

**YWCA National Housing**  
**ACN 158 977 952**

Annual Financial report  
For the year ended 30 June 2019

**YWCA NATIONAL HOUSING**  
**ACN 158 977 952**  
**Financial Statements**  
**For the Year Ended 30 June 2019**

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## **DIRECTORS' REPORT**

The directors present their report together with the financial report of YWCA National Housing for the year ended 30 June 2019 and auditor's report thereon.

### **Directors 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.

### **Significant changes in state of affairs**

On 19 May 2018, the members of the Company resolved to change the name of the Company from YWCA Queensland to YWCA National Housing.

An amalgamation of the 8 independent YWCA member associations within Australia was completed by way of Schemes of Arrangement entered into between each independent association and their members. The Schemes were sanctioned by Federal Court Order dated 22 May 2018 and came into effect on 1 June 2018. Under the scheme applicable to YWCA National Housing (formerly YWCA Queensland):

- Each member of YWCA Queensland, other than YWCA Australia, was taken to have resigned as and ceased to be a member of YWCA Queensland, with YWCA Australia remaining as the sole member.
- All assets of YWCA Queensland, other than its community housing assets (as defined by the Scheme), were transferred to and vested in YWCA Australia; and
- All liabilities of YWCA Queensland, other than its community housing liabilities (as defined by the Scheme), were transferred to and became liabilities of YWCA Australia.

Under a similar Scheme of Arrangement applicable to YWCA Darwin, the community housing assets (as defined by the Scheme) held by YWCA Darwin were transferred to YWCA National Housing.

The transfers of assets and liabilities under the scheme were affected for nil consideration.

Transfer of employment from YWCA National Housing (formerly YWCA Queensland).

All employees of YWCA Queensland accepted offer of employment from YWCA Australia on the same terms and conditions from the merger date. YWCA Australia also recognised accrued leave entitlements. As a result, the Company did not employ any staff during the period ended 30 June 2019. YWCA Australia provides direct service staff to the Company under a Contract for Services.

## **Results**

The surplus of the Company for the year amounted to \$25,694 (2018: deficit \$4,362,890).

## **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**

The principal activity of the Company is the ownership and operation of community housing assets.

The principal activities of the Company prior to 1 June 2018 involved:

- Working to transform the lives of disadvantaged Queenslanders by providing lasting, sustainable solutions for people who are poor, unskilled, unemployed, homeless, disabled, elderly or otherwise disadvantaged;
- Helping people to engage with their community and connect with each other through support networks by empowering them to move from dependence to independence; and
- Creating opportunities for women to develop as leaders in their communities, and agents of positive change.

## **Short-term and long-term objectives and strategies**

As a YWCA group entity, the Company will have a voice that is dauntless in the pursuit for gender equality and supported by programs and services that promote and protect the social, economic, cultural, civil and political rights of women, young women and girls. Specific to our commitment to community housing, the Company will provide housing and services that strengthens women's engagement within their communities.

The Company's short-term objectives, as set out in the Strategic Plan, are to:

- Lead and support staff wellbeing through change;
- Commence a national growth strategy;
- Explore mergers and acquisitions;
- Develop research and advocacy and policy platform for Housing nationally;
- Investigate engagement programs for tenants;
- Integrate housing systems across all jurisdictions;
- Apply for National Regulatory System for Community Housing Providers Tier 2 registration;
- Focus on commercial housing outcomes; and
- Develop an organisational impact framework.

The Company's long-term objectives are to:

- Seek transformative collaborations to challenge and grow all partners in the national context; and
- Drive sustainability through diversified housing revenue streams and strong organisational structures.

**Information on directors**

***Current directors***

**Julie Boyd**

Non-executive director

Qualifications

FAIM, FAICD, CM, Registered Nurse/Midwife (Retired)

Experience

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.

Julie also has over 5 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.

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.

**Anna Draffin**

Non-executive director

Chair from 1 July 2019

Qualifications

BCom, BA, GAICD

Experience

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.

**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.

**YWCA NATIONAL HOUSING**  
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**Directors' Report**

**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 National Housing Board, Kirsty was a Director on both the YWCA Queensland and YWCA Australia Boards.

**Melinda van der Westhuizen**

Non-executive director  
Resigned 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.

**YWCA NATIONAL HOUSING**  
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**Directors' Report**

**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 a 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.</p> <p>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 NATIONAL 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	8	7
Anna Draffin	8	8
Cara Gleeson	4	2
Yien Hong	8	7
Kirsty Rourke	8	7
Caroline Treacy	7	4
Melinda van der Westhuizen	8	8
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).

