised at amortised cost, less any allowance for expected credit losses.

Investments and other financial assets

Investments and other financial assets are initially measured at fair value, plus transaction costs, except for financial assets at fair value through profit or loss. Financial assets are subsequently measured at either amortised cost or fair value depending on their classification. Classification is determined based on both the business model within which such assets are held and the contractual cash flow characteristics of the financial asset unless an accounting mismatch is being avoided.

For the purposes of subsequent measurement, the Company's financial assets are classified into financial assets at amortised cost and financial assets at fair value through profit or loss.

Financial assets at amortised cost

A financial asset is measured at amortised cost only if both of the following conditions are met: (i) it is held within a business model whose objective is to hold assets in order to collect contractual cash flows; and (ii) the contractual terms of the financial asset represent contractual cash flows that are solely payments of principal and interest. The Company's financial assets at amortised cost includes cash and short-term deposits, trade receivables, and social impact bond at amortised cost.

Financial assets at amortised cost are subsequently measured using the effective interest (EIR) method and are subject to impairment. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired.

Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss are carried in the statement of financial position at fair value with net changes in fair value recognised in the statement of profit or loss. This category includes listed equity investments which the Company had not irrevocably elected to classify at fair value through OCI. Dividends on listed equity investments are recognised as other income in the statement of profit or loss when the right of payment has been established.

Fair value of the equity investments were determined by referring to the quoted market prices of the securities as of each valuation date and classified as level 1 in fair value hierarchy.

Financial assets are derecognised when the rights to receive cash flows have expired or have been transferred and the company has transferred substantially all the risks and rewards of ownership. When there is no reasonable expectation of recovering part or all of a financial asset, its carrying value is written off.

Note 2. Material accounting policy information (continued)

Impairment of financial assets

The company recognises a loss allowance for expected credit losses on financial assets which are either measured at amortised cost or fair value through other comprehensive income. The measurement of the loss allowance depends upon the company's assessment at the end of each reporting period as to whether the financial instrument's credit risk has increased significantly since initial recognition, based on reasonable and supportable information that is available, without undue cost or effort to obtain.

Trade receivables

Impairment of trade receivables have been determined using the simplified approach in AASB 9 which uses an estimation of lifetime expected credit losses. The Company has determined the probability of non-payment of the receivable and multiplied this by the amount of the expected loss arising from default.

The amount of the impairment is recorded in a separate allowance account with the loss being recognised in finance expense. Once the receivable is determined to be uncollectable then the gross carrying amount is written off against the associated allowance.

Where the Company renegotiates the terms of trade receivables due from certain customers, the new expected cash flows are discounted at the original effective interest rate and any resulting difference to the carrying value is recognised in profit or loss.

Property, plant and equipment

Land and buildings are shown at fair value, based on periodic, at least every 4 years, valuations by external independent valuers, less subsequent depreciation and impairment for buildings. The valuations are undertaken more frequently if there is a material change in the fair value relative to the carrying amount. Any accumulated depreciation at the date of revaluation is eliminated against the gross carrying amount of the asset and the net amount is restated to the revalued amount of the asset. Increases in the carrying amounts arising on revaluation of land and buildings are credited in other comprehensive income through to the revaluation surplus reserve in equity. Any revaluation decrements are initially taken in other comprehensive income through to the revaluation surplus reserve to the extent of any previous revaluation surplus of the same asset. Thereafter the decrements are taken to profit or loss.

Plant and equipment is stated at historical cost less accumulated depreciation and impairment. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Depreciation is calculated on a straight-line basis to write off the net cost of each item of property, plant and equipment (excluding land) over their expected useful lives as follows:

Freehold Land	Held at fair value
Buildings	Held at fair value
Plant and equipment	1.5-10 years
Motor Vehicles	6 years
Capital Works in Progress	Nil

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

Leasehold improvements are depreciated over the unexpired period of the lease or the estimated useful life of the assets, whichever is shorter.

