

YWCA Housing

ACN 133 272 116

Annual Financial Report
For the year ended 30 June 2020

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DIRECTORS' REPORT

The directors present their report together with the financial report of YWCA Housing ('the Company') for the financial year ended 30 June 2020 and the auditor's report thereon.

Director details

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

- | | |
|------------------------------|--|
| • Kirsty Rourke | Appointed 1 July 2019 |
| • Rebecca Thomas | Appointed 3 November 2019 |
| • Freya Mulvey | Appointed 9 April 2020 |
| • Helen Conway (Chair) | Appointed 9 April 2020 |
| • Julia Goodall | Appointed 1 June 2020 |
| • Lauren Tanner | Appointed 1 June 2020, Resigned 3 August 2020 |
| • Juliana Nkrumah AM | Appointed 1 June 2020 |
| • Nicole Freeman | Appointed 1 June 2020 |
| • Molly George | Appointed 1 June 2020 |
| • Lina Tchung | Appointed 1 June 2020 |
| • Cara Gleeson | Appointed 24 July 2020 |
| • Melinda van der Westhuizen | Resigned 22 November 2019 |
| • Julie Boyd | Resigned 22 November 2019, Re-appointed 9 April 2020, Resigned 30 June 2020 |
| • Anna Draffin (Chair) | Resigned 31 March 2020 |
| • Yien Hong | Resigned 31 March 2020 |
| • Tracy Thelander | Appointed 8 November 2019, Resigned 31 May 2020 |
| • Sarah Scruby | Appointed 13 January 2020, Resigned 31 May 2020 |

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 holds a Masters of Corporate Governance, a Bachelor of Arts, is a fellow of the Governance Institute of Australia and of the Institute of Chartered Secretaries and Administrators (UK) and is a Graduate of the Australian Institute of Company Directors.

Results

The surplus of the Company for the year amounted to \$256,145 (2019: surplus \$261,968).

Review of operations

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

Objectives

The objectives of the Company are:

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

Strategies for achieving the objectives

The Company will:

- provide housing and services that strengthens women's engagement within their communities;
- lead and support staff wellbeing through change;
- commence a national growth strategy;
- explore mergers and acquisitions;
- work with its group entities in developing research and advocacy and policy platform for housing nationally and implementing an organisational impact framework;
- investigate engagement programs for tenants; and
- integrate housing systems across all jurisdictions.

Performance measures

The Company measures its performance by meeting the objectives established in the Strategic Plan and budget. Key performance indicators are also established and monitored both internally and as a comparison to external benchmarks.

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 leased, government owned and independently owned accommodation.

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

Board of directors

During the year, YWCA Australia and its subsidiaries commissioned an independent review of the Group's governance structure. A recommendation was made and approved by the boards to move to a common board membership of directors on all boards of YWCA entities effective from 1 June 2020. The directors agreed that such a move would achieve greater synergy and better communication across the entities.

The directors are confident that the common board membership provides the skills, knowledge, attributes and experience required to guide the Group to achieve YWCA's strategic plan.

Helen Conway

Non-executive director and Chair (appointed 9 April 2020)

| | |
|----------------|---|
| Qualifications | B Arts, B Laws |
| Experience | <p>Helen is an experienced director, senior executive and lawyer who has worked in a range of organisations in commercial, public and not-for-profit sectors including in the insurance, transport, energy, retailing, education, health and construction industries. She is a governance expert, able to manage particularly sensitive regulatory issues, and an experienced spokesperson.</p> <p>With an established track record in undertaking volunteer work in the not-for-profit sector, Helen is passionate about giving back to the community. She has a long-standing commitment to women's rights and gender equality including through many pro-bono committee and volunteer roles focusing on women's issues.</p> <p>Helen is particularly passionate about leading and undertaking transformational change in organisations, something she did in her role as CEO of the Australian Government's Workplace Gender Equality Agency from 2011 and 2015.</p> |

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Directors' Report**

Nicole Freeman

Non-executive director (appointed 1 June 2020)

Qualifications B Arts (Hons), B Laws (Hons)

Experience Nicole Freeman is a practicing lawyer with a background in corporate and commercial law with a practicing Certificate from the Law Society of New South Wales.

