

YWCA HOUSING

ABN 60 133 272 116

Annual Financial Report
For the year ended 30 June 2017

YWCA Housing 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 2017, and the Independent Audit Report thereon.

Director details

The following persons were Directors of YWCA Housing during or since the end of the financial year.

Cara Gleeson
Bachelor of Sociology
Chairperson
Director since 2015

Cara brings to the YWCA Housing over a decade of experience in the women's sector in Australia and abroad. She is currently the program manager children and young people at Our Watch, the National Foundation to Prevent Violence against Women and their children. She has been a Director of YWCA Victoria since 2013.

Roslynne Hansen
BA, Dip. of Education,
Dip. of Town and Regional Planning
Member Development Committee
Director since 2014

Roz is an urban and regional planner with more than 30 years' experience working in Australia and the Asia Pacific Region on a wide range of public and private sector projects. Since 1986 she has been a consultant responsible for the project management of development applications, strategic planning projects at the local, municipal and regional levels and has given expert witness evidence at VCAT, Planning Panels Victoria and the Supreme Court of Victoria. Roz has held numerous positions on boards and advisory committees.

Yien Hong
Bachelors Law, Arts & Commerce
Member Development Committee
Director since 2014

Yien Hong is an energetic, positive, accomplished and experienced corporate legal counsel at a major Australian bank with fifteen years' experience in banking and financial services. Yien also has experience in leading teams and major transactions in Asia, Europe and Australia in both international leading law firms and investment and commercial banks.

Nicola Farray
MCA, BSW, BA
Director since 2014

Nicola is the Assistant Director, Audit, Compliance and Integrity for the Department of Health & Human Services. Nicola is an experienced public servant with experience in service delivery, quality and safety, reviews and inquiries. She comes to the organisation with skills in risk management, business improvement and public institutions. She is a former Chairperson of YWCA Housing, and has been a Director of YWCA Victoria since 2014.

YWCA Housing Directors' Report

Melinda van der Westhuizen
BBus (Land Ec) MBA
Appointed 1st July 2016

Melinda has 25 years' experience in the property sector and is the Head of Property and Asset Management Victoria and a National Director for global property services firm, JLL. With 95 property specialists in her team across engineering, retail and commercial management, financial reporting and leasing, Melinda is responsible for the management of 1.7 million m2 of retail, commercial and industrial assets for over 100 clients.

Anna Draffin
BCom, BA, GAICD
Appointed 1st July 2016

Anna is a strategically focused, senior executive with over 15 years' experience in business strategy, management and positive change leadership within complex multi-stakeholder organisations, across the corporate, government, philanthropic and non-profit sectors. Anna is the Executive Director of ShareGift Australia. She is committed to driving social innovation and shared value through a variety of forms.

Company Secretary

Jan Berriman is the Chief Executive Officer and Company Secretary. Jan has over twenty years' experience acting as the Company Secretary for not for profit organisations within Australia.

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

YWCA Housing Directors' Report

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

Directors' meetings

The number of meetings of Directors held during the year and the number of meetings attended by each Director was as follows:

Director	Directors' Meetings		Governance & Leadership Committee		Development Committee Meetings	
	A	B	A	B	A	B
Anna Draffin	12	10				
Nicola Farrray	12	11	11	11	4	3
Cara Gleeson	12	11	11	11		
Roslynne Hansen	12	6			4	4
Yien Hong	12	3			4	4
Melinda van der Westhuizen	12	10				

Where:

- Column A is the number of meetings the Director was entitled to attend
- Column B is the number of meetings the Director attended

YWCA Housing Directors' Report

Contribution in winding up

YWCA Housing 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 the property of the Company in the event that the Company is wound up while he or she is a Member, or within one year after he or she ceases to be a Member, for payment of the debts and liabilities of the Company contracted or incurred before he or she ceases to be a Member, and of the costs, charges and expenses of winding up and for the adjustment of the rights of the contributories among themselves, such amount as may be required, not exceeding fifty dollars (\$50). At 30 June 2017 the total amount that members of the Company are liable to contribute if the Company wound up is \$300 (2016: \$300).