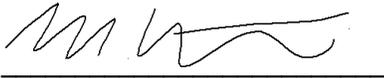
**Auditor's Independence Declaration**

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 8.

Signed in accordance with a resolution of the board of directors.



Director: Anna Draffin



Director: Melinda van der Westhuizen

Dated this 15<sup>th</sup> day of October 2019

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**YWCA NATIONAL HOUSING**  
**ACN 158 977 952**  
**Statement of Profit and Loss**  
**And Other Comprehensive Income**

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

	Note	2019 \$	2018 \$
<b>Revenue and other income</b>			
Revenue	4	1,477,666	3,816,638
Other Income	4	31,752	82,440
Total revenue and other income		1,509,418	3,899,078
<b>Expenses</b>			
Depreciation and amortisation expense	8	(161,759)	(317,218)
Employee benefits expense		-	(2,656,920)
Management fees	13	(588,256)	-
Occupancy expense		(346,826)	(185,706)
Repairs and maintenance expense		(223,223)	(211,321)
Advertising expense		(246)	(29,711)
Program expenses		(1,543)	(180,121)
Travel expenses		(6,100)	(52,225)
Motor vehicle costs		(5,817)	(14,371)
Professional fees		(16,368)	(110,864)
Utility expenses		(95,619)	(60,460)
Other expenses		(37,967)	(374,550)
Total expenses		(1,483,724)	(4,193,467)
<b>Net surplus (deficit) from operations</b>		<b>25,694</b>	<b>(294,389)</b>
Contribution of assets - YWCA Darwin	12	-	1,494,645
Impairment expense	6	-	(2,904,447)
Loss on transfer of net assets on amalgamation	12	-	(2,658,699)
<b>Surplus (deficit) before income tax expense</b>		<b>25,694</b>	<b>(4,362,890)</b>
Income tax expense	3.1	-	-
<b>Surplus (deficit) for the year</b>		<b>25,694</b>	<b>(4,362,890)</b>
<b>Other comprehensive income</b>			
<i>Items that will not be reclassified to profit and loss</i>			
Change in fair value of financial assets		-	4,360
<b>Other comprehensive income for the year</b>		<b>-</b>	<b>4,360</b>
<b>Total comprehensive income (loss) for the year</b>		<b>25,694</b>	<b>(4,358,530)</b>

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

**YWCA NATIONAL HOUSING**  
**ACN 158 977 952**  
**Statement of Financial Position**

**STATEMENT OF FINANCIAL POSITION**  
**AS AT 30 JUNE 2019**

	Note	2019 \$	2018 \$
<b>Current assets</b>			
Cash and cash equivalents	5	113,680	3,337
Receivables	6	86,167	33,450
Other assets		8,656	4,784
<b>Total current assets</b>		<b>208,503</b>	<b>41,571</b>
<b>Non-current assets</b>			
Investment properties	7	-	-
Property, plant and equipment	8	8,465,954	8,558,963
<b>Total non-current assets</b>		<b>8,465,954</b>	<b>8,558,963</b>
<b>Total assets</b>		<b>8,674,457</b>	<b>8,600,534</b>
<b>Current liabilities</b>			
Payables	9	150,084	97,631
Other liabilities	10	-	4,224
<b>Total current liabilities</b>		<b>150,084</b>	<b>101,855</b>
<b>Total liabilities</b>		<b>150,084</b>	<b>101,855</b>
<b>Net assets</b>		<b>8,524,373</b>	<b>8,498,679</b>
<b>Equity</b>			
Reserves	11	11,708,150	11,708,150
Accumulated losses		(3,183,777)	(3,209,471)
<b>Total Equity</b>		<b>8,524,373</b>	<b>8,498,679</b>

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

**YWCA NATIONAL HOUSING**  
**ACN 158 977 952**  
**Statement of Changes in Equity**

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

	<b>Reserves</b>	<b>Retained</b>	<b>Total</b>
	<b>\$</b>	<b>Earnings</b>	<b>Equity</b>
		<b>\$</b>	<b>\$</b>
Balance at 1 July 2017	11,989,387	867,822	12,857,209
Deficit for the year		(4,362,890)	(4,362,890)
Other comprehensive income	4,360	-	4,360
Total comprehensive income (loss) for the year	4,360	(4,362,890)	(4,358,530)
Transfer	(285,597)	285,597	-
<b>Balance at 30 June 2018</b>	<b>11,708,150</b>	<b>(3,209,471)</b>	<b>8,498,679</b>
Balance at 1 July 2018	11,708,150	(3,209,471)	8,498,679
Surplus for the year	-	25,694	25,694
Other comprehensive income	-	-	-
Total comprehensive income for the year	-	25,694	25,694
<b>Balance at 30 June 2019</b>	<b>11,708,150</b>	<b>(3,183,777)</b>	<b>8,524,373</b>