An item of property, plant and equipment is derecognised upon disposal or when there is no future economic benefit to the company. Gains and losses between the carrying amount and the disposal proceeds are taken to profit or loss. Any revaluation surplus reserve relating to the item disposed of is transferred directly to retained profits.

Right-of-use assets

A right-of-use asset is recognised at the commencement date of a lease. The right-of-use asset is measured at cost, which comprises the initial amount of the lease liability, adjusted for, as applicable, any lease payments made at or before the commencement date net of any lease incentives received, any initial direct costs incurred, and, except where included in the cost of inventories, an estimate of costs expected to be incurred for dismantling and removing the underlying asset, and restoring the site or asset.

Note 2. Material accounting policy information (continued)

Right-of-use assets are depreciated on a straight-line basis over the unexpired period of the lease or the estimated useful life of the asset, whichever is the shorter. Where the company expects to obtain ownership of the leased asset at the end of the lease term, the depreciation is over its estimated useful life. Right-of use assets are subject to impairment or adjusted for any remeasurement of lease liabilities.

The company has elected not to recognise a right-of-use asset and corresponding lease liability for short-term leases with terms of 12 months or less and leases of low-value assets. Lease payments on these assets are expensed to profit or loss as incurred.

Impairment of non-financial assets

Non-financial assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount.

Recoverable amount is the higher of an asset's fair value less costs of disposal and value-in-use. The value-in-use is the present value of the estimated future cash flows relating to the asset using a pre-tax discount rate specific to the asset or cash-generating unit to which the asset belongs. Assets that do not have independent cash flows are grouped together to form a cash-generating unit.

Lease liabilities

A lease liability is recognised at the commencement date of a lease. The lease liability is initially recognised at the present value of the lease payments to be made over the term of the lease, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the company's incremental borrowing rate. Lease payments comprise of fixed payments less any lease incentives receivable, variable lease payments that depend on an index or a rate, amounts expected to be paid under residual value guarantees, exercise price of a purchase option when the exercise of the option is reasonably certain to occur, and any anticipated termination penalties. The variable lease payments that do not depend on an index or a rate are expensed in the period in which they are incurred.

Lease liabilities are measured at amortised cost using the effective interest method. The carrying amounts are remeasured if there is a change in the following: future lease payments arising from a change in an index or a rate used; residual guarantee; lease term; certainty of a purchase option and termination penalties. When a lease liability is remeasured, an adjustment is made to the corresponding right-of use asset, or to profit or loss if the carrying amount of the right-of-use asset is fully written down.

Employee benefits

Short-term employee benefits

Liabilities for wages and salaries, including non-monetary benefits, annual leave and long service leave expected to be settled wholly within 12 months of the reporting date are measured at the amounts expected to be paid when the liabilities are settled.

Other long-term employee benefits

The liability for annual leave and long service leave not expected to be settled within 12 months of the reporting date are measured at the present value of expected future payments to be made in respect of services provided by employees up to the reporting date using the projected unit credit method. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using market yields at the reporting date on national government bonds with terms to maturity and currency that match, as closely as possible, the estimated future cash outflows.

Note 3. Critical accounting judgements, estimates and assumptions

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts in the financial statements. Management continually evaluates its judgements and estimates in relation to assets, liabilities, contingent liabilities, revenue and expenses. Management bases its judgements, estimates and assumptions on historical experience and on other various factors, including expectations of future events, management believes to be reasonable under the circumstances. The resulting accounting judgements and estimates will seldom equal the related actual results. The judgements, estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities (refer to the respective notes) within the next financial year are discussed below.

Note 3. Critical accounting judgements, estimates and assumptions (continued)

Impairment of property, plant and equipment

The Company assesses impairment at the end of each reporting period by evaluating conditions specific to the Company that may be indicative of impairment triggers. Recoverable amounts of relevant assets are reassessed using value-in-use calculations which incorporate various key assumptions.

