



Uniting Housing

Annual Report 2017 - 2018



UnitingCare Housing Victoria Limited

Trading as
Uniting Housing Victoria

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Introduction

Vision

UnitingCare Housing Victoria Ltd (UHV) is committed to supporting and strengthening personal, family and community life and contributing towards building a just, compassionate and sustainable society through the support and provision of social and community housing in Victoria. UHV will fulfil this vision by providing operational management services, support and guidance to UnitingCare Agencies, Uniting Church Presbyteries and Congregations in the delivery of effective and sustainable social and community housing.

Mission

UHV's core mission is to increase the availability of appropriate, secure and sustainable affordable housing, to strengthen communities and to assist those most in need. In order to succeed, UHV must:

- Effectively manage properties it controls to ensure long-term sustainability of the assets;
- Explore opportunities to increase the availability of affordable housing stock;
- Allocate rental housing stock using processes that are fair and transparent;
- Ensure rents are affordable with an aim to achieving sustainable tenancies;
- Demonstrate a strong commitment to serving and valuing its clients
- Ensure tenants are appropriately engaged through tenant participation processes; and,
- Support and advise Agencies, Presbyteries and Congregations in their similar efforts.

Values

Our Faith

Seeking to share in the love and purpose of God as revealed in Jesus Christ, we strive to address injustice and to offer reconciliation and hope

A focus on the disadvantaged

Having particular concern for people who are vulnerable, poor and marginalised

Social justice

Promoting equity, human rights and participation for all

Empowerment

Seeking to build on people's strengths and enabling them to speak and act for themselves

Respect

Respecting the contribution of all involved in our network, valuing diversity and promoting exclusivity

Working holistically

Responding to the total circumstances of those we serve, promoting wholeness at all levels

Working together

Seeking partnerships in service delivery, acts of solidarity, and social commentary

Pursuing innovation

Continually examining our services and programs to ensure they are cutting edge responses to human need

Striving to do better

Undertaking ongoing research, evaluation and quality improvement

Our Business

UnitingCare Housing Victoria Limited trading as Uniting Housing Victoria (UHV) is a Housing Provider registered with the Victorian Housing Registrar. UHV delivers property and tenancy management services to social housing properties. The management of this stock is regulated under the Housing Act 1983 and the Regulatory Framework introduced in 2007. All UHV tenancies must comply with the Residential Tenancies Act 1997.

UHV was established by the Uniting Church to facilitate housing for disadvantaged members of the community in line with the Church's ethos and mission. UHV stands apart as an independently incorporated body because it is at times necessary for property title and service contract to be held at arm's length from UnitingCare Agencies and the Uniting Church organisation as a whole. In regard to these arrangements, UHV holds responsibility for governance and accountability for the sustainable function of these properties and contracts to the Victorian Department of Health & Human Services, the Housing Registrar and ASIC. UHV's Constitution and Board of Governance is structured accordingly.

From the Chairperson



The Board of Uniting Housing Victoria (UHV) has seen major changes in the housing environment in the past year, enabling new possibilities for our Company to work closely with Uniting Vic & Tas., the Uniting Church Synod of Victoria and Tasmania's recently established Company, which has the responsibility to co-ordinate and manage the extensive Community Services programmes of the Church located in two States.

UHV has developed a property leasing arrangement with the Uniting Church which has enabled UHV to lease land from the Uniting Church, to enable transportable homes to be placed on the land providing much needed accommodation for people currently seeking a place to call home.

The use of transportable homes was first trialled by UHV at Ararat in rural Victoria, where two homes have been located on land owned by UHV since 2015. This project has been very successful and has enabled UHV to acquire five more transportable homes which will be located on leased Uniting Church land at Mount Pleasant in Ballarat.

The maintenance program of residences under UHV's control has developed steadily with another successful year of operation of the "Help Desk Maintenance Service" which has directed qualified and competent tradespersons to undertake the property maintenance in a timely and efficient manner.

Managing risk remains a top priority for the Board and its recently appointed Risk Committee has been working at identifying and monitoring potential risks for the company.

The Board is extremely grateful to our CEO Ian Brain and the dedicated staff and contractors who enable the smooth operation of the Company, ensuring that another positive end of year financial result has been achieved.

I am personally most grateful to each member of the Board for the expertise and commitment they bring to the operation of the Board and the Company.

John Preston

August 2018

From the Chief Executive Officer

The 2017-18 financial year saw some movement from the State Government in making available capital and support funds for Social Housing. We took up the opportunity to tender and were successful in receiving a Grant for the development of five modular units on the former Mt Pleasant Uniting Church site in Ballarat. To be known as Coates Haven - recognising a famous former member of the Mt Pleasant congregation - the development will house young people who would otherwise be homeless, while they regain their path in their lives. They will receive coordinated support in this through a network of local youth services agencies. As part of this project we are renovating the original bluestone hall on the site as office and training facilities. This renovation is being funded through the sale of an otherwise unusable parcel of land at Cardigan Village. Many hands within our wider Synod organisation were involved in supporting this process, and John Davey, Siobhan Reid and Jim Milne deserve particular mention and thanks. From our staff, David Gunn, our Ballarat Maintenance coordinator deserves congratulations for Project Managing the site-works and restoration.