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

**YWCA NATIONAL HOUSING**  
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**Notes to the Financial Statements**

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

	<b>Note</b>	<b>2019</b>	<b>2018</b>
		<b>\$</b>	<b>\$</b>
<b>Cash flow from operating activities</b>			
Receipts in the course of operations		1,281,287	3,736,956
Payments in the course of operations		(1,102,194)	(4,254,238)
Dividends received		-	19,000
Interest received		-	2,175
<b>Net cash provided by (used in) operating activities</b>		<b>179,093</b>	<b>(496,107)</b>
<b>Cash flow from investing activities</b>			
Payment for property, plant and equipment		(68,750)	(8,471)
<b>Net cash used in investing activities</b>		<b>(68,750)</b>	<b>(8,471)</b>
<b>Reconciliation of cash</b>			
Cash at beginning of the financial year		3,337	995,335
Net increase (decrease) in cash held		110,343	(504,578)
Cash transferred to YWCA Australia	12	-	(487,420)
<b>Cash at end of financial year</b>	<b>5</b>	<b>113,680</b>	<b>3,337</b>

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* and the Corporations Act 2001, as appropriate for not-for-profit oriented entities.

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

YWCA National 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 2019.

**NOTE 3: SUMMARY OF ACCOUNTING POLICIES**

**Overall considerations**

The financial statements have been prepared under the historical cost convention.

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.

**3.3 Property, plant & equipment**

***Property***

Land and buildings are measured at market value (2018: 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.

### **3.3 Property, plant & equipment (cont.)**

#### ***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.

### **3.4 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.

### **3.5 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.

#### ***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.

### **3.6 Trade and other receivables**

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

### **3.7 Current and non-current classification**

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

### **3.8 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.

### **3.9 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 non-current.

### **3.11 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.

### **3.12 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.

### **3.13 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.

### **3.14 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 January 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.

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**NOTE 4: REVENUE AND OTHER INCOME**

	2019	2018
Note	\$	\$
<b>Revenue</b>		
Rent - social housing properties	956,268	696,377
Rent - Commercial properties and room hire	72,000	324,144
Donations and grants	449,398	1,432,760
Department of Communities Disability Service Fees	-	1,363,357
	<u>1,477,666</u>	<u>3,816,638</u>
<b>Other income</b>		
Dividend income	-	19,000
Interest income	94	2,175
Other	31,658	61,265
	<u>31,752</u>	<u>82,440</u>
Total revenue and other income	<u><u>1,509,418</u></u>	<u><u>3,899,078</u></u>

***Disaggregation of revenue***

Geographical regions		
Australia	<u><u>1,509,418</u></u>	<u><u>-</u></u>

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

**NOTE 5: CASH AND CASH EQUIVALENTS**

Cash at bank	113,680	3,337
	<u>113,680</u>	<u>3,337</u>

**NOTE 6: RECEIVABLES**

Trade debtors	36,894	1,076
Receivable from parent entity - YWCA Australia	49,273	32,374
	<u>86,167</u>	<u>33,450</u>

***Allowance for expected credit loss***

The Company has recognised a loss of \$Nil in profit or loss in respect of the expected credit losses for the year ended 30 June 2019.

**NOTE 7: INVESTMENT PROPERTIES**

Opening carrying amount		-	2,304,885
Transferred to YWCA Australia on amalgamation	12	-	(2,270,510)
Depreciation expense		-	(34,375)
Closing carrying amount		<u>-</u>	<u>-</u>

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**NOTE 8: PROPERTY, PLANT AND EQUIPMENT**