Revenue recognition

To identify a performance obligation under AASB 15, the promise must be sufficiently specific to be able to determine when the obligation is satisfied. Management exercises judgement to determine whether the promise is sufficiently specific by taking into account any conditions specified in the arrangement, explicit or implicit, regarding the promised goods or services. In making this assessment, management includes the nature/ type, cost/ value, quantity and the period of transfer related to the goods or services promised.

Lease term and option to extend under AASB 16

The lease term is defined as the non-cancellable period of a lease together with both periods covered by an option to extend the lease if the lessee is reasonably certain to exercise that option; and also periods covered by an option to terminate the lease if the lessee is reasonably certain not to exercise that option. The options that are reasonably going to be exercised is a key management judgement that the entity will make. The Company determines the likeliness to exercise the options on a lease-by-lease basis looking at various factors such as which assets are strategic and which are key to future strategy of the Company.

Note 4. Sales revenue

	2024	2023
	\$	\$
Revenue from funded activities	59,672,801	62,528,060
Employment funds	8,444,512	8,323,787
Rent	283,201	281,877
Donations	75,019	138,609
	<u>68,475,533</u>	<u>71,272,333</u>
Revenue from discontinued operations (note 27)	(598,043)	(2,787,470)
Revenue from continuing operations	<u><u>67,877,490</u></u>	<u><u>68,484,863</u></u>

Note 5. Other income

	2024	2023
	\$	\$
Interest	240,359	105,308
Dividends	30,215	116,469
Gain on revaluation of investments	1,006,512	660,149
Gain on sale of property, plant and equipment	2,137,535	-
	<u><u>3,414,621</u></u>	<u><u>881,926</u></u>

SYC Ltd
Notes to the financial statements
30 June 2024

Note 6. Employee benefits expense

	2024	2023
	\$	\$
Salaries and wages	41,749,598	38,745,562
Workers compensation	675,179	514,191
Superannuation contributions	4,321,013	3,806,020
	<u>46,745,790</u>	<u>43,065,773</u>
Employee benefits expense on discontinued operations (note 27)	<u>(1,446,792)</u>	<u>(2,415,905)</u>
Employee benefits expense on continuing operations	<u><u>45,298,998</u></u>	<u><u>40,649,868</u></u>

Note 7. Lease expenses

	2024	2023
	\$	\$
Plant and equipment	2,169	1,394
Property outgoings	440,539	349,115
	<u>442,708</u>	<u>350,509</u>

Note 8. Other expenses

	2024	2023
	\$	\$
Printing and stationery	210,507	437,225
Motor vehicle running costs	637,548	471,575
Professional fees (including audit fees)	1,077,889	395,827
Travel and accommodation	288,784	294,682
Electricity and gas	410,046	343,701
Insurance	233,178	215,514
Marketing	174,598	120,506
IT licence fees & telephone costs	1,386,195	1,236,437
Make good expense/ (write-back) on property leases	69,150	500,948
Other operating expenses	741,502	782,190
	<u>5,229,397</u>	<u>4,798,605</u>
Other expenses on discontinued operations (note 27)	<u>(366,011)</u>	<u>(627,781)</u>
Other expenses on continuing operations	<u><u>4,863,386</u></u>	<u><u>4,170,824</u></u>

Note 9. Depreciation and amortisation expense

	2024	2023
	\$	\$
Depreciation expense on property, plant and equipment (note 16)	1,696,051	1,463,428
Depreciation expense on right of use assets (note 14)	3,829,345	3,305,579
	<u>5,525,396</u>	<u>4,769,007</u>
Depreciation and amortisation expense on discontinued operations (note 27)	<u>(24,421)</u>	<u>(44,205)</u>
Depreciation and amortisation expense on continuing operations	<u><u>5,500,975</u></u>	<u><u>4,724,802</u></u>

SYC Ltd
Notes to the financial statements
30 June 2024

Note 10. Finance costs

	2024	2023
	\$	\$
Bank fees and charges	11,392	12,204
Interest on bank loans	-	1,270
Interest on AASB 16 leases	326,874	375,970
	<u>338,266</u>	<u>389,444</u>
Finance costs on discontinued operations (note 27)	(1,354)	(3,041)
	<u>336,912</u>	<u>386,403</u>