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 6.

Signed in accordance with a resolution of the Board of Directors



Cara Gleeson
Director

10th October 2017

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AUDITOR'S INDEPENDENCE DECLARATION TO THE DIRECTORS OF YWCA HOUSING

In accordance with the requirements of section 60-40 of the *Australian Charities and Not-for-profits Commission Act 2012*, as lead auditor for the audit of YWCA Housing for the year ended 30 June 2017, I declare that, to the best of my knowledge and belief, there have been no contraventions of any applicable code of professional conduct in relation to the audit.

Grant Thornton

GRANT THORNTON AUDIT PTY LTD
Chartered Accountants

E W Passaris

E W Passaris
Partner - Audit & Assurance

Melbourne, 10 October 2017

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Directors' Declaration

In the opinion of the Directors of YWCA Housing:

1. The financial statements and notes of YWCA Housing are in accordance with the Australian Charities and Not-for-profits Commission Act 2012, including:
 - (a) Giving a true and fair view of its financial position as at 30 June 2017 and of its performance for the financial year ended on that date of the company; and
 - (b) Complying with Australian Accounting Standards - Reduced Disclosure Requirements (including the Australian Accounting Interpretations) and the Australian Charities and Not-for-profits Commission Regulation 2013; and
2. There are reasonable grounds to believe that YWCA Housing will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of the Directors



Cara Gleeson
Director

Dated this 10th day of October 2017

Statement of Profit or Loss and Other Comprehensive Income
For the year ended 30 June 2017

	Notes	2017 \$	2016 \$
Revenue	4	2,390,288	2,219,504
Direct service staffing expense		(299,845)	(302,877)
Administration expense		(53,576)	(97,792)
Impairment loss on trade receivable	6	(12,127)	(24,570)
Indirect staffing expenses		(441,634)	(413,144)
Operating expense		(219,250)	(127,266)
Occupancy expense		(48,973)	(50,815)
Property maintenance		(243,887)	(261,907)
Property utilities		(214,123)	(207,843)
Property services		(145,675)	(148,148)
Property rates		(83,411)	(97,126)
Other property costs		(100,462)	(40,017)
Depreciation expense	8	(240,610)	(270,302)
Surplus before income tax		286,715	177,697
Income tax expense		-	-
Surplus for the year		286,715	177,697
Total comprehensive income for the year		286,715	177,697

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

Statement of Financial Position
As at 30 June 2017

	Notes	2017 \$	2016 \$
Assets			
Current			
Cash and cash equivalents	5	1,516,286	1,157,950
Trade and other receivables	6	427,701	23,799
Other assets	7	7,529	22,313
Total current assets		<u>1,951,516</u>	<u>1,204,062</u>
Non-current			
Property, plant and equipment	8	<u>6,267,391</u>	<u>6,508,001</u>
Total non-current assets		<u>6,267,391</u>	<u>6,508,001</u>
Total assets		<u>8,218,907</u>	<u>7,712,063</u>
Liabilities			
Current			
Trade and other payables	9	355,608	328,179
Other liabilities	10	<u>284,083</u>	<u>91,383</u>
Total current liabilities		<u>639,691</u>	<u>419,562</u>
Total liabilities		<u>639,691</u>	<u>419,562</u>
Net assets		<u>7,579,216</u>	<u>7,292,501</u>
Equity			
Retained earnings		7,579,216	7,267,398
Reserves	11	<u>-</u>	<u>25,103</u>
Total equity		<u>7,579,216</u>	<u>7,292,501</u>

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

Statement of Changes in Equity
For the year ended 30 June 2017

	Reserves \$	Retained earnings \$	Total equity \$
Balance at 1 July 2015	26,901	7,087,903	7,114,804
Total comprehensive income for the year	-	177,697	177,697
Transfer from reserve	(1,798)	1,798	-
Balance at 30 June 2016	25,103	7,267,398	7,292,501
Balance at 1 July 2016	25,103	7,267,398	7,292,501
Total comprehensive income for the year	-	286,715	286,715
Transfer from reserve	(25,103)	25,103	-
Balance at 30 June 2017	-	7,579,216	7,579,216