Nicole joined the Board of YWCA NSW in 2017, and soon after stepped into the role of Chair of their Merger Sub-Committee. Nicole joined Clayton Utz in 2014 as a corporate lawyer in the Mergers and Acquisitions team before joining Landerer & Company as a Legal Associate in 2017, focusing on a range of corporate and commercial matters, including, corporate structuring, joint ventures, foreign investment laws and other Corporations Act and company law matters.

Nicole is also a director of the Stella Prize, a literary award for Australian female authors.

Molly George

Non-executive director (appointed 1 June 2020)

Member of the People, Culture and Governance Committee

Qualifications BA (Fine Arts)

Experience Molly is creative, curious and motivated. With a background in fine arts, she loves arts and culture, learning about food, and is constantly inspired by creativity within Australia's youth arts and wider sector.

She works at SYN Media, currently as Media Learning Manager overseeing the social enterprise 'SYN Media Learning', and previously as Pathways Manager, supporting a community of over 500 young volunteers.

She is the current Youth Representative at the Community Broadcasting Association of Australia (CBAA), and a 2019 Foundation for Young Australians (FYA) 'Young Social Pioneer' for her proposal to improve governance diversity and inclusion policies and practices.

Cara Gleeson

Non-executive director (appointed 24 July 2020)

Qualifications B Arts, MA (Social Research)

Experience 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 of 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.

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 has 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.

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Directors' Report**

Julia Goodall

Non-executive director and Deputy Chair (appointed 1 June 2020)

Member of the Young Women's Council

Qualifications BSc – Animal Science

Experience Julia designs and scales social impact initiatives through innovative leadership, human centred design, curiosity and optimism. Julia has project managed Australian Red Cross's humanitarian response to COVID-19 and works to design and develop strategic solutions to prepare people for the impacts of disasters. Previous roles with Red Cross have included management, youth resilience and community engagement through which she has developed strong relationships across sectors and driven a culture of volunteer leadership.

In a voluntary capacity, Julia has led strategic projects for NGOs, these have included youth-led organisation Big Week Out, women's leadership organisation Spence Club and sporting events.

Julia has served as a Director of YWCA Australia since 2018, a member of the Young Women's Council since 2019 and a Director of YWCA Housing and YWCA National Housing since 2020, having previously collaborated with YWCA Adelaide on youth resilience and leadership projects. Julia has also served on governance committees for Spence Club, Lockington Horse Trials, the Pony Club Association of SA and in Ex. Officio capacity for the Red Cross South Australian Youth Advisory Committee.

Freya Mulvey

Non-executive director (appointed 9 April 2020)

Member of the Nominations Committee and Property and Assets Committee

Qualifications B Media, B Law

Experience Freya is a commercial lawyer from Darwin in the Northern Territory, and a passionate advocate for gender equality.

Her proudest girl power moment came when she shared Amy Cuddy's messaging on body language and power posing with her colleagues from West Timor and started a safe and constructive discussion about gender inequality in the workplace and changing the power dynamics in their professional lives.

In 2018, Freya was voted in as an inaugural member of the YWCA Australia's Young Women's Council, contributing to the YWCA movement and vision of a better future for Australian women, young women and girls.

Freya believes that through the collective agency of YWCA's member base, we will continue to accelerate the advancement of gender equality and empowerment of women.

Juliana Nkrumah AM

Non-executive director (appointed 1 June 2020)

Qualifications MSc. Sociology; BSc Hons Sociology and Social Anthropology

Experience Juliana Nkrumah AM is the Domestic Violence Project Manager at Settlement Services International. She was the leader on programs to Stop the practice of Female Genital Mutilation in NSW and influenced similar work across Australia. She also coordinated the Multicultural Community Liaison Officer Program in the NSW Police Force for over a decade

She founded African Women Australia and has served on several Boards to improve the status of women, including the Board of YWCA NSW, Australian National Committee on Refugee Women, Act for Peace, African Ministerial Committee, Harmony Alliance and the Eminent Australians Committee to review the Australian Citizenship Test. She is also a highly recognised inspirational public speaker.