Additionally, the Department of Health and Human Services have made funds available for a revamp and renovation of the Lyons St Ballarat Rooming House. This work will likely commence in the 2019 calendar year.

The year also brought commencement of discussions with Uniting on the role and place of Social and Community Housing in their strategic plans. I am most pleased that major steps are now in place to better coordinate and integrate our work with theirs.

This integration also brings wider opportunity to UHV. We are well positioned to consider and take up an expanded role in the development and delivery of Social and Community Housing and are looking to make the transition to becoming a Registered Housing Association – a significant step for UHV. The next few years look like being exciting times indeed for UHV.

These opportunities do not come from nowhere. I am indebted to my Board – particularly Chairperson John Preston for their support, encouragement, professional critique and the humanity they bring to our tasks and challenges. I also want to acknowledge Susan Howell's outstanding contribution. It is indeed a pleasure to work with such a team on so purposeful a task.

One of the highlights of the year has been our receipt of donations. UHV holds DGR1 status, and this year received \$269,672.00 in specified and non-specified donations in support of our work. It is an honour to be entrusted with those funds, these gifts mean much, much more than the dollars they represent.

Our Balance sheet and Statement of Accounts is attached. They speak for themselves in recording a successful trading year and a sound operational mindset, and further solidify the platform UHV is constructing for its next stage of development. I look forward to working with you all on realising some of the opportunities that this period will bring.

IAN BRAIN
CEO
UNITING HOUSING VICTORIA



Board of Governance Report

The Board presents their report on UnitingCare Housing Victoria Limited for the financial year ended 30 June 2018.

Company Structure

UnitingCare Housing Victoria Limited (ACN 134 589 745) is incorporated as a Company Limited by Guarantee.

UnitingCare Housing Victoria Limited (UHV) has three Company Members:

- The Moderator of the Synod of Victoria and Tasmania, Uniting Church in Australia
- The General Secretary of the Synod of Victoria and Tasmania, Uniting Church in Australia
- The Chairperson of The Uniting Church in Australia Property Trust (Victoria)

The Standing Committee of the Synod of Victoria and Tasmania may admit any person as a Member if the Members of the Standing Committee unanimously agree, and the person agrees to be bound by the constitution of UHV.

Company Members guarantee

UnitingCare Housing Victoria Limited is a company limited by guarantee. In the event of, and for the purpose of winding up of the company, the amount capable of being called up from each member and any person or association who ceased to be a member in the year prior to the winding up is limited to \$2.

Company Statement of objects

The objects for which the Company is established are:

- (a) To promote the relief of poverty or the needs of people who have a disability or are aged (or both) by the provision of affordable housing to persons in housing need.
- (b) To comply with the regulatory framework that governs rental housing agencies which provide rental accommodation for low-income tenants in Victoria.

Principal Activities

The principal activities of the entity during the financial year were to increase the availability of appropriate, secure and sustainable housing, to strengthen communities and to assist those most in need.

Significant Changes

There have been no significant changes in the state of affairs of the company during the year.

Events after the Reporting date

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

Operating Result

The Net Surplus for the year ended 30 June 2018 amounted to \$151,244

Financial Position

The Cash at Bank at 30 June 2018 amounted to \$1,016,783

Total Equity as at 30 June 2018 amounted to \$2,313,838

Taxation Status

UHV is endorsed as a Tax Concession Charity - Public Benevolent Institution for the following:

- a) GST Concession
- b) Income Tax Exemption
- c) FBT Exemption
- d) Deductible Gift Recipient

Company Secretary

The following person held the position of Company Secretary at the end of the financial year;
Robert Short: FCPA. Dip Bus Stud. Appointed: 7 December 2016

The Role of the Board

The role of the Board on behalf of the legal owners (Synod of Victoria and Tasmania, Uniting Church in Australia) and its moral owners (the Victorian community) is to ensure UnitingCare Agencies achieve its social housing mission and strategic goals and objectives and, in doing so, meets all the legal and moral responsibilities and requirements accompanying 'best practice' corporate governance and Housing Registrar mandatory requirements

Information on the Board of Directors

Board Directors have been in office since the start of the financial year to the date of this report unless otherwise stated. The names of each person who has been a Board Director during the year and to the date of this report are:

John Preston - Chairperson:

Qualifications - Grad.Dip.Org.Beh

John has held several senior administrative positions with the Uniting Church Synod of Victoria and Tasmania for over thirty years. Before retiring he was Director of Property and Insurance Services and Property Officer and Secretary of the Property Trusts of both Victoria and Tasmania. He is a Foundation Member of Kondanani Zambia Inc., and former Director of the Asian Development Foundation and the Australian Human Rights Foundation.