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

Statement of Cash Flows
For the year ended 30 June 2017

	Note	2017 \$	2016 \$
Operating activities			
Receipts from:			
Customer, Government grants & Other Income		2,681,567	2,244,023
Interest income		10,495	12,166
Payments to suppliers		(2,333,726)	(1,821,507)
Net cash provided by operating activities		358,336	434,682
Investing activities			
Purchase of property, plant & equipment		-	-
Net cash used in investing activities		-	-
Net change in cash and cash equivalents		358,336	434,682
Cash and cash equivalents at beginning of year		1,157,950	723,268
Cash and cash equivalents at end of year	5	1,516,286	1,157,950

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 2017

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 the *Australian Charities and Not-for-profits Commission Act 2012*.

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

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

The financial statements of YWCA Housing were approved and authorised for issue by the Directors on 10th October 2017.

2 Changes in accounting policies

2.1 New and revised standards that are effective for these financial statements

A number of new and revised standards are effective for annual periods beginning on or after 1 July 2016. The Company has reviewed new and revised standards and concluded that none of them have a material impact on the Company.

3 Summary of accounting policies

3.1 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.

3.2 Income tax

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

3.3 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.

Notes to the financial statements for the year ended 30 June 2017

3.4 Property, plant & equipment

Property

Buildings are measured on the cost basis, 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. Land is held at cost in the parent company, YWCA Victoria.

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—20 years
Leasehold improvements:	Life of lease
Motor vehicles:	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.

3.5 Leases

Operating leases

Where the Group is a lessee, 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.

3.6 Revenue recognition

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.

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.

3.7 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.

3.8 Comparative figures

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

3.9 Financial Instruments

Recognition, initial measurement and derecognition

Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the financial instrument, and are measured initially at fair value adjusted by transactions costs, except for those carried at fair value through profit or loss, which are initially measured at fair value. Subsequent measurement of financial assets and financial liabilities are described below.

Financial assets are derecognised when the contractual rights to the cash flows from the financial asset expire, or when the financial asset and all substantial risks and rewards are transferred. A financial liability is derecognised when it is extinguished, discharged, cancelled or expires.

Classification and subsequent measurement of financial instruments

Financial instruments are classified into two measurement categories: those measured at fair value and those measured at amortised cost. The determination is made at initial recognition. The classification depends on the entity's business model for managing its financial instruments and the contractual cash flow characteristics of the instrument.

Notes to the financial statements for the year ended 30 June 2017

Where available, quoted prices in an active market are used to determine fair value. In other circumstances, valuation techniques are adopted.

Amortised cost is the amount at which the financial asset or financial liability is measured at initial recognition less principal repayments and any reduction for impairment, and adjusted for any cumulative amortisation of the difference between that initial amount and the maturity amount calculated using the effective interest method.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. After initial recognition, these are measured at amortised cost using the effective interest method, less provision for impairment. Discounting is omitted where the effect of discounting is immaterial. Gains or losses are recognised in profit or loss through the amortisation process and when the financial asset is derecognized. The Company's trade and most other receivables fall into this category of financial instruments.

Individually significant receivables are considered for impairment when they are past due or when other objective evidence is received that a specific counterparty will default. Receivables that are not considered to be individually impaired are reviewed for impairment in groups, which are determined by reference to the shared credit risk characteristics of a counterparty. The impairment loss estimate is then based on recent historical counterparty default rates for each identified group.

Financial liabilities

Non-derivative financial liabilities other than financial guarantees are subsequently measured at amortised cost using the effective interest method. Gains or losses are recognised in profit or loss through the amortization process and when the financial asset is derecognized. The Company's trade and other payables fall into this category.

