

YWCA Housing

ACN 133 272 116

Annual Financial Report
For the year ended 30 June 2019

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DIRECTORS' REPORT

The directors of YWCA Housing present their report together with the financial report of YWCA Housing ('the Company') for the financial year ended 30 June 2019, and the Independent Audit Report thereon.

Director details

The names of the directors in office at any time during or since the end of the year are:

1. Anna Draffin (appointed Chair from 1 July 2019)
2. Kirsty Rourke (appointed Deputy Chair from 1 July 2019)
3. Melinda van der Westhuizen (retired as Chair on 30 June 2019)
4. Julie Boyd
5. Yien Hong
6. Ilena Young (appointed 28 November 2018, resigned 9 May 2019)
7. Caroline Treacy (resigned on 11 June 2019)
8. Cara Gleeson (resigned on 28 November 2018)

The directors have been in office since the start of the year to the date of this report unless otherwise stated.

Company Secretary

Kate O'Donohue (appointed 10 September 2018) holds a Masters of Corporate Governance and a Bachelor of Arts and is a fellow of the Governance Institute of Australia and of the Institute of Chartered Secretaries and Administrators (UK).

Verity Blackman (retired 10 September 2018) holds a BA, Graduate Certificate in Marketing and Management and is a Graduate of the Australian Institute of Company Directors.

Results

The surplus of the Company for the year amounted to \$261,968 (2018 restated: surplus \$93,020).

Review of operations

The Company continued to engage in its principal activities, the results of which are disclosed in the attached financial statements.

Principal activities

During the year, the principal activities of the Company consisted of the provision of accommodation to disadvantaged women in the community. Such activities included management of government owned and independently owned rooming house accommodation, long term independent accommodation and social inclusion programs to women residing in these properties.

There have been no significant changes in the nature of these activities during the year.

Short term objectives

The Company's short-term objectives are to:

- Provide quality, secure and affordable social housing to a range of people on low incomes with a particular focus on women
- Develop partnerships with other community support services to provide services that develop residents' well-being, resilience and life skills
- Develop partnerships with education providers to engage residents in education and training services that will develop further opportunities for employment

Long term objectives

The Company's long-term objectives are to:

- Maintain relationships that foster social inclusion and community reconnection for women within our accommodation and the broader community
- Be sustainable and strive for continuous improvement so as to offer the best possible housing outcomes for disadvantaged women in the Victorian community
- Increase the stock of community housing available to meet the needs of women in Victoria

Strategy for achieving short and long-term objectives:

To achieve these objectives, the Company had adopted the following strategies:

- Develop capacity to implement a growth strategy for housing services
- Work in partnership with a range of community stakeholders to generate ongoing support of the Company's housing, projects and initiatives.
- Maintain existing programs and create new programs in support of disadvantaged women
- Commit to continuous improvement through the engagement of staff and volunteers

Information on directors

Current directors

Julie Boyd

Non-executive director

Qualifications	FAIM, FAICD, CM, Registered Nurse/Midwife (Retired)
Experience	<p>Julie Boyd has a recognised capacity as a professional Company director with more than 17 years as a non-executive Director and director of a family Company for 29 years. Julie served as Mayor of Mackay City, one of the fastest growing regional cities in Queensland, for 12 years.</p> <p>Julie also has over 4 years' experience working in the export sector as Special Trade Representative for the Queensland Government. She has extensive experience as both a Chair and non-executive director.</p> <p>Julie brings expertise in Corporate governance and compliance; Leadership development; Strategy setting; facilitation and change management; Policy and a broad-based knowledge both in government and industry.</p>

Anna Draffin

Non-executive director
Chair from 1 July 2019

Qualifications	BCom, BA, GAICD
Experience	<p>Anna Draffin has had an extensive career across the corporate, government and not-for-profit sectors, exercising her skills in strategy, business development and communications within complex, multi-stakeholder companies. Anna has coached and worked with dozens of Boards and businesses to build and translate innovation and shared value into sustainable, commercial models. She is currently CEO of ShareGift Australia, a shared value platform for shareholders and ASX-listed companies that provides economic returns to the community.</p>

Yien Hong

Non-executive director

Qualifications LLB (Hons), B Comm, BA, GAICD

Experience Yien is an experienced legal and governance specialist across financial services, property and law. Having worked in Sydney, London and Melbourne, she has held senior legal and governance roles with Herbert Smith Freehills, Deutsche Bank, National Australia Bank and Growthpoint Properties Australia.