Andrew Boatman:

Qualifications - BSc, MBus, GradDipEd, GradDipMgtStud,

Andrew is a retired Naval Officer and former Credit Union Director. During his Navy service, he held several Command appointments, and for several years worked in Defence's family service organisation in close collaboration with the Defence Housing Authority and Defence housing rental allocators. He is currently a member of the Victorian Department of Justice and Regulation (DJR) Human Research Ethics Committee, and Chaplain at Ballarat Clarendon College. He is a past Chairperson of UnitingCare Ballarat.

Mark Grigsby:

Qualifications - COT Arch D, registered Architect VIC, NSW & QLD

Mark is a Member of the Institute of Architects, Director & Strategic Director at Smith & Tracey Architects. Mark has worked predominately in the not-for-profit & community sectors in the specific areas of education, Aged Care & Supported Living on projects ranging from \$100K to \$100m. His role over the past 2 years has been to establish support mechanisms to develop the business operations in Sydney & Brisbane. Mark has been working in the architectural and development industry for over 25 years.

Rev. Jenny Hayes:

Qualifications - BThl.

Jenny is currently the Minister of the Highlands Cluster and Chair PRC of the Presbytery Western Victoria. Jenny has wide and varied experience in organisations within the church and community including: 15 years as a Prison Chaplain; founding member and 12 years as Chair of Werribee Housing; 12 years as Chair of Skillshare Werribee; 12 years as Chair of Heathdale Community Centre; Chair of Presbytery Port Phillip West; numerous committees of the Synod over 20 years; plus, a lifetime of voluntary participation.

Brian Collins:

Qualifications - Cert. Applied Science - Medical Laboratory Technology

Brian is a past chairperson of UnitingCare Ballarat, having been a board member since 2007. He brings ten years' experience as a Medical Laboratory Technician in public hospital pathology laboratory. He was Founding partner in the medical laboratory software company, Triple G Corporation and has spent 25 years developing software for the medical market

David Pratt:

David has spent a lifetime in small business, initially in the family business, David Pratt & Sons - General Merchants, followed by Eureka Valve Manufactures - Production Sales Co-ordinator and his own business David Pratt's Colour Centre - Suppliers of Artists Materials. He has also been actively engaged in his local community, serving as a director Greater Ballarat Building Society; past president Apex Club Wendouree; past president & member of Rotary Club of Ballarat East Inc.; past president and councillor Old Colonists Association of Ballarat Inc. (Provides of low cost housing for the elderly disadvantaged); past chairperson and board member UnitingCare Ballarat Parish Mission and numerous roles within the Uniting Church Synod of Victoria and Tasmania.

Robert Short – Company Secretary:

Qualifications: FCPA. Dip Bus Stud.

Robert has considerable experience in Financial Risk Management and has recently retired from Bank Australia as Coordinator Risk Management. Previous employment included senior financial and administration positions with St George Bank and VS&L. Robert has a long time community interest in Rotary and cricket in Ballarat Victoria.

Robert Burns:

Robert is an experienced Business Manager with a focus on property and risk management, commercial contract negotiation, and risk profiling; Robert has successfully led corporate tender bidding teams and corporate contract management processes.

Wendy Middleton: - Retired as of October 2017

Qualifications: Masters of Community Management, Advanced Diploma Human Services research and Evaluation, Bachelor of Business, Associate Diploma in Welfare Studies.

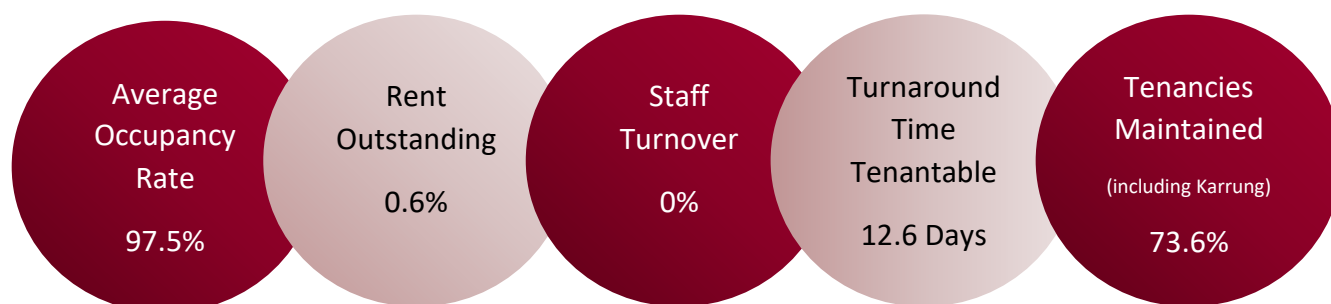
Wendy has over 30 years' experience working in community services both in the government and not for profit sectors in NSW and Victoria and has had the opportunity to work across many domains in both public policy and service delivery. Wendy was CEO Wimmera UnitingCare for 5 years. She commenced working with Argyle Community Housing in September 2013 and was appointed CEO in August 2014.