3.10 Provisions and contingent liabilities

Provisions are measured at the estimated expenditure required to settle the present obligation, based on the most reliable evidence available at the reporting date, including the risks and uncertainties associated with the present obligation. Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. Provisions are discounted to their present values, where the time value of money is material.

Any reimbursement that the Company can be virtually certain to collect from a third party with respect to the obligation is recognised as a separate asset.

No liability is recognised if an outflow of economic resources as a result of a present obligation is not probable. Such situations are disclosed as contingent liabilities, unless the outflow of resources is remote in which case no liability is recognised.

3.11 Deferred income

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 non-current.

3.12 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 below. Actual results may be substantially different.

Impairment

In assessing impairment, management estimates the recoverable amount of each asset or cash generating unit based on expected future cash flows and uses an interest rate to discount them. Estimation uncertainty relates to assumptions about future cash flows and the determination of a suitable discount rate.

4 Revenue

The Company's revenue may be analysed as follows:

	2017 \$	2016 \$
Housing Services	2,328,267	2,202,706
Interest	9,720	12,353
Donations	-	-
Government grants	48,917	-
Other Income	3,384	4,445
	2,390,288	2,219,504

Notes to the financial statements for the year ended 30 June 2017

5 Cash

Cash and cash equivalents consist of the following:

	2017 \$	2016 \$
Cash at bank	1,516,286	975,641
Short term deposits	-	182,309
	1,516,286	1,157,950

In 2016 short term deposits and cash of \$182,427 were held in an account in the name of the Company's parent entity, YWCA Victoria under a nominee agreement between the two companies.

6 Trade and other receivables

	2017 \$	2016 \$
Current		
Rent arrears	8,611	9,193
Provision for impairment	(3,400)	(5,436)
	5,211	3,757
Other receivables	14,950	20,042
Settlement funds held in trust	376,615	-
Residential tenancy bonds paid	30,925	-
	427,701	23,799

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 \$12,127 (2016: \$24,570) has been recorded as an expense.

The movement in the provision for impairment losses can be reconciled as follows:

	2017 \$	2016 \$
Current		
Balance 1 July	5,436	5,955
Amounts written off (uncollectible)	(14,163)	(25,089)
Impairment loss	12,127	24,570
Balance 30 June	3,400	5,436

Notes to the financial statements for the year ended 30 June 2017

7 Other Assets

Other Assets consist of the following:

	2017	2016
	\$	\$
Current		
Accrued income	-	775
Prepayments	7,529	21,538
	7,529	22,313

8 Property, plant & equipment

Details of the Company's property, plant and equipment and its carrying amount are as follows:

	Buildings \$	Plant & equipment \$	Total \$
Gross carrying amount			
Balance at 1 July 2016	7,746,221	158,284	7,904,505
Balance at 30 June 2017	7,746,221	158,284	7,904,505
Depreciation and impairment			
Balance at 1 July 2016	(1,272,985)	(123,519)	(1,396,504)
Depreciation	(228,682)	(11,928)	(240,610)
Balance at 30 June 2017	(1,501,667)	(135,447)	(1,637,114)
Carrying amount 30 June 2017	6,244,554	22,837	6,267,391

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.

Notes to the financial statements for the year ended 30 June 2017

9 Trade and other payables

Trade and other payables recognised consist of the following:

	2017	2016
Current	\$	\$
Trade payables	79,745	77,903
Other creditors and accruals	96,256	57,164
Rent received in advance	92,059	80,817
Payables due to related entities	87,548	112,295
	355,608	328,179

10 Other liabilities

Other liabilities can be summarised as follows:

	2017	2016
Current	\$	\$
Grant Income Deferred	284,083	-
Community Capacity Building	-	91,383
	284,083	91,383

Obligation to fund Community Capacity Building is classified as a current liability to the extent to which there is an approved plan to expend funds within 12 months.

11 Reserves

The details of reserves are as follows:

	2017	2016
	\$	\$
Specific purpose grants and donations	-	25,103
	-	25,103

12 Leases

Operating leases as lessee

The Group's future minimum operating lease payments are as follows:

	2017	2016
	\$	\$
Payable:		
Within 12 months	311,725	-

Lease expense during the period amounted to \$72,677 (2016: Nil).