As an experienced general counsel and Company secretary, Yien brings her extensive transactional, governance and legal expertise to help her team and the broader organisation achieve their strategic objectives.

Kirsty Rourke

Non-executive director

Deputy Chair from 1 July 2019

Qualifications LLB (Hons), B Com, GDLP, Grad Dip Val & Prop Dev

Experience Kirsty Rourke is an accomplished real estate professional, leading the investment activities of the City of Brisbane Investment Corporation. Kirsty is experienced in deal origination, asset management, development management and debt and equity investments across both the commercial and residential sectors in Australia.

Kirsty is dynamic in her approach and a specialist in legal, strategic and risk management.

Prior to joining the YWCA Housing Board, Kirsty was a Director on both the YWCA Queensland and YWCA Australia Boards.

Melinda van der Westhuizen

Non-executive director

Retired as Chair on 30 June 2019

Qualifications B Business (Land Economics and Valuation), MBA (Marketing, Human Resources, and Association Management)

Experience Melinda van der Westhuizen was appointed GM of Commercial services for ISPT in March 2019 with investment and operational responsibility for \$8 billion of commercial assets across Australia.

Melinda has more than 25 years' experience in the investment strategy, acquisition and management of retail, healthcare and commercial property including in corporate real estate and the not for profit sector. With a customer centred approach and leadership experience across geographically diverse teams, Melinda has a track record of leading teams to achieve consistent financial growth achieved by listening to stakeholders, designing bespoke solutions and empowering multidisciplinary teams to become leaders themselves.

Melinda comes highly endorsed by her colleagues and is skilled at leading multidisciplinary teams, strategic business planning and change management.

Former directors

Cara Gleeson

Non-executive director

Resigned on 28 November 2018

Qualifications	B Arts, MA (Social Research)
Experience	<p>Cara Gleeson is an expert in research and policy on preventing violence against women, gender equality, women's rights, peace and security. Currently, Cara is Director, Practice Leadership at Our Watch, the national foundation to prevent violence against women and their children. She leads a multi-disciplinary team and oversees the national respectful relationships education portfolio across early, primary, secondary and tertiary levels; the sports engagement portfolio (including working with AFL, ARU and NRL national codes) and the workplace equality and respect standards.</p> <p>Cara has previously worked at VicHealth in their prevention of violence against women program, in the Australian Government Office for Women and at Women's International League for Peace and Freedom in Geneva. She served as a director at YWCA Canberra 2008-10, Director at YWCA Victoria since 2013, and YWCA Housing since 2015. She has also sat on numerous committees and working groups. Cara was previously the Chair of YWCA Housing and the Vice-President of YWCA Victoria.</p>

Caroline Treacy

Non-executive director

Resigned on 11 June 2019

Qualifications	B Built Environments, B Architecture, Quality Assurance Management Certificate, Property Development Certificate
Experience	<p>Caroline Treacy is a registered practicing architect, project manager and Company executive for a number of architecture and property-based entities, designing and managing numerous community-based, developer-driven, government and private projects. Caroline is also an experienced Director, Executive and Architect passionate about delivering great outcomes to the aged care, health, disability and community housing industries.</p> <p>Her expertise is in driving collaborative sector-focused client and consultant project teams with a clear brief and focus on built outcomes for both community benefit and project success.</p> <p>Caroline founded Grey Space Architecture in 2001 as a specialist Aged Care and Community Architecture service to deliver numerous tailored design solutions and specialist dedicated expertise for aged care, health, disability and community living projects.</p> <p>From 2011, Caroline was the Chair of YWCA Queensland Property Assets Committee which was formed to provide property industry, development, planning, delivery and design expertise to seek to ensure building assets are managed with the best interests of the community in mind.</p>

**YWCA Housing
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Directors' Report**

Ilena Young

Non-executive director

Appointed on 28 November 2018 and resigned on 9 May 2019

Qualifications B SC Catering Admin, MA Sociology and Anthropology of Travel and Tourism

Experience For 20 years Ilena Young was a Board and Committee member in a variety of local and regional organisations, and she has used her skills and background to guide strategic planning, business operations and community development in local government, regional businesses and the NGO sector. Ilena has also held roles as an entrepreneur, academic and industry consultant; she has established programs facilitating a return to education for low-income and Aboriginal and Torres Strait Islander young parents; and since 2016 she has been the Centre Manager for the Wangaratta Regional Study Centre, building university-community engagement and creating pathways to tertiary education for regional students.

