

Uniting Housing (Victoria) Limited

ABN 69 134 589 745

Audited Financial Statements

For the Year Ending

30 June 2021



UNITING HOUSING (VICTORIA) LIMITED
STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30TH JUNE 2021

	Note	2021 \$	2020 \$
REVENUE FROM ORDINARY ACTIVITIES			
Grants		2,607,023	2,535,869
Rent		2,162,805	618,094
Interest on deposit	3	64,156	78,143
Amortisation of Director of Housing loan		9,834	9,833
Fees for service		68,059	-
Miscellaneous income		4,500	2,000
TOTAL REVENUE		4,916,377	3,243,939
EXPENSES FROM ORDINARY ACTIVITIES			
Service agreement fees		3,203,640	2,334,366
Labour & related costs		3,603	293,708
Governance expenses		65,110	54,283
Responsive maintenance		275,353	61,656
Cyclical maintenance		89,442	56,380
General expenses		74,465	15,745
Depreciation expense	3	152,734	60,918
IT charges		10,049	11,268
Consulting/legal fees		27,672	39,544
Motor vehicle & travel		-	6,616
Property costs		858,200	215,182
Loss on Disposal of Asset		-	7,055
TOTAL EXPENSES		4,760,268	3,156,721
OPERATING RESULT FOR THE YEAR		156,109	87,218
OTHER COMPREHENSIVE INCOME			
Adjustment to Director of Housing - equity share liability		-	765,780
Revaluation increase of property plant and equipment		794,227	
Unrealised gain (loss) on revaluation of UEthical Investment Growth Fund		247,884	(44,357)
		1,042,111	721,423
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		1,198,220	808,641

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

UNITING HOUSING (VICTORIA) LIMITED
STATEMENT OF FINANCIAL POSITION
AS AT 30TH JUNE 2021

	NOTE	2021 \$	2020 \$
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	4	1,000,310	876,774
Trade and other receivables	5	113,241	50,571
TOTAL CURRENT ASSETS		<u>1,113,551</u>	<u>927,345</u>
NON CURRENT ASSETS			
UEthical Investment Funds		2,445,698	1,405,976
Property, plant and equipment	6	7,131,751	5,293,968
Right of use assets	7	540,524	-
TOTAL NON-CURRENT ASSETS		<u>10,117,973</u>	<u>6,699,944</u>
<u>TOTAL ASSETS</u>		<u>11,231,524</u>	<u>7,627,289</u>
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	8	1,410,909	301,702
Borrowings	9	9,833	47,591
Lease liabilities	7	418,205	-
TOTAL CURRENT LIABILITIES		<u>1,838,947</u>	<u>349,293</u>
NON CURRENT LIABILITIES			
Trade and other payables	8	3,598,674	2,797,089
Borrowings	9	98,333	108,168
Lease liabilities	7	124,611	-
TOTAL NON CURRENT LIABILITIES		<u>3,821,618</u>	<u>2,905,257</u>
<u>TOTAL LIABILITIES</u>		<u>5,660,565</u>	<u>3,254,550</u>
<u>NET ASSETS</u>		<u>5,570,959</u>	<u>4,372,739</u>
EQUITY			
Retained surplus		3,663,580	3,552,122
Reserves	12	1,907,379	820,617
<u>TOTAL EQUITY</u>		<u>5,570,959</u>	<u>4,372,739</u>

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

UNITING HOUSING (VICTORIA) LIMITED
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30TH JUNE 2021

	Retained Surplus \$	Cyclical Maintenance Reserve	Asset Revaluation Reserve	Financial Asset Reserve	Total Equity \$
Balance at 1 July 2019	3,465,524	25,514	28,152	44,908	3,564,098
Surplus for the year	87,218	-	-	-	87,218
Transfer to reserves	(620)	620	-	-	-
Other comprehensive income for the year		-	765,780	(44,357)	721,423
Balance as at 30 June 2020	3,552,122	26,134	793,932	551	4,372,739
Balance at 1 July 2020	3,552,122	26,134	793,932	551	4,372,739
Surplus for the year	156,109	-	-	-	156,109
Transfer to reserves	(44,651)	44,651	-	-	-
Other comprehensive income for the year		-	794,227	247,884	1,042,111
Balance as at 30 June 2021	3,663,580	70,785	1,588,159	248,435	5,570,959

The above Statement of Changes in Equity should be read in conjunction with the accompanying notes.