Juliana was awarded Membership of the Order of Australia for her work in the community and was the winner of Woman of the West from University of Western Sydney in 2007.

Kirsty Rourke

Non-executive director (appointed 1 July 2019)

Member of the People, Culture and Governance Committee

Qualifications LLB (Hons), B Com, GDLP, Grad Dip Property Valuation and Development, GAICD

Experience Kirsty Rourke is the CEO of the City of Brisbane Investment Corporation Pty Ltd, Brisbane City Council's Urban Wealth Fund. Kirsty has significant property investment expertise and was formerly a property lawyer at Holding Redlich. In her role as CEO, Kirsty is focused on targeting environmentally sustainable, socially beneficial investments that will deliver profit back to Brisbane.

Kirsty was appointed as a Young Woman Director of YWCA Queensland in 2014 and YWCA Australia in 2015 and continued to serve on those Boards until the merger in May 2018. Subsequently, in June 2018, Kirsty was appointed to the YWCA National Housing Board and YWCA Housing Board and in 2020 was reappointed to the YWCA Australia Board. Kirsty is passionate about young women's leadership and providing women and families with access to long term, stable accommodation.

Lina Tchung

Non-executive director (appointed 1 June 2020)

Member of the Finance, Audit and Risk Committee

Qualifications B. Business Management/Commerce

Experience Lina is a Chartered Accountant, working as an auditor with a broad background in finance, audit, risk and governance.

Lina joined Macquarie Group in 2019 as a Division Director in Internal Audit. She previously worked as a Director at EY in the financial services assurance practice. Having spent 17 years at EY, Lina specialised as an external auditor in wealth and asset management and worked in both Sydney and San Francisco.

Lina was appointed as an U30 Director of YWCA NSW in 2009 and continued to serve on the Board, Finance, Risk and Compliance Committee and later as a strong advocate on the NSW Merger Committee until the organisations integrated on 1 June 2018. Lina is also the treasurer of Immigration Advice & Rights Centre.

Rebecca Thomas

Non-executive director (appointed 3 November 2019)

Member of the Finance, Audit and Risk Committee

Qualifications B. Sc (Hons.), Investment Management Certificate

Experience Rebecca is a banking and funds management professional with deep experience in debt and equity financing, having led large scale investments across both Europe and Australia over the last 15 years. Rebecca is responsible for directing institutional

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Directors' Report**

investment into the for-purpose sector in her current role as Director, Impact Investing at Social Ventures Australia.

Rebecca joined the YWCA Housing and YWCA National Housing Boards in November 2019 and was appointed to the YWCA Australia Board in May 2020. Rebecca also volunteers with TwoGood, a social enterprise that works with women at risk of homelessness.

Directors' meetings

| Directors | Meetings | |
|----------------------------|--------------------|----------|
| | Entitled to attend | Attended |
| Julie Boyd | 4 | 4 |
| Helen Conway | 2 | 2 |
| Anna Draffin | 5 | 5 |
| Nicole Freeman | 0 | 0 |
| Molly George | 0 | 0 |
| Cara Gleeson | 0 | 0 |
| Julia Goodall | 0 | 0 |
| Yien Hong | 5 | 4 |
| Freya Mulvey | 2 | 1 |
| Juliana Nkrumah | 0 | 0 |
| Kristy Rourke | 9 | 9 |
| Sarah Scruby | 7 | 7 |
| Lauren Tanner | 0 | 0 |
| Lina Tchung | 0 | 0 |
| Tracy Thelander | 7 | 5 |
| Rebecca Thomas | 7 | 7 |
| Melinda van der Westhuizen | 2 | 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 2020, 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 (2019: \$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 8.

Signed in accordance with a resolution of the board of directors



Director: Helen Conway



Director: Lina Tchung

Dated this 15th day of October 2020

RSM Australia Partners

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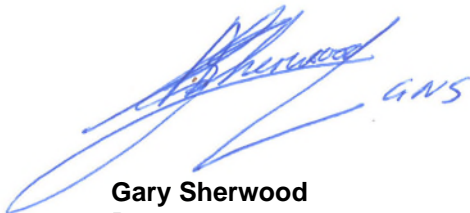
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AUDITOR'S INDEPENDENCE DECLARATION

As lead auditor for the audit of the financial report of YWCA Housing for the year ended 30 June 2020, I declare that, to the best of my knowledge and belief, there have been no contraventions of:

- (i) the auditor independence requirements of the section 60-40 of the *Australian Charities and Not-For-Profits Commission Act 2012* in relation to the audit; and
- (ii) any applicable code of professional conduct in relation to the audit.