Ilena's recent work with the YWCA began in 2008 when she re-joined the Board of YWCA of Albury-Wodonga, later serving as Co-President and operational representative to the YWCA National Merger Project. From November 2016 to May 2018, she served as Co-President of YWCA Australia, focusing on the leadership and governance of the National Merger Project.

Directors' meetings

Directors	Meetings	
	Entitled to attend	Attended
Julie Boyd	7	6
Anna Draffin	7	7
Cara Gleeson	2	0
Yien Hong	5	5
Kirsty Rourke	6	6
Caroline Treacy	5	3
Melinda van der Westhuizen	7	7
Ilena Young	3	1

Contribution in winding up

The Company is incorporated under the Corporations Act 2001 and is a Company limited by guarantee. If the Company is wound up, the Constitution states that each member is required to contribute to a maximum of \$50 each towards meeting any outstanding obligations of the Company. At 30 June 2019, there was only 1 member. The combined total amount that members of the Company are liable to contribute if the Company is wound up is \$50 (2018: \$50).

Auditor's Independent Declaration

A copy of the auditor's independence declaration as required under section 60-40 of the Australian Charities and Not-for-profits Commission Act 2012 is set out on page 7.

Signed in accordance with a resolution of the board of directors



Director: Anna Draffin



Director: Melinda van der Westhuizen

Dated this 15th day of October 2019

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YWCA Housing
ACN 133 272 116
Statement of Profit or Loss
And Other Comprehensive Income

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2019

	Note	2019 \$	2018 Restated (Note: 3.13) \$
Revenue and other income			
Revenue	4	2,871,007	2,846,271
Other income	4	16,101	8,213
Total revenue and other income		<u>2,887,108</u>	<u>2,854,484</u>
Expenses			
Depreciation and amortisation expense	8	(196,025)	(234,223)
Employee benefits expense		(964,818)	(919,114)
Head lease rent		(270,480)	(387,604)
Occupancy expense		(38,210)	(19,064)
Repairs and maintenance expense		(452,458)	(453,278)
Travel expenses		(34,086)	(4,105)
Motor vehicle costs		(13,693)	(12,736)
Professional fees		(51,396)	(96,198)
Utility expenses		(323,103)	(305,158)
Management fees		(157,402)	(152,231)
Other expenses		(123,469)	(177,753)
Total expenses		<u>(2,625,140)</u>	<u>(2,761,464)</u>
Surplus before income tax expense		261,968	93,020
Income tax expense	3.1	-	-
Surplus for the year		261,968	93,020
Other comprehensive income			
<i>Items that will not be reclassified to profit or loss</i>			
Revaluation gain of property, plant & equipment		-	1,342,585
Other comprehensive income for the year		-	1,342,585
Total comprehensive income for the year		261,968	1,435,605

This statement should be read in conjunction with the notes to the financial statements

YWCA Housing
ACN 133 272 116
Statement of Financial Position

STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2019

	Note	2019 \$	2018 Restated (Note: 3.13) \$
Current assets			
Cash and cash equivalents	5	2,109,446	1,802,997
Receivables	6	52,740	23,302
Other assets	7	30,589	35,630
Total current assets		<u>2,192,775</u>	<u>1,861,929</u>
Non-current assets			
Property, plant and equipment	8	7,799,187	7,852,410
Total non-current assets		<u>7,799,187</u>	<u>7,852,410</u>
Total assets		<u>9,991,962</u>	<u>9,714,339</u>
Current liabilities			
Payables	9	568,758	309,567
Contract liabilities	10	146,415	389,951
Total current liabilities		<u>715,173</u>	<u>699,518</u>
Net assets		<u>9,276,789</u>	<u>9,014,821</u>
Equity			
Reserves	8	1,342,585	1,342,585
Retained surpluses		7,934,204	7,672,236
Total equity		<u>9,276,789</u>	<u>9,014,821</u>

This statement should be read in conjunction with the notes to the financial statements

YWCA Housing
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Statement of Changes in Equity