UNITING HOUSING (VICTORIA) LIMITED
STATEMENT OF CASH FLOW
FOR THE YEAR ENDED 30TH JUNE 2021

		2021 \$	2020 \$
	NOTE		
Cash flows from operating activities			
Receipts from customers		5,019,983	3,220,451
Payment to suppliers and employees		(3,704,845)	(3,006,572)
Interest received		30,405	78,143
Net cash provided by operating activities	10	<u>1,345,543</u>	<u>292,022</u>
Cash flows from investing activities			
Payment for UEthical Investment Funds		-	(1,117,436)
Payment for property, plant and equipment		(311,330)	(56,311)
Net cash used in investing activities		<u>(311,330)</u>	<u>(1,173,747)</u>
Cash flows from financing activities			
Net repayments of Borrowings		(118,839)	(54,433)
Net cash used in financing activities		<u>(118,839)</u>	<u>(54,433)</u>
Net increase (decrease) in cash and cash equivalents		915,374	(936,158)
Cash at beginning of the year		876,774	1,812,932
Cash at end of the year	4	<u>1,792,148</u>	<u>876,774</u>

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

**UNITING HOUSING (VICTORIA) LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30TH JUNE 2021**

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

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

1 BASIS OF PREPARATION

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 for section 60.40 of *the Australian Charities and Not-for-profits Commission Regulation 2013* (ACNC Regulation).

The special purpose financial statements have been prepared in accordance with the recognition and measurement requirements specified by all Australian Accounting Standards and Interpretations, and the disclosure requirements of the following Accounting Standards:

- AASB 101 *Presentation of Financial Statements*;
- AASB 107 *Statement of Cash Flows*;
- AASB 108 *Accounting Policies, Changes in Accounting Estimates and Errors*;
- AASB 1048 *Interpretation of Standards*; and
- AASB 1054 *Australian Additional Disclosures*.

The financial statements, except for the cash flow information, have been prepared on an accruals 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.

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 include 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 are measured using the cost and revaluation models. Where land and buildings are measured at fair value, the fair value was determined based on Directors' valuation with reference to valuations conducted by independent valuers or a current council rates notice.

Increases in carrying amount arising on revaluation of land and buildings are credited to other comprehensive income and recorded in the asset revaluation reserve in equity. When land and buildings are sold the related historical revaluation gain is transferred from the asset revaluation reserve to retained surplus.

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:

	Useful Life
Buildings	40 years
Leasehold Improvement	20 years
Computer Equipment	3 years
Motor Vehicles	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.

UNITING HOUSING (VICTORIA) LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30TH JUNE 2021

(C) Leases

Uniting Housing Victoria assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Uniting Housing Victoria as a lessee

Uniting Housing Victoria applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. Uniting Housing Victoria recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

i) Right-of-use assets

Uniting Housing Victoria recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets, as follows:

- Buildings 13 months to 18 Months.

If ownership of the leased asset transfers to Uniting Housing Victoria at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.

The right-of-use assets are also subject to impairment.

ii) Lease liabilities

At the commencement date of the lease, Uniting Housing Victoria recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by Uniting Housing Victoria and payments of penalties for terminating the lease, if the lease term reflects Uniting Housing Victoria exercising the option to terminate.

Variable lease payments that do not depend on an index or a rate are recognised as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, Uniting Housing Victoria uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

iii) Uniting Housing Victoria 's lease liabilities are included in the Financial Instruments .

Uniting Housing Victoria applies the short-term lease recognition exemption to its short-term leases (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases that are low value (below \$10,000). Lease payments on short-term leases and leases of low value assets are recognised as expense on a straight-line basis over the lease term.

iv) Peppercorn leases.

Uniting Housing Victoria applies the above policy equally to concessionary, or peppercorn, leases. This option under AASB 16 was adopted rather than valuing the right-of-use asset at fair value at inception of the lease.