	Note	Land & building	Plant & equipment	Motor vehicles	Furnitures, fixtures and fittings	Total
<b>Gross carrying amount</b>						
Balance at 1 July 2018		13,484,038	70,181	-	68,846	13,623,065
Additions		25,060	39,753	-	3,937	68,750
Balance at 30 June 2019		13,509,098	109,934	-	72,783	13,691,815
<b>Depreciation and impairment</b>						
Balance at 1 July 2018		(4,975,346)	(41,833)	-	(46,923)	(5,064,102)
Depreciation		(152,552)	-	-	(9,207)	(161,759)
Balance at 30 June 2019		(5,127,898)	(41,833)	-	(56,130)	(5,225,861)
<b>Carrying amount 30 June 2019</b>		<b>8,381,200</b>	<b>68,101</b>	<b>-</b>	<b>16,653</b>	<b>8,465,954</b>
<b>Gross carrying amount</b>						
Balance at 1 July 2017		11,999,038	61,710	77,812	59,201	12,197,761
Contributed assets - YWCA Darwin	12	1,485,000	-	-	9,645	1,494,645
Additions		-	8,471	-	-	8,471
Transferred to YWCA Australia on amalgamation	12	-	-	(77,812)	-	(77,812)
Balance at 30 June 2018		13,484,038	70,181	-	68,846	13,623,065
<b>Depreciation and impairment</b>						
Balance at 1 July 2017		(1,799,193)	(39,406)	(19,324)	(43,042)	(1,900,965)
Depreciation		(271,706)	(2,427)	(4,829)	(3,881)	(282,843)
Impairment		(2,904,447)	-	-	-	(2,904,447)
Transferred to YWCA Australia on amalgamation	12	-	-	24,153	-	24,153
Balance at 30 June 2018		(4,975,346)	(41,833)	-	(46,923)	(5,064,102)
<b>Carrying amount 30 June 2018</b>		<b>8,508,692</b>	<b>28,348</b>	<b>-</b>	<b>21,923</b>	<b>8,558,963</b>

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**Impairment loss**

Impairment losses in 2018 in relation to community housing assets totalling \$2,904,447 were recognised at 30 June 2018. The recoverable amount of these assets, being fair value less costs of disposal, was determined by independent valuation of the properties as at 1 June 2018. The amount of impairment per property is presented as follows:

<b>2018</b>	<b>Pre-impairment carrying value</b>	<b>Valuation</b>	<b>Impairment charge</b>
Property			
162 Denham St, Townsville QLD	6,677,005	4,300,000	2,377,005
112 Mary St, Toowoomba QLD	3,277,442	2,750,000	527,442
	9,954,447	7,050,000	2,904,447
	9,954,447	7,050,000	2,904,447

**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.

**Most recent valuations of interest in Property, Plant and Equipment**

Freehold land, buildings and improvements were last valued on 1 June 2018.

**NOTE 9: PAYABLES**

	<b>2019</b>	<b>2018</b>
	<b>\$</b>	<b>\$</b>
CURRENT		
Trade creditors	107,137	65,167
Sundry creditors and accruals	42,947	32,464
	150,084	97,631
	150,084	97,631

**NOTE 10: OTHER LIABILITIES**

CURRENT		
Contract liabilities	-	4,224
	-	4,224

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**NOTE 11: RESERVES**

	<b>2019</b>	<b>2018</b>
	<b>\$</b>	<b>\$</b>
Capital reserve	7,988,897	7,988,897
Capital assistance grant reserve	3,719,253	3,719,253
	<u>11,708,150</u>	<u>11,708,150</u>

The capital reserve recognises net assets of amalgamated entities at the time of historical amalgamations.

The capital assistance grants reserve consists of capital assistance grant revenue received in previous periods to fund property additions.

**NOTE 12: SIGNIFICANT CHANGE IN THE STATE OF AFFAIRS**

On 19 May 2018, the members of the Company resolved to change the name of the Company from YWCA Queensland to YWCA National Housing. An amalgamation of the 8 independent YWCA member associations within Australia was finalised on 1 June 2018. The amalgamation was completed subject to Schemes of Arrangement entered into between each independent association and their members.

Under the scheme applicable to YWCA National Housing (formerly YWCA Queensland):

- Each member of YWCA Queensland, other than YWCA Australia, was taken to have resigned as and ceased to be a member of YWCA Queensland;
- All assets of YWCA Queensland, other than its community housing assets, were transferred to and vested in YWCA Australia.
- All liabilities of YWCA Queensland, other than its community housing liabilities, were transferred to and became liabilities of YWCA Australia.

The transfers of assets and liabilities under the scheme were affected for nil consideration. Under the Scheme of Arrangement for YWCA Darwin, the community housing assets and liabilities held by YWCA Darwin were transferred to YWCA National Housing for nil consideration. All employee contracts were also assigned to YWCA Australia.

***Transfer of employment from YWCA National Housing (formerly YWCA Queensland)***

All employees of YWCA Queensland accepted offer of employment from YWCA Australia on the same terms and conditions from the merger date. YWCA Australia also recognised accrued but untaken leave entitlements. As a result, the Company did not employ any staff during the period ended 30 June 2019. YWCA Australia provides direct service staff to the Company under a Contract for Services (see Note 13).