**RSM AUSTRALIA PARTNERS**

Gary Sherwood
Partner

Sydney, NSW

Dated: 15 October 2020

YWCA Housing
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Statement of Profit or Loss
And Other Comprehensive Income

**STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2020**

| | Note | 2020 \$ | 2019 \$ |
|--|------|--------------------|--------------------|
| Revenue and other income | | | |
| Revenue | 4 | 2,552,627 | 2,871,007 |
| Other income | 4 | 40,945 | 16,101 |
| Total revenue and other income | | <u>2,593,572</u> | <u>2,887,108</u> |
| Expenses | | | |
| Administrative expense | | (470,509) | (351,237) |
| Brand and communication expense | | (14,697) | (238) |
| Depreciation and amortisation expense | 10 | (183,375) | (196,025) |
| Employee benefits expense | | (686,887) | (964,818) |
| Information technology expense | | (58,047) | (14,880) |
| Motor vehicle expense | | (9,895) | (13,693) |
| Property, service and utilities expense | | (914,017) | (1,084,249) |
| Total expenses | | <u>(2,337,427)</u> | <u>(2,625,140)</u> |
| Surplus before income tax expense | | 256,145 | 261,968 |
| Income tax expense | 3.1 | - | - |
| Surplus for the year | | 256,145 | 261,968 |
| Other comprehensive income | | | |
| <i>Items that will not be reclassified to profit or loss</i> | | | |
| Net decrease in fair value of financial assets | | (20,040) | - |
| Other comprehensive income for the year | | (20,040) | - |
| Total comprehensive income for the year | | 236,105 | 261,968 |

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

YWCA Housing
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Statement of Financial Position

STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2020

| | Note | 2020 \$ | 2019 \$ |
|----------------------------------|------|--------------------------|-------------------------|
| Current assets | | | |
| Cash and cash equivalents | 6 | 671,212 | 2,109,446 |
| Receivables | 7 | 85,350 | 51,981 |
| Financial assets | 8 | 1,495,295 | - |
| Other assets | 9 | 9,166 | 30,589 |
| Total current assets | | <u>2,261,023</u> | <u>2,192,016</u> |
| Non-current assets | | | |
| Property, plant and equipment | 10 | 8,020,097 | 7,799,187 |
| Total non-current assets | | <u>8,020,097</u> | <u>7,799,187</u> |
| Total assets | | <u>10,281,120</u> | <u>9,991,203</u> |
| Current liabilities | | | |
| Payables | 11 | 492,722 | 567,999 |
| Contract liabilities | 12 | 275,504 | 146,415 |
| Total current liabilities | | <u>768,226</u> | <u>714,414</u> |
| Net assets | | <u>9,512,894</u> | <u>9,276,789</u> |
| Equity | | | |
| Reserves | | 1,322,545 | 1,342,585 |
| Retained surpluses | | 8,190,349 | 7,934,204 |
| Total equity | | <u>9,512,894</u> | <u>9,276,789</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 2020

| | Asset Revaluation Reserves \$ | Financial Asset Reserves \$ | Retained Earnings \$ | Total Equity \$ |
|--|--|--------------------------------------|----------------------------|-----------------------|
| Balance at 1 July 2018 | 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 |
| Balance at 30 June 2019 | 1,342,585 | - | 7,934,204 | 9,276,789 |
| Balance at 1 July 2019 | 1,342,585 | - | 7,934,204 | 9,276,789 |
| Surplus for the year | - | - | 256,145 | 256,145 |
| Other comprehensive income: | | | | |
| Net decrease in fair value of financial assets | - | (20,040) | - | (20,040) |
| Total comprehensive income for the year | - | (20,040) | 256,145 | 236,105 |
| Balance at 30 June 2020 | 1,342,585 | (20,040) | 8,190,349 | 9,512,894 |