Uniting Housing Victoria has over 36 leases and owns or has beneficial right of use to a further 24 properties. These leases are generally restricted in nature and depend on Uniting Housing Victoria delivering specific services from the location. Uniting Housing Victoria views these arrangements as fundamental to the financial viability of the service.

Uniting Housing Victoria as a Lessor

Leases in which Uniting Housing Victoria does not transfer substantially all the risks and rewards incidental to ownership of an asset are classified as operating leases. Rental income arising is accounted for on a straight-line basis over the lease terms and is included in revenue in the statement of profit or loss due to its operating nature. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as revenue in the period in which they are earned.

**UNITING HOUSING (VICTORIA) LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30TH JUNE 2021**

(d) 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.

(e) 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.

(f) Revenue and other income

Revenue from contracts with customers (including grants revenue received from Government and other funding bodies)

The core principle of AASB 15 is that revenue is recognised on a basis that reflects the transfer of promised goods or services to customers at an amount that reflects the consideration the association expects to receive in exchange for those goods or services. Revenue is recognised by applying a five-step model as follows:

1. Identify the contract with the customer
2. Identify the performance obligations
3. Determine the transaction price
4. Allocate the transaction price to the performance obligations
5. Recognise revenue as and when control of the performance obligations is transferred

Generally the timing of the payment for sale of goods and rendering of services corresponds closely to the timing of satisfaction of the performance obligations, however where there is a difference, it will result in the recognition of a receivable, contract asset or contract liability.

None of the revenue streams of the association have any significant financing terms as there is less than 12 months between receipt of funds and satisfaction of performance obligations.

Where the contract identified does not meet the criteria in AASB 15 as it is either unenforceable or not sufficiently specific, revenue is recognised on receipt in accordance with AASB 1058.

Asset transfers

The company receives 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.

(g) 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.

**UNITING HOUSING (VICTORIA) LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30TH JUNE 2021**

(h) 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.

(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.

UNITING HOUSING (VICTORIA) LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30TH JUNE 2021

Note	2021 \$	2020 \$
3 OPERATING RESULT FOR THE YEAR		
Operating result for the year includes the following specific income and expenses:		
<u>Depreciation</u>		
- Buildings	80,663	107,718
- Leasehold improvement	61,838	14,594
- Computer equipment	-	3,845
- Motor vehicles	-	396
- Furniture & equipments	7,655	-
- Depreciation ROU assets	83,372	
- Depreciation recoveries	(80,794)	(65,635)
	152,734	60,918
<u>Interest income from:</u>		
- UEthical Investment	63,588	77,900
- Bank	568	243
	64,156	78,143
4 CASH AND CASH EQUIVALENTS		
Cash at bank - Westpac	1,000,310	151,576
Cash at bank - UEthical Investment	-	725,198
	1,000,310	876,774
The above figure is shown in the statement of cash flows.		
5 TRADE AND OTHER RECEIVABLES		
Accounts receivables	-	6,451
Prepayment & other receivables	113,241	44,120
	113,241	50,571
6 PROPERTY, PLANT AND EQUIPMENT		
Land	1,615,000	1,048,665
	1,615,000	1,048,665
Buildings	3,964,375	3,220,815
Accumulated depreciation - Buildings		(286,050)
	3,964,375	2,934,765
Leasehold Improvement	1,209,729	1,324,538
Accumulated depreciation - LI	(96,638)	(46,480)
	1,113,091	1,278,058
Furniture & Equipment	114,810	
Accumulated depreciation - F&E	(19,335)	
	95,475	-
Buildings - work in progress	343,810	32,480
	343,810	32,480
	7,131,751	5,293,968

Land and buildings stated at fair value based on independent valuation performed during the year. Other property, plant and equipment and leasehold improvements are stated at cost less accumulated depreciation. Cost includes expenditure that is directly attributable to the acquisition of the item.