***Assets and liabilities transferred***

The assets and liabilities of the Company which were transferred to YWCA Australia on 1 June 2018 are summarised below. The transfer was affected for nil consideration, with a resultant loss on transfer recognised in profit and loss.

Cash	487,420
Other current assets	12,407
Trade receivables	111,968
Investments	280,302
Property, plant and equipment	53,659
Investment property	2,270,510
Trade and other payables	(460,783)
Provisions	(96,784)
<b>Net assets transferred in 2018</b>	<u><b>2,658,699</b></u>

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**NOTE 12: SIGNIFICANT CHANGE IN THE STATE OF AFFAIRS (cont.)**

The following community housing assets were contributed by YWCA Darwin to the Company:

7 Tilston Avenue, Moulden NT	275,000
3/20 Grassland Crescent, Leanyer NT	240,000
5/12 Grassland Crescent, Leanyer NT	240,000
4/9 Hugh Court, Bakewell NT	250,000
6/9 Hogan Court, Gray NT	240,000
25/9 Pollux Court, Woodroffe NT	240,000
Miscellaneous furniture and fittings	9,645
<b>Total value of contributed assets</b>	<b><u>1,494,645</u></b>

**NOTE 13: 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.

**Contract for services**

The Company's parent entity, YWCA Australia provides office facilities, management and direct service staff to the Company under a Contract for Services.

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

	<b>2019</b>	<b>2018</b>
	<b>\$</b>	<b>\$</b>
Management Fees for provision of resources, office space and administration services	588,256	-
	<u>588,256</u>	<u>-</u>

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

Amounts due to related entities	53,923	-
	<u>53,923</u>	<u>-</u>

**Office lease**

YWCA Australia leases an office space from the Company on commercial terms. The annual rent is \$72,000 plus GST. The amount receivable from YWCA Australia under the lease agreement for Toowoomba office building at balance date was:

Amounts due from related entities	6,600	-
	<u>6,600</u>	<u>-</u>

**Other inter-company receivable**

Receivable from parent entity - YWCA Australia	49,273	-
	<u>49,273</u>	<u>-</u>

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**NOTE 14: KEY MANAGEMENT PERSONNEL**

Key management personnel remuneration included within employee expenses for the year is shown below:

	<b>2019</b>	<b>2018</b>
	<b>\$</b>	<b>\$</b>
Short-term employee benefits	-	621,034
Long-term employee benefits	-	9,223
	<u>-</u>	<u>630,257</u>

Key management personnel (2018) include the Chief Executive Officer and all Executive Managers who report to the Chief Executive Officer.

**NOTE 15: CONTINGENT LIABILITIES**

Under the terms of a capital assistance grant dated May 2009, the Queensland Government Department of Communities (the "Department") has an interest in the property at 112 Mary Street, Toowoomba equivalent to the current value of the funded buildings in the event that the Company ceases to use the property for the purpose of providing community housing. The Department's interest in the property is reduced annually by a 2% return of equity to the Company. Under this agreement the Department have an interest in the Betty Willis building and the Hoffman Wadley building at 112 Mary Street of 84% as at 30 June 2019. These assets were subject to independent valuation on 1 June 2018, with assessed fair values of \$250,000 and \$1,465,000 respectively. The estimated value of the contingent liability at 30 June 2019 is therefore \$1,440,600.

Under the terms of a capital assistance grant dated December 2009 the Department also has an interest in the property at 162 Denham Street, Townsville on the same basis as described for the Toowoomba property above. The Department's equity interest in the property at 30 June 2019 is 85%. The property has been independently valued at \$3,500,000 effective 1 June 2018. The estimated value of the contingent liability at 30 June 2018 is therefore \$2,975,000.

As a condition of these capital assistance grant funding agreements, the state government has a first registered mortgage over the property at both 112 Mary Street, Toowoomba and 162 Denham Street, Townsville.

In the opinion of the directors, the Company has no intention to stop using the properties for community housing and therefore the above balances are only regarded as contingent liabilities at the year end.

**NOTE 16: EVENTS SUBSEQUENT TO REPORTING DATE**

There has been no matter or circumstance, which has arisen since 30 June 2019 that has significantly affected or may significantly affect:

- (a) the operations, in financial years subsequent to 30 June 2019, of the Company, or
- (b) the results of those operations, or
- (c) the state of affairs, in financial years subsequent to 30 June 2019, of the Company.

**NOTE 17: COMPANY DETAILS**

The registered office of the Company is:

YWCA National 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, the Corporations Regulations 2001 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 15<sup>th</sup> day of October 2019

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