During the financial year 12 board meetings were held. Attendances by each member during the year are as follows:

Name	Position	Appointed	2018 Eligibility	2018 Attendance	*Leave of Absence
John Preston	Chairperson	19-Mar-12	13	11	2
David Pratt	Deputy Chair	19-Mar-12	13	12	0
Andrew Boatman	Director	19-Mar-12	13	12	0
Brian Collins	Director	19-Mar-12	13	13	0
Mark Grigsby	Director	1-Oct-12	13	5	4
Robert Short	Director	1-Dec-13	13	13	0
Robert Burns	Director	1-May-15	13	10	0
Wendy Middleton	Director	16-Mar-16	4	1	0
Jenny Hayes	Director	6-Apr-17	13	10	0

Housing Registrar's Key Performance Measures

Key Performance Measure	2014-2015	2015-2016	2016-2017	2017 - 2018	Result	Preference
Staff turnover	0%	80%	0%	0%	Preferred	< 15%
Turnaround time (tenantable)	8.58	10.3	14.7 days	12.6 days	Satisfactory	< 7
Turnaround time (untenantable)	14.34	24.7	16.5 days	15.1 days	Preferred	< 21
Rent outstanding from current tenants	0.8%	0.4%	0.6%	0.6%	Preferred	< 1%
Tenancies maintained (long term housing)	64.5%	81.3%	77.9%	73.6%	Satisfactory	> 90%
Prospective tenant/tenant complaints	100%	57.1%	100%	100%	Preferred	> 90%
Average occupancy	92.70%	93.9%	92.5%	97.5%	Preferred	> 90%
Evictions	2.30%	3.2%	3.3%	3.7%	Preferred	< 5%
Urgent requested repairs on time	93.30%	98.4%	100.0%	100.0%	Preferred	100%
Non-urgent request repairs on time	98.40%	92.2%	91.4%	85.1%	Satisfactory	> 90%
Tenant satisfaction – housing services	93.90%	-	98.1%	-		> 90%
Tenant satisfaction – CoV	85.70%	-	87.0%	-		> 90%
Tenant satisfaction - maintenance	81.60%	-	83.0%	-		> 90%



Financial Statements

Statement of Comprehensive Income For the year ended 30th June 2018

	Note	30-Jun-18 \$	30-Jun-17 \$
REVENUE FROM ORDINARY ACTIVITIES			
Grants		1,725,112	1,564,915
Grants - Other	10	-	257,400
Rent		580,116	505,179
Interest on Deposit	3	23,684	15,418
Amortisation of Director of Housing Loan	8	9,833	9,833
Gift and Donation		269,672	-
Miscellaneous Income		4,445	4,810
TOTAL REVENUE		2,612,862	2,357,553
EXPENSES FROM ORDINARY ACTIVITIES			
Service Agreement Fees		1,677,117	1,570,721
Labour and Related Costs		189,753	148,783
Printing and Stationary		339	447
Repairs and Maintenance		46,667	76,371
Cyclical Maintenance		30,727	26,435
Committee Expenses		273	288
General Expenses		47,651	32,352
Depreciation and Amortisation Expenses	3	35,090	27,036
IT Charges		4,610	2,868
Consulting/Legal Fees		16,888	8,306
Library, Reference and Periodicals		-	2,876
Motor Vehicle and Travel		5,590	4,229
Postage and Telephone		5,896	6,079
Property Costs		150,910	122,642
TOTAL EXPENSES		2,211,511	2,029,433
OPERATING SURPLUS FOR THE YEAR		401,351	328,120
OTHER COMPREHENSIVE INCOME			
First time recognition of DOH's equity in Heywood properties		(271,609)	-
Unrealised gain on revaluation of UCA Growth Fund		21,502	-
		(250,107)	-
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		151,244	328,120

The above Statement of Comprehensive Income should be read in conjunction with the accompanying notes.

Statement of Financial Position

For the year ended 30th June 2018

	NOTE	30-Jun-18 \$	30-Jun-17 \$
ASSETS			
CURRENT ASSETS			
Cash and Cash Equivalents	4	1,016,783	623,439
Trade and Other Receivables	5	220,464	104,095
TOTAL CURRENT ASSETS		<u>1,237,247</u>	<u>727,534</u>
NON CURRENT ASSETS			
Investment in UCA Growth Fund		302,548	-
Property, Plant and Equipment	6	4,888,353	4,202,540
TOTAL NON-CURRENT ASSETS		<u>5,190,901</u>	<u>4,202,540</u>
<u>TOTAL ASSETS</u>		<u>6,428,148</u>	<u>4,930,074</u>
LIABILITIES			
CURRENT LIABILITIES			
Trade and Other Payables	7	274,006	210,477
Borrowings	8	9,833	9,833
TOTAL CURRENT LIABILITIES		<u>283,839</u>	<u>220,310</u>
NON CURRENT LIABILITIES			
Trade and Other Payables	7	3,558,652	2,252,101
Borrowings	8	271,819	295,069
TOTAL NON CURRENT LIABILITIES		<u>3,830,471</u>	<u>2,547,170</u>
<u>TOTAL LIABILITIES</u>		<u>4,114,310</u>	<u>2,767,480</u>
<u>NET ASSETS</u>		<u>2,313,838</u>	<u>2,162,594</u>
EQUITY			
Retained Surplus		2,226,346	2,117,877
Reserves	11	87,492	44,717
<u>TOTAL EQUITY</u>		<u>2,313,838</u>	<u>2,162,594</u>