UNITING HOUSING (VICTORIA) LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30TH JUNE 2021

Note	2021 \$	2020 \$
7 Right of Use Assets		
Right of Use Asset - Cost	623,896	-
Accumulated depreciation - ROU assets	(83,372)	-
	<u>540,524</u>	<u>-</u>
Lease Liabilities		
Current lease liabilities	418,205	-
Non-current lease liabilities	124,611	-
	<u>542,816</u>	<u>-</u>
The following are the amounts recognised in profit or loss:		
Depreciation expense of right-of-use assets	83,372	-
Interest expense on lease liabilities	4,649	-
Expense relating to short-term leases	47,627	-
	<u>135,648</u>	<u>-</u>

Uniting Housing Victoria recognises a right-of use asset and corresponding lease liability with respect to all lease agreements, except for short-term leases and leases of low value assets. Payments associated with short-term leases and leases of low-value assets are recognised on a straight-line basis as an expense in profit or loss. Short term leases are leases with terms of 12 months or less, low value leases are leases less value than \$10,000.

8 TRADE AND OTHER PAYABLES

<u>Current</u>		
Trade creditors	-	255,233
Accrued expenses and other current liabilities	1,212,716	-
Provision for GST	198,193	46,469
	<u>1,410,909</u>	<u>301,702</u>

Director of Housing - equity share	3,598,674	2,797,089
	<u>3,598,674</u>	<u>2,797,089</u>

Director of Housing - equity share relates 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:

	At 30 June 2021		At 30 June 2020	
	% share	\$ Share	% share	\$ Share
4 Shirreff Street & 1-3 Robinson Street, Stawell	83.31	480,898	83.31	295,416
Units 1-6, 46A Bowen Street, St Arnaud	86.97	707,004	86.97	396,582
212 Morton Street, Mount Pleasant	58.01	646,529	N/A	681,617
Other RHA Properties	86.47	1,764,244	86.47	1,423,474
		<u>3,598,674</u>		<u>2,797,089</u>

9 BORROWINGS

<u>Current</u>		
Director of Housing-Loan	9,833	9,833
Secured Loan - UEthical	-	37,758
	<u>9,833</u>	<u>47,591</u>

<u>Non-Current</u>		
Director of Housing - Loan	98,333	108,168
	<u>98,333</u>	<u>108,168</u>

**UNITING HOUSING (VICTORIA) LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30TH JUNE 2021**

10 CASH FLOW RECONCILIATION	2021 \$	2020 \$
Reconciliation of net cash provided by operating activities to operating result for the year:		
Operating result for the year	156,109	87,218
<u>Adjustments for non-cash components in surplus</u>		
Depreciation	152,734	60,918
Amortisation of Director of Housing loan	(9,835)	(9,833)
<u>Changes in assets and liabilities</u>		
(Increase) / decrease in trade and other receivables	(62,670)	71,542
Increase / (decrease) in trade and other payables	1,109,205	111,965
Increase / (decrease) in employee benefit provisions	-	(29,788)
Net cash provided by operating activities	1,345,543	292,022

11 AUDITORS REMUNERATION

Audit & Review of financial statements	5,300	5,150
	5,300	5,150

12 RESERVES

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

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

The financial asset reserve records unrealised gains or revaluation of the UEthical Investment Funds

13 EVENTS OCCURRING AFTER THE REPORTING DATE

On 11 March 2020, the World Health Organisation (WHO) confirmed the Coronavirus Disease (COVID-19) to be a pandemic. At the date of this report, the pandemic continues to affect economic and social conditions across Australia. Subsequent to the end of the financial year the Victorian State Government has enforced further lockdowns in Victoria and travel restrictions to neighbouring states, impacting the delivery of services by the Association

At the date of this report, the Association is of the opinion that there is no effect on the financial position or financial performance of the Association as reported in these financial statements for the year ended 30 June 2021.

Except for the above, no other matters or circumstances have arisen since the end of the financial year which significantly affected or could significantly affect the operations of the Association, the results of those operations or the state of affairs of the Association in future financial years.

14 COMPANY DETAILS

The registered office and principal place of the company is:
Uniting Housing (Victoria) Limited
Level 4, 130 Lonsdale Street, Melbourne, VIC 3000

Directors Report

Company Report

Corporate Structure

Uniting Housing comprises two companies: Uniting Housing (Victoria) Limited and Uniting Housing (Australia) Limited. From 1 July 2020 to 30 June 2021 the Companies had two Company Members:

- The Uniting Church in Australia Property Trust (Victoria)
- The Uniting Church in Australia Property Trust (Tas.)