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2019

	Asset Revaluation Reserves \$	Retained Earnings \$	Total Equity \$
Balance at 1 July 2017	-	7,579,216	7,579,216
Surplus for the year (previously stated)	-	89,324	89,324
Revaluation gain property, plant & equipment	1,342,585	-	1,342,585
Adjustment on change in accounting policy from cost to revaluation model of property, plant & equipment	-	3,696	3,696
Total comprehensive income for the year (restated)	1,342,585	93,020	1,435,605
Balance at 30 June 2018 (restated)	1,342,585	7,672,236	9,014,821
Balance at 1 July 2018 (restated)	1,342,585	7,672,236	9,014,821
Surplus for the year	-	261,968	261,968
Other comprehensive income	-	-	-
Total comprehensive income for the year	-	261,968	261,968
Balance at 30 June 2019	1,342,585	7,934,204	9,276,789

This statement should be read in conjunction with the notes to the financial statements

**YWCA Housing
ACN 133 272 116
Statement of Cash Flows**

**STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2019**

	2019	2018
	\$	\$
Operating activities		
Receipts from:		
Customers, government grants & other income	2,627,471	2,846,571
Interest income	16,101	7,913
Payments to suppliers	(2,194,321)	(2,467,731)
Net cash provided by operating activities	<u>449,251</u>	<u>386,753</u>
Investing activities		
Payments for property development	(142,802)	(100,042)
Net cash used in investing activities	<u>(142,802)</u>	<u>(100,042)</u>
Net change in cash and cash equivalents	306,449	286,711
Cash and cash equivalents at beginning of year	1,802,997	1,516,286
Cash and cash equivalents at end of year	<u><u>2,109,446</u></u>	<u><u>1,802,997</u></u>

This statement should be read in conjunction with the notes to the financial statements

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2019

NOTE 1: GENERAL INFORMATION AND STATEMENT OF COMPLIANCE

These financial statements are general purpose financial statements that have been prepared in accordance with Australian Accounting Standards – Reduced Disclosure Requirements and Interpretations issued by the Australian Accounting Standard Board (AASB), the Australian Charities and Not-for-profits Commission Act 2012, as appropriate for not-for-profit oriented entities.

YWCA Housing is a Company limited by guarantee, incorporated and domiciled in Australia. YWCA Housing is a subsidiary of YWCA Australia.

YWCA Housing is a not-for-profit entity for the purpose of preparing the financial statements.

The financial statements of YWCA National Housing were approved and authorised for issue by the directors on 15 October 2019.

NOTE 2: 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.

The adoption of these Accounting Standards and Interpretations did not have any significant impact on the financial performance or position of the Company.

The following Accounting Standards and Interpretations are most relevant to the Company:

AASB 9 Financial Instruments

The Company has adopted AASB 9 from 1 July 2018. The standard introduced new classification and measurement models for financial assets. A financial asset shall be measured at amortised cost if it is held within a business model whose objective is to hold assets in order to collect contractual cash flows which arise on specified dates and that are solely principal and interest. A debt investment shall be measured at fair value through other comprehensive income if it is held within a business model whose objective is to both hold assets in order to collect contractual cash flows which arise on specified dates that are solely principal and interest as well as selling the asset on the basis of its fair value. All other financial assets are classified and measured at fair value through profit or loss unless the entity makes an irrevocable election on initial recognition to present gains and losses on equity instruments (that are not held-for-trading or contingent consideration recognised in a business combination) in other comprehensive income ('OCI'). Despite these requirements, a financial asset may be irrevocably designated as measured at fair value through profit or loss to reduce the effect of, or eliminate, an accounting mismatch. For financial liabilities designated at fair value through profit or loss, the standard requires the portion of the change in fair value that relates to the entity's own credit risk to be presented in OCI (unless it would create an accounting mismatch). New simpler hedge accounting requirements are intended to more closely align the accounting treatment with the risk management activities of the entity. New impairment requirements use an 'expected credit loss' ('ECL') model to recognise an allowance.

Impairment is measured using a 12-month ECL method unless the credit risk on a financial instrument has increased significantly since initial recognition in which case the lifetime ECL method is adopted. For receivables, a simplified approach to measuring expected credit losses using a lifetime expected loss allowance is available.

NOTE 2: NEW OR AMENDED ACCOUNTING STANDARDS AND INTERPRETATIONS ADOPTED (cont.)

AASB 15 Revenue from Contracts with Customers

The Company has adopted AASB 15 from 1 July 2018. The standard provides a single comprehensive model for revenue recognition. The core principle of the standard is that an entity shall recognise revenue to depict the transfer of promised goods or services to customers at an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. The standard introduced a new contract-based revenue recognition model with a measurement approach that is based on an allocation of the transaction price. This is described further in the accounting policies below. Credit risk is presented separately as an expense rather than adjusted against revenue. Contracts with customers are presented in an entity's statement of financial position as a contract liability, a contract asset, or a receivable, depending on the relationship between the entity's performance and the customer's payment. Customer acquisition costs and costs to fulfil a contract can, subject to certain criteria, be capitalised as an asset and amortised over the contract period.