The above Statement of Financial Position should be read in conjunction with the accompanying notes.

Statement of Changes in Equity

For the year ended 30th June 2018

	Retained Surplus \$	Cyclical Maintenance Reserve	Asset Revaluation Reserve	Financial Asset Reserve	Total Equity \$
Balance at 1 July 2016	1,806,322	-	28,152	-	1,834,474
Surplus for the Year	328,120	-	-	-	328,120
Transfer to Reserves	(16,565)	16,565	-	-	-
Balance as of 30 June 2017	<u>2,117,877</u>	<u>16,565</u>	<u>28,152</u>	<u>-</u>	<u>2,162,594</u>
Balance as of 1 July 2017	2,117,877	16,565	28,152	-	2,162,594
Surplus for the Year	401,351	-	-	-	401,351
Transfer to Reserves	(21,273)	21,273	-	-	-
Other Comprehensive Income for the Year	(271,609)	-	-	21,502	(250,107)
Balance of 30 June 2018	<u>2,226,346</u>	<u>37,838</u>	<u>28,152</u>	<u>21,502</u>	<u>2,313,838</u>

Statement of Cash Flows

For the year ended 30th June 2018

		30-Jun-18 \$	30-Jun-17 \$
	NOTE		
Cash flows from Operating Activities			
Receipts from Customers		2,547,967	2,328,349
Payment to Suppliers and Employees		(2,197,883)	(1,963,270)
Interest Received		23,684	15,416
Net Cash Provided by Operating Activities	9	<u>373,768</u>	<u>378,495</u>
Cash Flows from Investing Activities			
Payment for UCA Growth Fund		(281,046)	-
Payment for Property, Plant and Equipment		(766,611)	(1,808,208)
Net Cash Used in Investing Activities		<u>(1,047,657)</u>	<u>(1,808,208)</u>
Cash flows from Financing Activities			
Proceeds from (repayment of) Borrowings		(13,417)	64,269
Proceeds from Director of Housing - Equity Contribution		1,080,650	1,513,000
Net Cash Provided by Financing Activities		<u>1,067,233</u>	<u>1,577,269</u>
Net Increase in Cash and Cash Equivalents		393,344	147,556
Cash at Beginning of the Year		623,439	475,883
Cash at End of the Year	4	<u>1,016,783</u>	<u>623,439</u>

The above Statement of Cash Flow should be read in conjunction with the accompanying notes.

Notes to the Financial Statements

For the year ended 30th June 2018

The financial statements cover UnitingCare Housing Victoria Limited as an individual entity, incorporated and domiciled in Australia. UnitingCare Housing Victoria Limited is a company limited by guarantee.

The company is a non-reporting entity since there are unlikely to be any users who would rely on the general purpose financial statements.

These special purpose financial statements have been prepared in accordance with the requirements of section 60.40 of the Australian Charities and Not-for-profits Commission Regulation 2013 (ACNC Regulation).

The financial statements, except for the cash flow information, have been prepared on an accrual basis and are based on historical costs except for certain items of property, plant and equipment that are measured at revalued amounts and selected non-current assets, financial assets and financial liabilities that are measured at fair value, as explained in the accounting policies below.

All amounts are presented in Australian dollars.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(a) Cash and cash equivalents

Cash and cash equivalents comprises cash on hand and short-term investments which are readily convertible to known amounts of cash and which are subject to an insignificant risk of change in value.

(b) Property, Plant and Equipment

Classes of property, plant and equipment are measured using the cost or revaluation model as specified below. Where the cost model is used, the asset is carried at its cost less any accumulated depreciation and any impairment losses. Cost includes purchase price, other directly attributable costs and the initial estimate of the costs of dismantling and restoring the asset, where applicable. Assets measured using the revaluation model are carried at fair value at the revaluation date less any subsequent accumulated depreciation and impairment losses. Revaluations are performed whenever there is a material movement in the value of an asset under the revaluation model.

Property

Land and buildings is recorded at fair value, being the amount for which an asset could be exchanged between knowledgeable willing parties in an arm's length transaction, based on valuations by external independent valuers, and at directors valuation.