Company Members guarantee

Uniting Housing (Victoria) Limited and Uniting Housing (Australia) Limited are both a company limited by guarantee under the Corporations Act 2001 (Cth) and domiciled in Australia.

In the event of, and for the purpose of winding up of a 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 Companies are established are:

1. to promote the relief of poverty, sickness or the needs of the aged by providing affordable rental housing to persons in housing need as low-income households, or through infirmity or age;
2. to promote other purposes beneficial to the community through the provision of affordable housing and associated services; and
3. to provide other benevolent, charitable and not-for-profit relief to people in need in Australia.

Principal activities

The Companies are the Housing Providers of the Uniting Church in Australia Synod of Victoria and Tasmania.

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

COVID-19

The COVID-19 pandemic together with continued restrictions and lockdowns is likely to have significant economic and social consequences, impacting operations and future financial results of the Companies.

Operating Result

Uniting Housing (Victoria) - The Operating Result for the year ended 30 June 2021 amounted to \$1,198,220

Uniting Housing (Australia) - The Operating Result for the year ended 30 June 2021 amounted to \$14,121

Financial Position

Uniting Housing (Victoria) - The Cash at Bank at 30 June 2021 amounted to \$1,000,310

Uniting Housing Victoria - Total Equity as at 30 June 2021 amounted to \$5,570,959

Uniting Housing (Australia) - The Cash at Bank at 30 June 2021 amounted to \$14,121

Uniting Housing (Australia) - Total Equity as at 30 June 2021 amounted to \$14,121

Taxation Status

Uniting Housing (Victoria) Limited and Uniting Housing (Australia) Limited are endorsed as a Tax Concession Charities - Public Benevolent Institutions for the following:

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

Directors Report

Company Secretary

The position of Company Secretary was held by Nicola Clarke for the year ending 30 June 2021.

The role of the Board

The role of the Board on behalf of the legal owners (The Uniting Church in Australia Synod of Victoria and Tasmania) and its moral owners (the community) is to ensure the Uniting network achieves 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.

Board composition

Directors of the Board are appointed by the Synod Standing Committee. At the 30 June 2021 the Board was made up of seven Directors including the Chair and Deputy Chair.

The following Directors were appointed and ceased during the reporting period in accordance with the Constitution:

- ❖ Brian Collins, retired 13/10/20
- ❖ David Pratt, retired 13/10/20
- ❖ John Preston, retired 13/10/20
- ❖ Robyn Batten, appointed 13/12/20
- ❖ Andrew Opie, appointed 13/12/20

During the reporting period:

- ❖ John Thomson took a leave of absence from February to June 2021
- ❖ Gabrielle Waters was appointed Deputy Chair in December 2020

The Board has established committees to assist the Board in fulfilling its responsibilities. Each committee has its own terms of reference, which sets out the authority delegated to it by the Board and details the manner in which the committee is to operate. Each of the Board committees review and monitor relevant performance data against established key performance indicators. During the financial year the Board committees were:

- Governance Committee
- Development and Funding Committee
- Performance & Risk Committee – Established January 2021
- Audit and Risk Committee - Ceased December 2020
- Finance, Performance and Compliance Committee – Ceased December 2020

Director profiles



David Cant (Board Chair)

David has over 40 years' experience in providing housing for those in need. David is an independent director of PowerHousing Australia a membership organisation for 35 of the largest community housing providers in Australia.

David is Co-Chair of Under 1 Roof, a consortium of housing and support agencies in Brisbane.

Prior to coming to Australia in 2000 David worked in the community housing industry in UK. David led the team that created the Brisbane Housing Company (BHC), which is now the largest registered community housing provider in Queensland. David was CEO of BHC from 2002 to 2017.

David was a member on the Prime Minister's Council on Homelessness from 2009 to 2013 and an inaugural director on the National Housing Finance and Investment Corporation (NHFIC) serving from 2018 to 2021.

David holds a BA (Politics and Economics) from the University of Oxford and an MPhil (Town Planning) from University College London. David completed the Senior Executive Program at the London Business School.

Gabrielle Waters (Deputy Board Chair)



Qualifications: Grad.Dip.Project Management

Gabrielle has over 25 years' experience in property development and corporate operations in Australia and overseas having held executive roles with RMIT University, Affordable Housing Solutions, Primelife, Hamton and Jones Lang LaSalle. A property development and corporate strategy professional Gabrielle has held executive and board advisory roles for a range of companies including private and public sector. not-for-profit.

government and A-REIT's.