Impact of adoption

AASB 9 and AASB 15 were adopted using the modified retrospective approach and as such comparatives have not been restated. There was no impact on opening retained profits as at 1 July 2018.

NOTE 3: SUMMARY OF ACCOUNTING POLICIES

Overall considerations

The significant accounting policies that have been used in the preparation of these financial statements are summarised below.

The financial statements have been prepared using the measurement bases specified by Australian Accounting Standards for each type of asset, liability, income and expense. The measurement bases are more fully described in the accounting policies below.

3.1 Income tax

The Company is endorsed as an income tax exempt charitable entity under Subdivision 50-B of the Income Tax Assessment Act 1997.

3.2 Cash and cash equivalents

For the purpose of the statement of cash flows, cash includes cash on hand, at call deposits or deposits with banks or financial institutions which have a maturity of three months or less.

The balance of any bank overdrafts is shown as interest-bearing liabilities.

3.3 Trade and other receivables

Trade and other receivables are recognised at amortised cost, less any allowance for expected credit losses.

3.4 Current and noncurrent classification

Assets and liabilities are presented in the statement of financial position based on current and noncurrent classification.

An asset is classified as current when: it is either expected to be realised or intended to be sold or consumed in the company's normal operating cycle; it is held primarily for the purpose of trading; it is expected to be realised within 12 months after the reporting period; or the asset is cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least 12 months after the reporting period. All other assets are classified as noncurrent.

3.4 Current and non-current classification (continued)

A liability is classified as current when: it is either expected to be settled in the company's normal operating cycle; it is held primarily for the purpose of trading; it is due to be settled within 12 months after the reporting period; or there is no unconditional right to defer the settlement of the liability for at least 12 months after the reporting period. All other liabilities are classified as noncurrent.

3.5 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.

3.6 Property, plant & equipment

Property

Land and buildings are measured at market value (2018: cost basis restated to market value), including any costs directly attributable to bringing assets to the location and condition necessary for it to be capable of operating in the manner intended by management.

Depreciation

The depreciable amount of all fixed assets including buildings, are depreciated on a straight-line basis over their estimated useful lives to the Company commencing from the time the asset is held ready for use.

The following useful lives are applied:

Buildings:	40 years
Plant and equipment:	3 - 10 years
Furniture, fixtures and fittings:	5 years

An asset's carrying amount is written down immediately to its recoverable if the asset's carrying amount is greater than its estimated recoverable amount.

Derecognition policy / gain or loss on disposal

An item of property plant and equipment is derecognised upon disposal or when there is no further economic benefit to the Company. Gain and losses between the carrying amount and the disposal proceeds are taken to profit or loss.

3.7 Leases

Operating leases

Payments on operating lease agreements are recognised as an expense on a straight-line basis over the lease term. Associated costs, such as maintenance and insurance are expensed as incurred.

3.8 Revenue recognition

Revenue from contract with customers

Revenue comprises revenue from housing services, interest, donations and government grants. Revenue from major products and services is shown in Note 4.

Revenue is recognised when the amount of revenue can be measured reliably, collection is probable, the costs incurred or to be incurred can be measured reliably, and when the criteria for the entity activity have been met. Details of the activity- specific recognition criteria are described below.

3.8 Revenue recognition (continued)

Housing services revenue

Rental revenue for housing services is recognised as income on an accrual basis, when the housing services are provided.

Grant income

Grant income is recognised as income when the entity obtains control of the grant and it is probable that the economic benefits gained from the grant will flow to the entity and the amount of the grant can be measured reliably. Where a grant may be required to be repaid if certain conditions are not satisfied, a liability is recognised at year end to the extent that conditions remain unsatisfied. Upon completion of the conditions under the grant, any unspent grant funds are recognised in the Reserve for Specific Purpose Grants and Donations.

Capital funding income

Monies received for capital funding are recognised as income in the year when the Company has the right to receive the income in accordance with the terms and timing of the funding agreement.

3.9 Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Tax Office. In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense. Receivables and payables in the balance sheet are shown inclusive of GST. Receipts from customers and payments to suppliers are shown on the cash flow statement inclusive of GST.