Increases in the carrying amount arising on revaluation of land and buildings are credited to the asset revaluation reserve in equity. When land and buildings are sold the related revaluation increment is transferred from revaluation reserve to retained earnings.

Any accumulated depreciation at the date of revaluation is eliminated against the gross carrying amount of the asset and the net amount is restated to the revalued amount of the asset.

Depreciation

The depreciation amount of all property, plant and equipment, except for freehold land is calculated on a straight line method from the date that management determine that the asset is available for use. Assets held under a finance lease and leasehold improvements are depreciated over the shorter of the term of lease and the assets useful life. The useful lives used for each class of depreciable asset are shown below:

	2018	2017
Buildings	40 years	40 years
Computer Equipment	3 years	-
Motor Vehicles	5 years	5 years

At the end of each annual reporting period, the depreciation method, estimated useful life and residual value of each asset is reviewed, with the effect of any changes in estimate accounted for on a prospective basis.

When an asset is disposed, the gain or loss is calculated by comparing proceeds received with its carrying amount and is taken to profit or loss.

Notes to the Financial Statements (continued)

For the year ended 30th June 2018

(c) Borrowing Costs

Borrowing costs that are directly attributable to the acquisition, construction or production of qualifying asset, which is an asset that necessarily takes a substantial period of time to get ready for its individual use or sale, are capitalised as part of the cost of that asset. All other borrowing costs are recognised as expense in the period in which they are incurred.

(d) Trade and Other Receivables

Trade receivables are recognised when the company becomes a party to the contract and are measured initially at the transaction price (i.e. cost). Trade receivables are subsequently measured at amortised cost less provision for impairment. Receivables expected to be collected within 12 months of the end of the reporting period, are classified as current assets. All other receivables are classified as non-current assets.

At the end of each reporting period, the carrying amount of trade and other receivables are reviewed to determine whether there is any objective evidence that the amounts are not recoverable. If so, an impairment loss is recognised immediately in statement of comprehensive income.

(e) Revenue and Other Income

The company recognises revenue when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the entity and specific criteria have been met for each of the company's activities as discussed below.

Revenue is measured at the fair value of the consideration received net of the amount of Goods and Service Tax (GST) payable to the taxation authority.

Grant revenue

Grant revenue is recognised in the statement of comprehensive income when the company obtains control of the grant, it is probable that the economic benefits gained from the grant will flow to the company and the amount of the grant can be measured reliably.

When grant revenue is received whereby the company incurs an obligation to deliver economic value directly back to the contributor, this is considered a reciprocal transaction and the grant revenue is recognised in the statement of financial position as a liability until the service has been delivered to the contributor, otherwise the grant is recognised as income on receipt.

Asset transfers

The company receives non-reciprocal contributions of assets from the government and other parties for zero or a nominal value. These assets are recognised at fair value on the date of contribution in the statement of financial position, with a corresponding amount of income recognised in the statement of comprehensive income.

Donations and bequests

Donations and bequests are recognised as revenue when received.

Interest Revenue

Interest revenue is recognised using the effective interest rate method, which for floating rate financial assets is the rate inherent in the instrument.

Dividend revenue

Dividend revenue is recognised when the right to receive a dividend has been established.

All revenue is stated net of the amount of goods and services tax (GST).

(f) Trade and Other Payables

Trade and other payables represents the liabilities at the end of the reporting period for goods and services received by the company that remain unpaid.

Trade payables are recognised when the company becomes a party to the contract and are measured at their transaction price. Trade payables are obligations on the basis of normal credit terms.

(g) Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of amount of goods and services tax (GST), except where the amount of GST incurred is not recoverable from the Australian Taxation Office (ATO).

Receivables and payables are stated inclusive of GST. The net amount of GST recoverable from, or payable to, the ATO is included as part of receivables or payables in the statement of financial position.

Cash flows are presented on a gross basis and the GST component of cash flows arising from investing or financing activities which is recoverable from, or payable to, the taxation authority is classified as cash flows.

Notes to the Financial Statements (continued)

For the year ended 30th June 2018

(h) **Comparative Information**

When required by Accounting Standards, comparative figures have been adjusted to conform to changes in presentation for the current financial year.

(i) **Critical accounting estimates and judgments**

The directors make estimates and judgments during the preparation of these financial statements regarding assumptions about current and future events affecting transactions and balances.

These estimates and judgements are based on the best information available at the time of preparing the financial statements, however as additional information is known then the actual results may differ from estimates.

The significant estimates and judgements made have been described below:

Key Judgements - Provision for impairment of receivables

The value of the provision for impairment of receivables is estimated by considering the ageing of receivables, communication with the debtors and prior history.