Residential premises

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

YWCA Housing head leases 28 residential premises from private owners at market rates. The leases commenced between January 2017 and June 2017 and are all for a 12-month term.

Other leases

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

- a. 43 Marshall St, Geelong – Ground lease between YWCA Victoria 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 Victoria as landlord and YWCA Housing as tenant for 99 years from 1 July 2010, for nominal consideration.

13 Capital commitments

On 1st June 2017 YWCA Housing entered into a contract for the purchase of Property for a contract value of \$355,000. Settlement occurred on 6th July 2017. The intention is to develop the property for resale.

14 Credit facilities

YWCA Victoria has an intercompany loan agreement providing a line of credit facility of \$2,000,000 to its subsidiary YWCA Housing for the purpose of undertaking a residential development project. This facility is unused at 30 June 2017.

15 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 Victoria provides office facilities, management and direct service staff to the Company under a Contract for Services. The Company leases two properties from YWCA Victoria for nominal consideration (see Note 12).

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

	2017	2016
	\$	\$
Indirect staffing costs	441,634	413,144
Direct staffing costs	391,228	388,297
Other administration, operating and occupancy costs	<u>99,844</u>	<u>116,157</u>

The amount paid or payable to YWCA Victoria for direct staffing costs is greater than the direct staffing expense stated in the profit and loss statement due to provision offsets of \$91,383 (2016: \$85,420) in YWCA Housing.

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

	2017	2016
	\$	\$
Amounts due to related entities	<u>87,548</u>	<u>112,295</u>

16 Contingent liabilities

There are no contingent liabilities that have been incurred by the Company in relation to 2017 or 2016.

17 Post-reporting date events

The following 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:

- a. YWCA Housing's parent company YWCA Victoria is continuing discussion with YWCA Australia and other Member Associations to explore the potential to participate in a restructure of the YWCA in Australia to ensure its sustainability and effectiveness into the future. The process to implement the proposed restructure will involve the integration of YWCA member organisations in Australia, including YWCA Victoria and its subsidiary YWCA Housing, into a consolidated organisation or group of organisations. The approval of the Board and Members of YWCA Victoria and Regulators will be required in order for YWCA Victoria to implement the restructure.

18 Company details

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

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

19 Members' guarantee

YWCA Housing 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, or former member if the Company is wound up within one year after he or she ceases to be a member, is required to contribute a maximum of \$50 each towards meeting any outstanding obligations of the entity which were incurred before he or she ceases to be a member. At 30 June 2017 the total amount that members of the Company are liable to contribute if the Company wound up is \$300 (2016: \$300).

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INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF YWCA HOUSING

Report on the Audit of the Financial Report

Auditor's Opinion

We have audited the accompanying financial report of YWCA Housing (the "Company"), which comprises the statement of financial position as at 30 June 2017, and the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and the directors' declaration.

In our opinion, the financial report of YWCA Housing has been prepared in accordance with Division 60 of the *Australian Charities and Not-for-profits Commission Act 2012*, including:

- a giving a true and fair view of the Company's financial position as at 30 June 2017 and of its financial performance for the year then ended; and
- b complying with Australian Accounting Standards – Reduced Disclosure Requirements and Division 60 of the *Australian Charities and Not-for-profits Commission Regulation 2013*.

Basis for Auditor's 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 (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 audit opinion.

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Responsibilities of the Directors for the Financial Report

The Directors of the Company are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards and the ACNC Act, and for such internal control as the Directors determine is necessary to enable the preparation of the financial report that 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.

Those charged with governance 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 the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors.
- Conclude on the appropriateness of the Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our audit report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Grant Thornton

GRANT THORNTON AUDIT PTY LTD
Chartered Accountants

E W Passaris

E W Passaris
Partner - Audit & Assurance
Melbourne, 10 October 2017