3.10 Contract liabilities

The liability for deferred income is the unutilised amounts of grants received on the condition that specified services are delivered or conditions are fulfilled. The services are usually provided, or the conditions usually fulfilled within twelve (12) months of receipt of the grant. Where the amount received is in respect of services to be provided over a period that exceeds twelve (12) months after the reporting date or the conditions will only be satisfied more than twelve (12) months after the reporting date, the liability is discounted and presented as noncurrent.

3.11 Trade and other payables

These amounts represent liabilities for goods and services provided to the company prior to the end of the financial year and which are unpaid. Due to their short-term nature they are measured at amortised cost and are not discounted. The amounts are unsecured and are usually paid within 30 days of recognition.

3.12 Fair value measurement

When an asset or liability, financial or non-financial, is measured at fair value for recognition or disclosure purpose, the fair value is based on the price that would be received to sell an asset or paid to transfer in an orderly transaction between market participants at the measurement date; and assumes that the transaction will take place either; in the principal market; or in the absence of a principal market; or in the absence of a principal market, in the most advantageous market.

Fair value is measured using the assumptions that market participants would use when pricing the asset or liability, assuming they act in their economic best interests. For non-financial assets, the fair value measurement is based on its highest and best use. Valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, are used, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

3.13 Comparative figures

When required by accounting standards comparative figures have been adjusted to conform to changes in accounting standards for the current financial year.

3.14 Prior period restatement

2018 figures have been restated where required as a result of adopting land and building fair valuation policy whereby all land and building assets have been restated at market value determined by independent valuation of the properties as at 1 June 2018.

The financial statement line items that have been affected by restatement are as follows:

	2018 Audited	Adjustments	2018 Audited Restated
Balance sheet extract			
Property, plant and equipment	6,506,129	1,346,281	7,852,410
Net assets	7,668,540	1,346,281	9,014,821
Reserves	-	1,342,585	1,342,585
Retained earnings	7,668,540	3,696	7,672,236
Total equity	7,668,540	1,346,281	9,014,821
Statement of profit or (loss) and other comprehensive income extract			
Depreciation and amortisation expense	(237,919)	3,696	(234,223)
Surplus for the year	89,324	3,696	93,020
Revaluation gain of property, plant & equipment	-	1,342,585	1,342,585
Total comprehensive income	89,324	1,346,281	1,435,605

3.15 Significant management judgement in applying accounting policies

When preparing the financial statements, management undertakes a number of judgements, estimates and assumptions about the recognition and measurement of assets, liabilities, income and expenses.

Estimation uncertainty

Information about estimates and assumptions that have the most significant effect on recognition and measurement of assets, liabilities, income and expenses is provided where applicable.

Allowance for expected credit losses

The allowance for expected credit losses assessment requires a degree of estimation and judgement. It is based on the lifetime expected credit loss, grouped based on days overdue, and makes assumptions to allocate an overall expected credit loss to each group. These assumptions include recent sales experience and historical collection rates.

3.16 New accounting standards and interpretations not yet mandatory or early adopted

Australian Accounting Standards and Interpretations that have recently been issued or amended but are not yet mandatory, have not been early adopted by the Company for the annual reporting period ended 30 June 2019. The company's assessment of the impact of these new or amended Accounting Standards and Interpretations, most relevant to the Company, are set out below.

AASB 16 Leases

This standard is applicable to annual reporting periods beginning on or after 1 July 2019. The standard replaces AASB 117 'Leases' and for lessees will eliminate the classifications of operating leases and finance leases. Subject to exceptions, a 'right-of-use' asset will be capitalised in the statement of financial position, measured at the present value of the unavoidable future lease payments to be made over the lease term. The exceptions relate to short-term leases of 12 months or less and leases of low-value assets (such as personal computers and small office furniture) where an accounting policy choice exists whereby either a 'right-of-use' asset is recognised or lease payments are expensed to profit or loss as incurred. A liability corresponding to the capitalised lease will also be recognised, adjusted for lease prepayments, lease incentives received, initial direct costs incurred and an estimate of any future restoration, removal or dismantling costs. Straight-line operating lease expense recognition will be replaced with a depreciation charge for the leased asset (included in operating costs) and an interest expense on the recognised lease liability (included in finance costs). In the earlier periods of the lease, the expenses associated with the lease under AASB 16 will be higher when compared to lease expenses under AASB 117. For classification within the statement of cash flows, the lease payments will be separated into both a principal (financing activities) and interest (either operating or financing activities) component. For lessor accounting, the standard does not substantially change how a lessor accounts for leases. The adoption of this standard from 1 July 2019 will have no material impact on the Company.