Note 11. Cash and cash equivalents

	2024	2023
	\$	\$
<i>Current assets</i>		
Cash at bank and in hand	4,023,716	7,922,626
Short term deposits	5,000,000	-
	<u>9,023,716</u>	<u>7,922,626</u>

Note 12. Trade and other receivables

	2024	2023
	\$	\$
<i>Current assets</i>		
Trade receivables	428,116	805,117
Less: Provision for expected credit losses	(50,000)	(50,000)
	<u>378,116</u>	<u>755,117</u>
Accrued income	1,196,900	1,274,164
	<u>1,575,016</u>	<u>2,029,281</u>

Note 13. Investments

	2024	2023
	\$	\$
<i>Current assets</i>		
Term deposits at amortised cost	-	2,942,500
Equity investments at fair value through profit or loss	10,680,898	9,331,887
	<u>10,680,898</u>	<u>12,274,387</u>
<i>Non-current assets</i>		
Social impact bond at amortised cost	363,400	363,400
	<u>11,044,298</u>	<u>12,637,787</u>

SYC Ltd
Notes to the financial statements
30 June 2024

Note 14. Right-of-use assets

	2024	2023
	\$	\$
<i>Non-current assets</i>		
Leased Buildings - at cost	17,063,271	15,675,857
Less: Accumulated depreciation	<u>(13,020,640)</u>	<u>(9,672,247)</u>
	<u>4,042,631</u>	<u>6,003,610</u>
Leased Motor Vehicles - at cost	1,333,321	1,157,804
Less: Accumulated depreciation	<u>(859,802)</u>	<u>(666,222)</u>
	<u>473,519</u>	<u>491,582</u>
	<u><u>4,516,150</u></u>	<u><u>6,495,192</u></u>

Reconciliations

Movement in the carrying amounts for each class of leased asset between the beginning and the end of the current financial year:

	Buildings	Motor Vehicles	Total
	\$	\$	\$
Balance at 1 July 2023	6,003,610	491,582	6,495,192
Additions	1,317,457	364,993	1,682,450
Revaluation increments	148,031	19,823	167,854
Depreciation expense	<u>(3,426,467)</u>	<u>(402,879)</u>	<u>(3,829,346)</u>
Balance at 30 June 2024	<u><u>4,042,631</u></u>	<u><u>473,519</u></u>	<u><u>4,516,150</u></u>

Note 15. Other assets

	2024	2023
	\$	\$
<i>Current assets</i>		
Prepayments	1,183,849	593,337
Minor floats	<u>7,300</u>	<u>43,771</u>
	<u><u>1,191,149</u></u>	<u><u>637,108</u></u>

SYC Ltd
Notes to the financial statements
30 June 2024

Note 16. Property, plant and equipment

	2024 \$	2023 \$
Land and Buildings		
Land and Building at fair value	24,219,000	24,369,000
Land and Building at cost	281,837	2,531,837
Total freehold land	<u>24,500,837</u>	<u>26,900,837</u>
Capital works in progress - at cost	<u>1,232,839</u>	<u>885,711</u>
Motor vehicles - at cost	473,761	395,300
Less: Accumulated depreciation	<u>(211,557)</u>	<u>(155,966)</u>
	262,204	239,334
Plant and Equipment - at cost	17,789,690	15,824,055
Less: Accumulated depreciation	<u>(13,042,295)</u>	<u>(11,625,839)</u>
	4,747,395	4,198,216
	<u><u>30,743,275</u></u>	<u><u>32,224,098</u></u>

Reconciliations

Reconciliations of the written down values at the beginning and end of the current financial year are set out below:

	Land and Building \$	Capital Works in Progress \$	Motor Vehicles \$	Plant and Equipment \$	Total \$
Balance at 1 July 2023	26,900,837	885,711	239,334	4,198,216	32,224,098
Additions	-	3,045,641	-	192	3,045,833
Disposals	(2,400,000)	-	-	(59,674)	(2,459,674)
Write off of assets	-	(370,930)	-	-	(370,930)
Transfers in/(out)	-	(2,327,583)	78,461	2,249,121	(1)
Depreciation expense	-	-	(55,591)	(1,640,460)	(1,696,051)
Balance at 30 June 2024	<u><u>24,500,837</u></u>	<u><u>1,232,839</u></u>	<u><u>262,204</u></u>	<u><u>4,747,395</u></u>	<u><u>30,743,275</u></u>

Valuations of land and buildings

The basis of the valuation of land and buildings is fair value. The land and buildings were last revalued in May 2023 based on independent assessments by Knight Frank Valuation and Advisory having recent experience in the location and category of land and buildings being valued. Valuations were based on current prices for similar properties in the same location and condition. The Board of Directors believes that there has not been a material movement in fair value since the revaluation date to the end of current financial year.

Note 17. Trade and other payables

	2024 \$	2023 \$
<i>Current liabilities</i>		
Trade payables	186,220	272,881
GST Payable	215,344	329,336
Sundry payables	792,971	321,768
Accrued expenses	<u>2,033,513</u>	<u>2,743,261</u>
	<u><u>3,228,048</u></u>	<u><u>3,667,246</u></u>

SYC Ltd
Notes to the financial statements
30 June 2024

Note 17. Trade and other payables (continued)

Trade and other payables are unsecured, non-interest bearing and are normally settled within 30 days. The carrying amounts are considered to be a reasonable approximation of fair value.

Note 18. Financial liabilities

	2024	2023
	\$	\$
<i>Current liabilities</i>		
Lease liabilities - Buildings	2,936,483	3,081,094
Lease liabilities - Motor Vehicles	350,912	277,214
	<u>3,287,395</u>	<u>3,358,308</u>
<i>Non-current liabilities</i>		
Lease liabilities - Buildings	839,100	2,656,627
Lease liabilities - Motor Vehicles	158,132	245,067
	<u>997,232</u>	<u>2,901,694</u>
	<u><u>4,284,627</u></u>	<u><u>6,260,002</u></u>

Note 19. Provisions

	2024	2023
	\$	\$
<i>Current liabilities</i>		
Provision for annual leave	1,494,820	1,501,288
Provision for long service leave	1,833,258	1,728,543
Other employee benefits	6,781	3,250
	<u>3,334,859</u>	<u>3,233,081</u>
<i>Non-current liabilities</i>		
Provision for Long service leave	884,597	783,888
Make good provision on property leases	1,497,264	1,428,114
	<u>2,381,861</u>	<u>2,212,002</u>
	<u><u>5,716,720</u></u>	<u><u>5,445,083</u></u>

Note 20. Grants received in advance

	2024	2023
	\$	\$
<i>Current liabilities</i>		
Grant funding for client programmes	-	212,770
	<u>-</u>	<u>212,770</u>

SYC Ltd
Notes to the financial statements
30 June 2024

Note 21. Key management personnel remuneration

Any person(s) having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including any director (whether executive or otherwise) of that entity, is considered key management personnel. The key management personnel for the Company are:

- Board of Directors
- Chief Executive Officer
- Chief Financial Officer
- Chief Operating Officer - Employment & Education Services
- Chief Operating Officer - Community Services
- Chief People Officer
- Chief Risk & Information Officer

The aggregate compensation made to key management personnel of SYC Ltd during the year are as follows:

	2024	2023
	\$	\$
Short-term employee benefits	1,904,077	1,835,736
Post-employment benefits	<u>163,897</u>	<u>185,000</u>
	<u><u>2,067,974</u></u>	<u><u>2,020,736</u></u>

Executive remuneration is set by the Board of Directors and is in accordance with the SYC Total Targeted Reward Rules which outline the structure and philosophy of executive remuneration and is reviewed annually. Directors' remuneration is also reviewed annually.