Her expertise includes the establishment of both enterprise and property strategy to maximise uplift and guide sustainable implementation across annual operating plans, market and portfolio assessments, complex master planning, investment/divestment and funding strategy, joint venture and government partnerships.

Experience includes mixed use, affordable housing, retirement and aged care, commercial and educational sectors.

Outside work Gabrielle is an active participant in multiple charitable organisations and committees and holds accreditation in RMIT's Bundgyi Girri Initiative supporting the enterprise RAP in developing active relationship with place and supporting the national reconciliation movement.

Tess Lye



Qualifications: Bachelor of Arts; Bachelor of Laws; Master of Laws; Graduate of the Australian Institute of Company Directors. Tess is a corporate and commercial lawyer who has worked in the healthcare, banking and mining sectors. Throughout her legal career Tess has undertaken a range of pro bono and Board roles with community legal services and community service organisations. Tess is currently the Deputy Chair of the Sexual Assault and Family Violence Centre that provides specialist support services across the Barwon, Wimmera and Western Melbourne areas of Victoria.

Heather Watson



Qualifications: LLB (QUT); Grad. Cert. Business (Philanthropy and Not-Profit Studies) (QUT)

Heather is an experienced non-executive director and specialist charity lawyer with broad experience in the areas of aged care, health and community services, affordable housing and Indigenous communities.

Heather is the current Chair of Uniting in NSW.ACT, a director of Uniting

in Vic.Tas and Australian Regional and Remote Community Services, a subsidiary of UnitingCare Qld and operating in the Northern Territory.

Other current directorships include Queensland Rail, Children's Health Queensland and National Affordable Housing Consortium and current advisory roles include Community Services Industry Alliance Reform Council (Chairperson); Advisory Council to the Queensland Family and Child Commission and Advisory Board for the Australian Charities and Not for Profits Commission.

Reverend 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, numerous committees of the Synod over 20 years, plus a lifetime of voluntary participation.

Robyn Batten



Throughout the past nine years Robyn has held leadership positions in some of the Uniting Church's largest community and aged care agencies. These include her roles as Executive Director of Uniting Aged Care (Vic/Tas), Executive Director of Blue Care and Executive Director of Australian Regional and Remote Community Services (ARRCS) in Queensland. Prior to her work with Uniting Church services, Robyn held CEO and executive positions in health and local government in Victoria and South Australia. Many of those roles involved leading major organisational change. Robyn commenced her career as a registered nurse and holds both Bachelor and Masters' degrees in Social Work and a Masters of Business Administration. She is also a Fellow of the Australian Institute of Company Directors (AICD).

Robyn is currently the Co-founder and Executive Chair of Leap In! Australia, Director of Uniting Vic Tas, a non-executive Director of East Melbourne Primary Health Network and the Chair of Western Health.

Andrew Opie



Qualifications: Bachelor of Commerce, The University of Melbourne; Chartered Accountant, Institute of Chartered Accountants Australia and New Zealand

Andrew is a chartered accountant at National Australia Bank (NAB). He is a senior finance professional with extensive experience in risk, governance, and audit across the banking and financial services sector. He has worked in the UK and Australia overseeing the interpretation and implementation of complex regulatory obligations.

Andrew is also a member of the Audit and Risk Committee of Uniting Vic.Tas.

John Thomson



Qualifications: MBA, B Eng., MA (Applied Social Research). John has a range of knowledge and skills within the social and affordable housing sector. John has consulted for 20 years in the housing and homelessness sectors and has a background in evaluation, strategic planning, and modelling in both the private and public sectors. He has specific strengths in financial analysis and organisational development; and is familiar with publicly funded programs at State and Commonwealth Government levels, including the issues associated with providing social housing, and in particular by church-based organisations.