NOTE 4: REVENUE AND OTHER INCOME

	2019	2018
Revenue	\$	\$
Housing services	2,522,692	2,535,139
Donations	2,574	400
Government grants	345,741	310,732
	<u>2,871,007</u>	<u>2,846,271</u>
Other income		
Interest	16,101	7,913
Other income	-	300
	<u>16,101</u>	<u>8,213</u>
	<u>2,887,108</u>	<u>2,854,484</u>
Total revenue and other income	<u>2,887,108</u>	<u>2,854,484</u>

Disaggregation of revenue

Geographical regions		
Australia	<u>2,887,108</u>	<u>-</u>

AASB 15 was adopted using the modified retrospective approach and as such comparatives have not been provided for disaggregation of revenue.

YWCA Housing
ACN 133 272 116
Notes to the Financial Statements

NOTE 5: CASH

	2019	2018
	\$	\$
Cash at bank	2,109,446	1,802,997
	<u>2,109,446</u>	<u>1,802,997</u>

NOTE 6: TRADE AND OTHER RECEIVABLES

CURRENT		
Rent in arrears	12,520	23,441
Allowance for expected credit loss	(2,603)	(16,670)
	<u>9,917</u>	<u>6,771</u>
Other receivables	41,653	16,531
Settlement funds held in trust	1,170	-
	<u>52,740</u>	<u>23,302</u>

All of YWCA Housing's trade and other receivables have been reviewed for indicators of impairment. Certain receivables were found to be impaired and an allowance for credit losses of \$2,603 (2018: \$16,670) has been recorded as an expense.

NOTE 7: OTHER ASSETS

CURRENT		
Prepayments	20,250	4,680
Residential tenancy bonds paid	10,339	30,950
	<u>30,589</u>	<u>35,630</u>

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Notes to the Financial Statements

NOTE 8: PROPERTY, PLANT & EQUIPMENT

	Land & Buildings	Plant & Equipment	Work in Progress	Total
	\$	\$	\$	\$
Gross carrying amount				
Balance at 1 July 2018	7,755,000	158,284	100,042	8,013,326
Additions	-	-	142,802	142,802
Balance at 30 June 2019	7,755,000	158,284	242,844	8,156,128
Depreciation and impairment				
Balance at 1 July 2018	(15,281)	(145,635)	-	(160,916)
Depreciation	(183,376)	(12,649)	-	(196,025)
Balance at 30 June 2019	(198,657)	(158,284)	-	(356,941)
Carrying amount 30 June 2019	7,556,343	-	242,844	7,799,187
Gross carrying amount				
Balance at 1 July 2017	7,746,221	158,284	-	7,904,505
Additions	376,615	-	100,042	476,657
Balance at 30 June 2018 (previously stated)	8,122,836	158,284	100,042	8,381,162
Adjustment on change in accounting policy from cost to revaluation model	(367,836)	-	-	(367,836)
Balance at 30 June 2018 (restated)	7,755,000	158,284	100,042	8,013,326
Depreciation and impairment				
Balance at 1 July 2017	(1,501,667)	(135,447)	-	(1,637,114)
Depreciation (previously stated)	(227,731)	(10,188)	-	(237,919)
Adjustment on change in accounting policy from cost to revaluation model	3,696	-	-	3,696
Depreciation (restated)	(224,035)	(10,188)	-	(234,223)
Adjustment on change in accounting policy from cost to revaluation model	1,710,421	-	-	1,710,421
Balance at 30 June 2018 (restated)	(15,281)	(145,635)	-	(160,916)
Carrying amount 30 June 2018 (restated)	7,739,719	12,649	100,042	7,852,410

NOTE 8: PROPERTY, PLANT & EQUIPMENT (cont.)

The properties have been accounted for as property under AASB 116 *Property, Plant and Equipment*. They are not considered investment property under AASB 140 *Investment Property* because the primary purpose is to provide a service to people in need of low-cost housing rather than to earn rentals or for capital appreciation or both.

Measurement of fair values

Amounts disclosed below represent the fair value of the Company's interests in property, plant and equipment as determined at the time of the most recent independent valuation report.