Note 22. Contingent liabilities

SYC Ltd has a bank guarantee with a facility limit of \$1,000,000 (2023: \$2,000,000) with the Commonwealth Bank of Australia. Total facility used at 30 June 2024 is \$542,387 (2023: \$518,339)

Note 23. Auditors' Remuneration

	2024	2023
	\$	\$
Remuneration of the auditor, William Buck, for:		
- auditing or reviewing the financial statements	30,100	28,300
- other services	<u>3,100</u>	<u>3,000</u>
	<u><u>33,200</u></u>	<u><u>31,300</u></u>

Note 24. Events after the reporting period

No matter or circumstance has arisen since 30 June 2024 that has significantly affected, or may significantly affect the company's operations, the results of those operations, or the company's state of affairs in future financial years.

Note 25. Related Parties

(a) The Company's main related parties are as follows:

Key management personnel - refer to note 21.

Other related parties include close family members of key management personnel and entities that are controlled or significantly influenced by those key management personnel or their close family members.

Note 25. Related Parties (continued)

(b) Transactions with related parties

There were no transactions between related parties other than those already disclosed in note 21.

Note 26. Reconciliation of result for the year to cash flows from operating activities

	2024 \$	2023 \$
Surplus/ (deficit) for the year	(1,496,780)	4,804,610
Depreciation and amortisation expense	5,525,397	4,769,007
Fair value movements in investment	(1,006,512)	(660,149)
Interest on AASB 16 leases	326,874	375,970
Gain on sale of property, plant and equipment	(2,137,535)	
Write off of property, plant and equipment	370,931	
Decrease/(increase) in trade and other receivables	454,263	(124,901)
Decrease/(increase) in prepayments and other assets	(554,041)	11,488
Increase/(decrease) in trade and other payables	(439,197)	112,567
Increase/(decrease) in funds received in advance	(212,770)	(671,266)
Increase/(decrease) in make good provision	69,150	380,185
Increase/(decrease) in employee provision	202,487	154,981
	<u>1,102,267</u>	<u>9,152,492</u>

Note 27. Discontinued operations

Description

In March 2024, after considerable deliberation and many years of service delivery, SYC discontinued the NDIS services. Whilst the service is very required within the community, the funding has become insufficient to deliver a sustainable, quality and comprehensive service to those that need it. SYC also discontinued the delivery of it's Sticking Together Project in NSW during the financial year. SYC acknowledges and appreciate the funding from the NSW Department of Education that has supported this program over a number of years.

Financial performance information

	NDIS Services \$	2024 Sticking Together \$	Total \$
Revenue			
Sales revenue	545,964	52,079	598,043
Total revenue	545,964	52,079	598,043
Expenses for continuing operations			
Employee benefits expense	(1,241,780)	(205,012)	(1,446,792)
Lease expenses	-	-	-
Other expenses	(304,925)	(61,086)	(366,011)
Depreciation and amortisation expense	(24,421)	-	(24,421)
Finance costs	(1,354)	-	(1,354)
Client related services	(788)	(372)	(1,159)
IT support and equipment costs	(123,835)	(22,007)	(145,841)
Office expenses	(16,727)	-	(16,727)
Total expenses	<u>(1,713,828)</u>	<u>(288,477)</u>	<u>(2,002,305)</u>
Deficit from discontinued operations	<u>(1,167,864)</u>	<u>(236,398)</u>	<u>(1,404,262)</u>

SYC Ltd
Notes to the financial statements
30 June 2024

Note 27. Discontinued operations (continued)

	NDIS Services \$	2023 Sticking Together \$	Total \$
Revenue			
Sales revenue	822,350	1,965,120	2,787,470
Total revenue	<u>822,350</u>	<u>1,965,120</u>	<u>2,787,470</u>
Expenses for continuing operations			
Employee benefits expense	(937,710)	(1,478,196)	(2,415,905)
Lease expenses	-	-	-
Other expenses	(280,442)	(347,338)	(627,781)
Depreciation and amortisation expense	(38,546)	(5,659)	(44,205)
Finance costs	(2,777)	(264)	(3,041)
Client related services	-	(44,188)	(44,188)
IT support and equipment costs	(112,252)	(140,009)	(252,260)
Office expenses	(28,449)	(104)	(28,553)
Total expenses	<u>(1,400,176)</u>	<u>(2,015,757)</u>	<u>(3,415,933)</u>
Deficit from discontinued operations	<u>(577,826)</u>	<u>(50,637)</u>	<u>(628,463)</u>