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

YWCA Housing
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Statement of Cash Flows

**STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2020**

| | 2020 | 2019 |
|--|--------------------|------------------|
| | \$ | \$ |
| Operating activities | | |
| Receipts from: | | |
| Customers, government grants & other income | 2,519,258 | 2,627,471 |
| Interest income | 40,945 | 16,101 |
| Payments to suppliers | (2,078,817) | (2,194,321) |
| Net cash provided by operating activities | 481,386 | 449,251 |
| Investing activities | | |
| Payments for property development | (404,285) | (142,802) |
| Purchase of financial investments | (1,515,335) | - |
| Net cash used in investing activities | (1,919,620) | (142,802) |
| Net change in cash and cash equivalents | (1,438,234) | 306,449 |
| Cash and cash equivalents at beginning of year | 2,109,446 | 1,802,997 |
| Cash and cash equivalents at end of year | 671,212 | 2,109,446 |

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 2020

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 and 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 the Company were approved and authorised for issue by the directors on 15 October 2020.

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 16 Leases

The Company has adopted AASB 16 from 1 July 2019. The standard replaces AASB 117 'Leases' and for lessees eliminates the classifications of operating leases and finance leases. Except for short-term leases and leases of low value assets, right-of-use assets and corresponding lease liabilities are recognised in the statement of financial position. Straight-line operating lease expense recognition is replaced with a depreciation charge for the right-of-use assets (included in operating costs) and an interest expense on the recognised lease liabilities (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. However, EBITDA (Earnings Before Interest, Tax, Depreciation and Amortisation) results improve as the operating expense is now replaced by interest expense and depreciation in profit or loss. For classification within the statement of cash flows, the interest portion is disclosed in operating activities and the principal portion of the lease payments are separately disclosed in financing activities.

Impact of adoption

AASB 16 was 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. The adoption of AASB 16 as at 1 July 2019 did not affect the statement of financial position.

Early adoption of standards

The Company has not elected to adopt any pronouncements early.

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 under the historical cost convention and 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.

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 Investments in Financial Instruments

Investments in financial instruments are designated as financial assets at fair value through other comprehensive income if they do not have fixed maturities and fixed or determinable payments, and management intends to hold them for the medium to long term. The financial assets are presented as non-current assets unless they mature, or management intends to dispose of them within 12 months of the end of reporting period. Changes in the fair value and exchange differences arising on translation of investments that are classified as financial assets at fair value through other comprehensive income (for example equities), are recognised in other comprehensive income accumulated in a separate reserve with equity. Amounts are reclassified to profit and loss when the associated assets are sold or impaired.

3.7 Property, plant & equipment

Property

Land and buildings are measured at 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.

3.8 Work in progress

All development project costs are initially accounted for as work in progress before they are recognised as tangible or intangible assets upon completion of the project. Work in progress is stated at the lower of cost and net realisable value.

3.9 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.

3.10 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.

3.11 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.

3.12 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 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 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 are used that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

3.15 Critical accounting estimates

The preparation of the financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the company's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in Note 3.16 below.

3.16 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.

Coronavirus (COVID-19) pandemic

Judgement has been exercised in considering the impacts that the Coronavirus (COVID-19) pandemic has had, or may have, on the company based on known information. This consideration extends to the nature of the services offered, clients, supply chain, staffing and geographic regions in which the company operates. Other than as addressed in specific notes, there does not currently appear to be either any significant impact upon the financial statements or any significant uncertainties with respect to events or conditions which may impact the Company unfavourably as at the reporting date or subsequently as a result of the Coronavirus (COVID-19) pandemic.

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.