Independent registered qualified valuers were engaged to perform the valuations. The values are determined based on the highest and best use of each property. In all cases, the existing use is the highest and best use, values are determined on a going concern basis. Going concern value is based on capitalisation, discounted cash flows and direct comparison methodologies, and significant unobservable inputs including the forecast net income for each property, the capitalisation and discount rates used in determining fair value, and the comparison rates used.

In the most recent valuations performed on 1 June 2018, capitalisation rates utilised ranged from 4% to 6% and pre-tax discount rates utilised ranged from 7% to 12% per annum. For direct comparison methodology, reference was made to recent sales of similar properties in similar location, improvements, trading levels and profitability. The fair values determined by the independent registered qualified valuers are sensitive to changes in these significant unobservable inputs.

NOTE 9: TRADE AND OTHER PAYABLES

	2019	2018
	\$	\$
CURRENT		
Trade payables	182,883	72,956
Other creditors and accruals	84,705	54,502
Rent received in advance	77,857	71,316
Payables due to related entities	223,313	110,793
	<u>568,758</u>	<u>309,567</u>

NOTE 10: CONTRACT LIABILITIES

CURRENT		
Grant income deferred	146,415	389,951
	<u>146,415</u>	<u>389,951</u>

NOTE 11: LEASES

Operating leases as lessee

Payable		
Within 12 months	-	310,101
	<u>-</u>	<u>310,101</u>

Residential premises

YWCA Housing operates 35 residential premises under lease arrangements for nominal consideration. The lease was entered into in January 2015 for a five-year term.

YWCA Housing head leases 26 residential premises from private owners at market rates. The leases commenced between January 2018 and June 2018 for a 12-month term. These leases within this program have concluded.

NOTE 11: LEASES (cont.)

Other leases

The following operating lease agreements exist between members of the Group:

- a. 43 Marshall St, Geelong – Ground lease between YWCA Australia as landlord and YWCA Housing as tenant for 99 years from December 2009, for nominal consideration.
- b. 353A Church Street, Richmond – Ground lease dated 29 June 2010 between YWCA Australia as landlord and YWCA Housing as tenant for 99 years from 1 July 2010, for nominal consideration.

NOTE 12: RELATED PARTY TRANSACTIONS

Transactions between related parties are on normal commercial terms and conditions no more favourable than those available to other parties unless otherwise stated.

The Company's parent entity, YWCA Australia provides office facilities, management and direct service staff to the Company under a Contract for Services. The Company leases two properties from YWCA Australia for nominal consideration (see Note 11).

Transactions between YWCA Housing and its parent entity under the Contract for Services were:

	2019	2018
	\$	\$
Indirect staffing costs	549,699	485,739
Direct staffing costs	413,822	433,375
Other administration, operating and occupancy costs	<u>157,406</u>	<u>152,231</u>

The amounts payable to YWCA Australia under the Contract for Services at balance date were:

Amounts due to related entities	<u>223,313</u>	<u>110,793</u>
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NOTE 13: CONTINGENT LIABILITIES

There are no contingent liabilities that have been incurred by the Company in relation to 2019 or 2018.

NOTE 14: POST-REPORTING DATE EVENTS

No matters or circumstances have arisen since the end of the financial year, which significantly affected or may significantly affect the operations of the Company, the results of those operations, or the state of affairs of the Company in subsequent financial years.

NOTE 15: COMPANY DETAILS

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

YWCA Housing
Level 1, 210 Kings Way
South Melbourne, VIC 3205

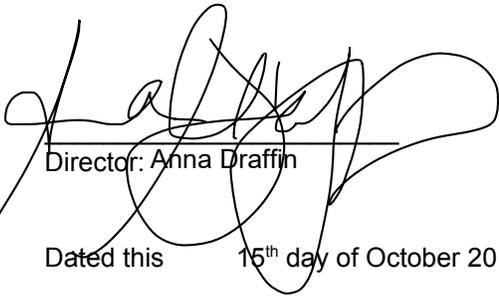
DIRECTORS' DECLARATION

In the directors' opinion:

- the attached financial statements and notes comply with the Corporations Act 2001, the Australian Accounting Standards - Reduced Disclosure Requirements, the Australian Charities and Not-for-profits Commission Act 2012 and other mandatory professional reporting requirements;
- the attached financial statements and notes give a true and fair view of the Company's financial position as at 30 June 2019 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 295(5)(a) of the Corporations Act 2001.

On behalf of the directors



Director: Anna Draffin



Director: Melinda van der Westhuizen

Dated this 15th day of October 2019

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