Notes to the Financial Statements (continued)

For the year ended 30th June 2018

	30-Jun-18 \$	30-Jun-17 \$
3 SURPLUS FROM CONTINUING OPERATIONS		
Net gains and expenses		
Surplus from continuing operations includes the following specific net gains and expenses:		
Depreciation		
- Buildings	34,241	27,036
- Computer Equipment	455	-
- Motor Vehicles	394	-
	<u>35,090</u>	<u>27,036</u>
Crediting as Income		
Interest from		
- UCA Funds Management	23,439	15,179
- Bank	245	237
	<u>23,684</u>	<u>15,416</u>
4 CASH AND CASH EQUIVALENTS		
Cash at Bank - Westpac	188,353	107,402
Cash at Bank - Common Fund	828,430	516,037
	<u>1,016,783</u>	<u>623,439</u>
The above figure is shown in the statement of cash flows.		
5 TRADE AND OTHER RECEIVABLES		
Accounts Receivables	148,825	42,022
Prepayment	8,964	6,866
Provision for GST	62,675	55,207
	<u>220,464</u>	<u>104,095</u>
6 PROPERTY, PLANT AND EQUIPMENT		
Land at Cost	402,665	402,665
Land at Directors Valuation - 2016	586,000	586,000
Land at Independent Valuation - 2016	60,000	60,000
	<u>1,048,665</u>	<u>1,048,665</u>
Buildings at Cost	1,520,316	1,497,459
Buildings at Directors Valuation - 2016	1,260,500	1,260,500
Buildings at Independent Valuation - 2016	440,000	440,000
Accumulated Depreciation	(125,581)	(45,632)
	<u>3,095,235</u>	<u>3,152,327</u>
Computer Equipment	1,636	-
Accumulated Depreciation	(455)	-
	<u>1,181</u>	<u>-</u>
Motor Vehicles	2,197	2,197
Accumulated Depreciation	(1,043)	(649)
	<u>1,154</u>	<u>1,548</u>
Buildings - Work in Progress	742,118	-
	<u>742,118</u>	<u>-</u>
	<u>4,888,353</u>	<u>4,202,540</u>

The land and buildings of the company were revalued as at 30 June 2016 on the following basis:

- The land and buildings at Bowen Street, St Arnaud, were revalued by independent valuers, Leader Property Practice. The valuation was completed on the capitalisation approach.
- All other land and buildings held by the company have been stated at directors valuation after taking into account the site and capital improved value in each property's respective council rates notice.

Notes to the Financial Statements (continued)

For the year ended 30th June 2018

	30-Jun-18 \$	30-Jun-17 \$
7 TRADE AND OTHER PAYABLES		
<u>Current</u>		
Trade Creditors	152,030	163,926
Provision for GST	121,976	46,551
	274,006	210,477
<u>Non-Current</u>		
Director of Housing - Equity Share	2,478,002	2,252,101
Director of Housing - Funding for Construction In Progress	1,080,650	-
	3,558,652	2,252,101

Director of Housing - Equity Share related to the Director of Housing's registered interest under Section 110 of the Housing Act 1983 in relation to several of the properties owned by the Company, as follows:

	30-Jun-18 % Share - DOH	30-Jun-18 \$ Share - DOH	30-Jun-17 % Share - DOH	30-Jun-17 \$ Share - DOH
4 Sherriff Street & 1-3 Robinson Street, Stawell	83.31	309,205	83.31	316,224
Units 1-6, 46A Bowen Street, St Arnaud	86.97	415,717	86.97	425,283
70 and 72 Hunter Street, Heywood	86.50	271,609	-	-
RHAF Properties	86.47	1,481,471	86.47	1,510,594
		2,478,002		2,252,101

At the date of this report, the Company has not been able to determine the exact proportion of ownership interest held by the Director of Housing (DOH) in the properties situated in Hunter Street, Heywood. The DOH's interest reported above is measured using an estimated proportion based on the average equity proportions for the other properties jointly held with DOH, and was recognised the first time at 30 June 2018 in other comprehensive income.

	30-Jun-18 \$	30-Jun-17 \$
8 BORROWINGS		
<u>Current</u>		
Director of Housing - Loan	9,833	9,833
	9,833	9,833
<u>Non-Current</u>		
Director of Housing - Loan	127,834	137,667
Secured Loan - UCA Funds	143,985	157,402
	271,819	295,069

Director of Housing - Loan relates to the Social Housing Innovations Project (SHIP) located at 45 Orchard Grove, Blackburn South. A registered first mortgage has been registered on this property to protect the interests of the Director of Housing.

9 CASH FLOW RECONCILIATION

Reconciliation of Net Cash Provided by Operating Activities to Operating Surplus

Operating Surplus for the Year	401,351	328,120
<u>Adjustments for Non-Cash Components in Surplus</u>		
Depreciation of Property, Plant & Equipment	35,090	27,036
Amortisation of Director of Housing Loan	(9,833)	(9,833)
<u>Changes in Assets and Liabilities</u>		
(Increase) / Decrease in Trade and Other Receivables	(116,369)	(5,955)
Increase / (Decrease) in Trade and Other Payables	63,529	39,127
Net Cash Provided by Operating Activities	373,768	378,495

Notes to the Financial Statements (continued)

For the year ended 30th June 2018

10 GRANTS - OTHER

Grants - Other included the recognition of a grant from Uniting for the new RHA properties. The company has supplied the right to nominate tenants for the life of the property.