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Fair Value of Land and Buildings:

The Company has elected to use the revaluation model as its accounting policy in relation to land and buildings. AASB 116, *Property, Plant and Equipment* requires that land and buildings be carried at a revalued amount, being its fair value at the date of the revaluation less any subsequent accumulated depreciation and subsequent accumulated impairment losses. It further requires that revaluations shall be made with sufficient regularity to ensure that the carrying amount does not differ materially from that which would be determined using fair value at the end of the reporting period. The frequency of revaluations depends upon the changes in fair values of the items of property, plant and equipment being revalued. Management and the board are of the opinion that the fair value of land and buildings is not expected to fluctuate significantly on an annual basis and consequently have determined that the commercial property assets will be valued at least once every three years, and at least once every five years for all other current and future property assets. The last valuations were conducted in the 2018 financial year. The current COVID pandemic has created an environment where there is a significant judgement and estimation uncertainty with regards to estimating the fair value of land and buildings. Management have performed an analysis of the rental income and vacancy rates and concluded that the property assets are not impaired based on the rental yield and vacancy rates.

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 debt recoverable and historical collection rates.

NOTE 4: REVENUE AND OTHER INCOME

| | 2020 | 2019 |
|----------------------------------|-----------------|-----------------|
| | \$ | \$ |
| Revenue | | |
| Housing services | 2,412,064 | 2,522,692 |
| Grant income | 139,282 | 345,741 |
| Donations | 1,281 | 2,574 |
| | <hr/> 2,552,627 | <hr/> 2,871,007 |
| Other income | | |
| Interest | 40,945 | 16,101 |
| | <hr/> 40,945 | <hr/> 16,101 |
| | | |
| Total revenue and other income | <hr/> 2,593,572 | <hr/> 2,887,108 |
| Disaggregation of revenue | | |
| Geographical regions | | |
| Australia | <hr/> 2,593,572 | <hr/> 2,887,108 |

NOTE 5: EXPENSES

Surplus before income tax includes the following specific expenses:
Superannuation expense

| | | |
|---|--------------|--------------|
| Defined contribution superannuation expense | <hr/> 51,114 | <hr/> 56,952 |
|---|--------------|--------------|

NOTE 6: CASH AND CASH EQUIVALENTS

| | | |
|--------------|---------------|-----------------|
| Cash at bank | <hr/> 671,212 | <hr/> 2,109,446 |
|--------------|---------------|-----------------|

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NOTE 7: RECEIVABLES

| | 2020 | 2019 |
|------------------------------------|---------------|---------------|
| | \$ | \$ |
| CURRENT | | |
| Rent in arrears | 48,535 | 12,520 |
| Allowance for expected credit loss | - | (2,603) |
| | <u>48,535</u> | <u>9,917</u> |
| Other receivables | 36,815 | 42,064 |
| | <u>85,350</u> | <u>51,981</u> |

All of the Company'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 \$nil (2019: \$2,603) has been recorded as an expense.

NOTE 8: FINANCIAL ASSETS

| | | |
|----------------------------|------------------|----------|
| CURRENT | | |
| Financial assets - current | 1,495,295 | - |
| | <u>1,495,295</u> | <u>-</u> |

Financial assets represent investment in treasury bonds.

NOTE 9: OTHER ASSETS

| | | |
|--------------------------------|--------------|---------------|
| CURRENT | | |
| Prepayments | 9,166 | 20,250 |
| Residential tenancy bonds paid | - | 10,339 |
| | <u>9,166</u> | <u>30,589</u> |

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NOTE 10: PROPERTY, PLANT & EQUIPMENT

| | Land & Buildings | Plant & Equipment | Work in Progress | Total |
|-------------------------------------|---------------------------------|----------------------------------|-----------------------------|-------------------------|
| | \$ | \$ | \$ | \$ |
| Gross carrying amount | | | | |
| Balance at 1 July 2019 | 7,755,000 | 158,284 | 242,844 | 8,156,128 |
| Additions | - | - | 404,285 | 404,285 |
| Balance at 30 June 2020 | <u>7,755,000</u> | <u>158,284</u> | <u>647,129</u> | <u>8,560,413</u> |
| Depreciation and impairment | | | | |
| Balance at 1 July 2019 | (198,657) | (158,284) | - | (356,941) |
| Depreciation | (183,375) | - | - | (183,375) |
| Balance at 30 June 2020 | <u>(382,032)</u> | <u>(158,284)</u> | <u>-</u> | <u>(540,316)</u> |
| Carrying amount 30 June 2020 | <u>7,372,968</u> | <u>-</u> | <u>647,129</u> | <u>8,020,097</u> |
| 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 | <u>7,755,000</u> | <u>158,284</u> | <u>242,844</u> | <u>8,156,128</u> |
| 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 | <u>(198,657)</u> | <u>(158,284)</u> | <u>-</u> | <u>(356,941)</u> |
| Carrying amount 30 June 2019 | <u>7,556,343</u> | <u>-</u> | <u>242,844</u> | <u>7,799,187</u> |

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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 above 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.