Director attendances

2020/21 Uniting Housing Board Meeting Attendances					
Name		Position	Eligible	Attended	Comments
CANT	David	Chair	7	7	
COLLINS	Brian	Director	2	2	Retired 13/10/20
HAYES	Rev. Jenny	Director	7	6	
LYE	Tess	Director	7	7	
PRATT	David	Deputy Chair to 13/10/20	2	2	Retired 13/10/20
PRESTON	John	Director	2	2	Retired 13/10/20
THOMSON	John	Director	3	3	LoA February-June 2021
WATERS	Gabrielle	Deputy Chair from 10/12/20	7	6	
WATSON	Heather	Director	7	6	
BATTEN	Robyn	Director	5	5	Appointed 13/12/20
OPIE	Andrew	Director	5	5	Appointed 13/12/20

Name	Eligibility	Attendances	Comments
2020/21 Finance Performance Compliance Committee Mtg. Attendances Ceased Dec 2020			
Brian Collins (Chair)	2	2	Retired 13/10/20
David Pratt	2	2	Retired 13/10/20
John Thomson	3	3	
Gabby Waters	3	2	
2020/21 Audit Risk Committee Meeting Attendances Ceased Dec 2020			
John Thomson (Chair)	3	3	
Tess Lye	3	3	
Brian Collins	2	2	Retired 13/10/2020
2020/21 Performance & Risk Committee Meeting Attendances Committee Established January 2021			
Andrew Opie (Chair) from 9/2/21	3	3	
Tess Lye	3	3	
Heather Watson	3	3	
Rev Jenny Hayes	3	3	
John Thomson (Chair to 8/2/21)	1	1	LoA 9/2/21 – 30/6/21

2020/21 Development & Funding Committee Meeting Attendances			
Name	Eligibility	Attendances	Comments
Gabrielle Waters (chair)	13	12	
David Cant	13	13	
John Preston	4	4	Retired 30/10/20
Robyn Batten	7	6	Appointed 13/12/20

2020/21 Governance Committee Meeting Attendances			
Name	Eligibility	Attendances	Comments
David Cant (ex-officio)	4	3	
Tess Lye (Chair)	4	4	
Heather Watson	4	4	

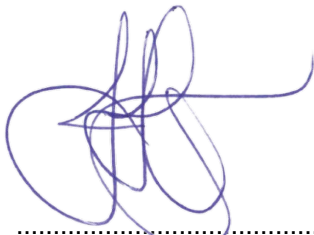
Uniting Housing (Victoria) Limited

Auditors Independence Declaration to the Board of Uniting Housing (Victoria) Limited

I declare that, to the best of my knowledge and belief, during the year ended 30 June 2021 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.

CountPro Audit Pty Ltd
CountPro Audit Pty Ltd



Jason D. Hargreaves
Director

Dated this 20th day of October, 2021

20 Lydiard Street South, Ballarat

Directors' Declaration

The Board of Directors determined that Uniting Housing (Victoria) Limited (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:

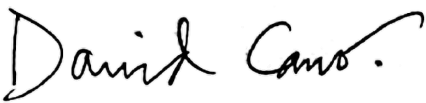
- i) satisfies the requirement of the *Australian Charities and Not-for-profits Commission Act 2012*, and
- ii) presents fairly the Company's financial position as at 30 June 2021 and its performance for the period ended on that date in accordance with the accounting policies described in Note 2 to the 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:

David Cant

Board Chair

A handwritten signature in dark ink, appearing to read "David Cant".

Andrew Opie

Chair, Performance & Risk Committee

A handwritten signature in dark ink, appearing to read "Andrew Opie".

Dated this 21st October 2021

**UNITING HOUSING (VICTORIA) LIMITED
INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS
OF UNITING HOUSING AUSTRALIA LIMITED**

Opinion

We have audited the accompanying financial report, being a special purpose financial report of Uniting Housing (Victoria) Limited (the Company), which comprises the statement of financial position and the statement of changes of equity as at 30 June 2021, the statement of comprehensive income and the statement of cash flow 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 2021 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 2021 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.

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.

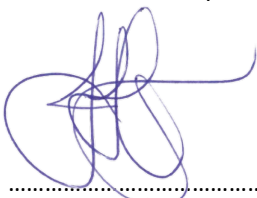
As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- 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.

CountPro Audit Pty Ltd
CountPro Audit Pty Ltd



Jason D. Hargreaves
Director

Dated this 22nd October 2021
20 Lydiard Street South, Ballarat