11 RESERVES

The asset revaluation reserve records unrealised gains on revaluation of land and buildings.

The cyclical maintenance reserve was established to record expenditure for larger renovation and replacement type works on the properties of the entity.

The financial asset reserve records unrealised gains on revaluation of investments.

12 AUDITORS REMUNERATION

Audit & Review of financial statements

30-Jun-18	30-Jun-17
\$	\$

5,400	4,050
<u>5,400</u>	<u>4,050</u>

13 COMPANY DETAILS

The registered office of the company is:
UnitingCare Housing Victoria Limited
130 Little Collins Street, Melbourne, VIC

The principal place of business is:
UnitingCare Housing Victoria Limited
130 Little Collins Street, Melbourne, VIC

Directors Declaration



ABN 69 134 589 745
Level 7, 130 Little Collins Street
Melbourne 3000
lan.brain@uhv.org.au
Phone 0418 518088

Directors' Declaration

The Board of Directors determined that the Company is not a reporting entity and that this special purpose financial report should be prepared, in accordance with the accounting policies outlined in Note 2 to the financial statements.

In the opinion of the Directors the financial report:

- i) satisfies the requirement of the Australian Charities and Not-for-profits Commission Act 2012, and
- ii) presents fairly the Company's financial position as at 30 June 2018 and its performance for the period ended on that date in accordance with the accounting policies described in Note 2 to the financial statements.

In the Directors' opinion there are reasonable grounds to believe that the Company will be able to pay its debts as and when, they become due and payable.

This Statement is made in accordance with subsection 60.15 (2) of the Australian Charities and Not-for-profits Commission Regulation 2013 and a resolution of the Board of Directors, and is signed for and on behalf of the Directors by:

Director

Robert Short

Director

[Signature]

Dated

5/9/2018

Auditors Declaration



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Web www.ppt.com.au

Phone (03) 5331 3711

Fax (03) 5331 7980

UnitingCare Housing Victoria Limited

Auditors Independence Declaration to the Board of UnitingCare Housing Victoria Limited

I declare that, to the best of my knowledge and belief, during the year ended 30 June 2018 there have been:

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

PPT Audit Pty Ltd.....
PPT Audit Pty Ltd

Jason D. Hargreaves
Director

Dated this 4th day of September, 2018

20 Lydiard Street South, Ballarat

Auditors Report



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UNITINGCARE HOUSING VICTORIA LTD

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF UNITINGCARE HOUSING VICTORIA LTD.

Opinion

We have audited the accompanying financial report, being a special purpose financial report of UnitingCare Housing Victoria Ltd (the Company), which comprises the balance sheet as at 30 June 2018, the profit and loss statement and the cash flow statement for the period then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial report of the Company for the period ended 30 June 2018 is prepared, in all material respects, in accordance with the *Australian Charities and Not-for-profits Commission Act 2012*:

- i. giving a true and fair view of the Company's financial position as at 30 June 2018 and of its financial performance for the period ended, and
- ii. complying with Australian Accounting Standards to the extent described in Note 1 and the *Australian Charities and Not-for-profits Regulations 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 Company in accordance with the auditor independence requirements of the *Australian Charities and Not-for-profits Commission Act 2012* and the ethical requirements of the Accounting Professional and Ethical Standards Board's *APES 110 Code of Ethics for Professional Accountants* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the *Australian Charities and Not-for-profits Commission Act 2012*, which has been given to the Directors of the Company, would be in the same terms if given to the Directors as at the time of this auditor's report.

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

Emphasis of Matter - Basis of Accounting

We draw attention to Note 1 of the financial report, which describes the basis of accounting. The financial report is prepared to assist the Company in fulfilling its financial reporting responsibilities under the *Australian Charities and Not-for-profits Commission Act 2012*. As a result, the financial report may not be suitable for another purpose. Our report is intended solely for the Company and should not be distributed to or used by parties other than the Company. Our opinion is not modified in respect of this matter.

Responsibilities of Management and Those Charged with Governance

Management is responsible for the preparation and fair presentation of the financial report in accordance with the *Australian Charities and Not-for-profits Commission Act 2012*, and for such internal control as management determines is necessary to enable the preparation of the financial report is free from material misstatement, whether due to fraud or error.

In preparing the financial report, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors is responsible for overseeing the Company's financial reporting process.

Auditors Report (continued)



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Auditor's Responsibilities for the Audit of the Financial Report

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

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

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

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

We also provide the management with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

PPT Audit Pty Ltd
PPT Audit Pty Ltd

Jason D. Hargreaves
Director

Dated this 6th day of September, 2018

20 Lydiard Street South, Ballarat

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Uniting **Housing**