Cash flow information

	NDIS Services \$	2024 Sticking Together \$	Total \$
Net cash used in operating activities	(1,167,864)	(236,398)	(1,404,262)
Net decrease in cash and cash equivalents from discontinued operations	<u>(1,167,864)</u>	<u>(236,398)</u>	<u>(1,404,262)</u>

	NDIS Services \$	2023 Sticking Together \$	Total \$
Net cash used in operating activities	(577,826)	(50,637)	(628,463)
Net decrease in cash and cash equivalents from discontinued operations	<u>(577,826)</u>	<u>(50,637)</u>	<u>(628,463)</u>

There are no material assets and liabilities disposed upon the discontinued operations.

Note 28. Statutory Information

The registered office of and principal place of business of the company is:

SYC Ltd
39-41 Dequetteville Terrace
KENT TOWN SA 5067

SYC Ltd
Board of Directors' declaration
30 June 2024

The directors of the Company declare that, in the Directors' opinion:

- the attached financial statements and notes comply with the Corporations Act 2001, the Australian Accounting Standards - Simplified Disclosures and the Australian Charities and Not-for-profits Commission Act 2012;
- the attached financial statements and notes give a true and fair view of the company's financial position as at 30 June 2024 and of its performance for the financial year ended on that date; and
- there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of Directors made pursuant to section 60.15(2) of the Australian Charities and Not-for-profits Commission Regulation 2022.



Mr David Hallett
Director



Ms Catherine Schultz
Director

29 October 2024

Independent auditor's report to the members of SYC Ltd.

Report on the audit of the financial report



Our opinion on the financial report

In our opinion, the accompanying financial report of SYC Ltd (the Company) has been prepared in accordance with Division 60 of the *Australian Charities and Not-for-profits Commission Act 2012*, including:

- giving a true and fair view of the Company's financial position as at 30 June 2024 and of its financial performance for the year then ended; and
- complying with Australian Accounting Standards – Simplified Disclosures and Division 60 of the *Australian Charities and Not-for-profits Commission Regulations 2022*.

What was audited?

We have audited the financial report of Company, which comprises

- the statement of financial position as at 30 June 2024,
- the statement of profit or loss and other comprehensive income for the year then ended,
- the statement of changes in equity for the year then ended,
- the statement of cash flows for the year then ended,
- notes to the financial statements, including material accounting policy information, and
- the directors' declaration.

Basis for opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial report* section of our report. We are independent of the Company in accordance with the auditor independence requirements of the *Australian Charities and Not-for-profits Commission Act 2012* (ACNC Act) and the ethical requirements of the Accounting Professional and Ethical Standards Board's *APES 110 Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

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

Other information

The directors are responsible for the other information. The other information comprises the information included in the Directors' report for the year ended 30 June 2024, but does not include the financial report and our auditor's report thereon.

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

In connection with our audit of the financial report, our responsibility is to read the other information 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, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the financial report

The directors of the Company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards – Simplified Disclosures and the *Australian Charities and Not-for-profits Commission Act 2012*. The directors' responsibility also includes such internal control as the directors' determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the Company'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 directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

The directors are responsible for overseeing the Company's financial reporting process.

Auditor's responsibilities for the audit of the financial report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website at:

https://www.auasb.gov.au/auditors_responsibilities/ar4.pdf

This description forms part of our auditor's report.

William Buck

William Buck (SA)
ABN 38 280 203 274

M. D. King

Partner
M. D. King

Dated this 29th day of October 2024
Adelaide, South Australia

steer your career
shift your course
share your challenges
strengthen your capabilities

so you can