The current COVID pandemic has created an environment where there is a significant judgement and estimation uncertainty with regards to estimating the fair value of land and buildings. Management have performed an analysis of the rental income and vacancy rates and concluded that the fair values of property assets are not impaired based on the rental yield and vacancy rates.

NOTE 11: PAYABLES

| | 2020 | 2019 |
|------------------------------|----------------|----------------|
| | \$ | \$ |
| CURRENT | | |
| Trade payables | 292,306 | 182,883 |
| Other creditors and accruals | 76,472 | 83,946 |
| Rent received in advance | 123,944 | 77,857 |
| Payable to related entities | - | 223,313 |
| | <u>492,722</u> | <u>567,999</u> |

NOTE 12: CONTRACT LIABILITIES

| | | |
|-----------------------|----------------|----------------|
| CURRENT | | |
| Grant income deferred | 275,504 | 146,415 |
| | <u>275,504</u> | <u>146,415</u> |

NOTE 13: LEASES

Residential premises

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

The Company 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.

Other leases

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

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

NOTE 14: 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 13).

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

| | 2020 | 2019 |
|---|----------------|------------------|
| | \$ | \$ |
| Staffing costs | 685,447 | 963,521 |
| Other administration, operating and occupancy costs | 265,467 | 157,406 |
| | <u>922,918</u> | <u>1,120,927</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> |
|---------------------------------|---|----------------|

NOTE 15: CONTINGENT LIABILITIES

There are no contingent liabilities that have been incurred by the Company in relation to 2020 (2019: None).

NOTE 16: COMMITMENTS

The Company had no commitments for expenditure as at 30 June 2020 and 30 June 2019.

NOTE 17: EVENTS SUBSEQUENT TO REPORTING DATE

The impact of the Coronavirus (COVID-19) pandemic is ongoing and while it has been financially positive for the Company up to 30 June 2020, it is not practicable to estimate the potential impact, positive or negative, after the reporting date. The situation is rapidly developing and is dependent on measures imposed by the Australian Government and other countries, such as maintaining social distancing requirements, quarantine, travel restrictions and any economic stimulus that may be provided.

No other matter or circumstance has arisen since 30 June 2020 that has significantly affected, or may significantly affect the Company's operations, the results of those operations, or the Company's state of affairs in future financial years.

NOTE 18: 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 2020 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: Helen Conway



Director: Lina Tchung

Dated this 15th day of October 2020

**INDEPENDENT AUDITOR'S REPORT
To the Members of YWCA Housing**

Level 13, 60 Castlereagh Street Sydney NSW 2000

GPO Box 5138 Sydney NSW 2001

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F +61 (0) 2 8226 4501

www.rsm.com.au**Opinion**

We have audited the financial report of YWCA Housing (the Company), which comprises the statement of financial position as at 30 June 2020, the statement of profit or loss and other comprehensive income, the statement of changes in equity and the 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 accompanying financial report of the Company is in accordance with Division 60 of the Australian Charities and Not-for-profits Commission Act 2012, including:

- (i) giving a true and fair view of the Company's financial position as at 30 June 2020 and of its financial performance for the year then ended; and
- (ii) complying with Australian Accounting Standards and the Australian Charities and Not-for-profits Commission Regulation 2013.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Group in accordance with 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 opinion.

Other Information

The directors are responsible for the other information. The other information comprises the information included in the Company's annual report for the year ended 30 June 2020, but does not include the financial report and the auditor's report thereon.

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

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

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the Financial Report

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

In preparing the financial report, the directors are responsible for assessing the ability of the Company 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.

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.

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website at: http://www.auasb.gov.au/auditors_responsibilities/ar4.pdf. This description forms part of our auditor's report.

RSM

RSM Australia Partners


GNS

Gary Sherwood
Partner

Dated: 15 October 2020