



YWCA
CANBERRA

YWCA Canberra

ABN: 48 008 389 151

Financial Statements

For the Year Ended 30 June 2021

YWCA Canberra

ABN: 48 008 389 151

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For the Year Ended 30 June 2021

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YWCA Canberra

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Directors' Report

30 June 2021

DIRECTORS' REPORT

The Directors of the YWCA Canberra present their report for the financial year ended 30 June 2021.

Directors

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

<i>Name of Director</i>	<i>Position</i>	<i>Date appointed to the Board</i>	<i>Resignation Date</i>
Carina Zeccola	President/Director	16/10/2019	
Skye Saunders	Director	16/10/2017	26/10/2020
Sophie Fisher	Director	16/10/2017	26/10/2020
Frances Crimmins	Director & Secretary	29/07/2013	
Ashleigh Streeter	Director	30/10/2018	
Katie Whitehead	Director & Treasurer	30/10/2018	
Julie Lean	Director	16/10/2019	
Kristin Blume	Director	16/10/2019	
Emma Fitch	Director	16/10/2019	17/5/2021
Anita Vardanega	Director	16/10/2019	
Diane Bakon	Director	16/10/2019	
Vivian Chan	Director	26/10/2020	
Georgina Carnell	Director	26/10/2020	
Louise Crossman	Director	26/10/2020	15/12/2020
Maree Harman	Director	22/03/2021	

Directors have been in office since the start of the financial year to the date of this report unless otherwise stated elsewhere in this report.

Vision

YWCA Canberra is committed to strengthening communities by carrying out its objectives to support girls and women, including woman-identifying people, and non-binary people, through services and advocacy and enriched through affiliation with YWCA Australia and the World YWCA.

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Directors' Report

30 June 2021

Objectives

The objectives for which the Organisation is established are to:

- (a) provide benevolent relief to people experiencing poverty, homelessness, violence or disadvantage, in particular women and children
- (b) provide services for the development, safety and empowerment of girls and women, including through housing, childcare, counselling, education, training, mentoring, development, support and assistance predominantly in the Australian Capital Territory as well as across other parts of Australia
- (c) advocate for and provide emergency, social, affordable and community housing and associated support services for the relief of homelessness or to those experiencing a housing crisis
- (d) promote gender equality and inclusion through the social, economic, intellectual and physical empowerment of girls and women
- (e) engage with diverse and at-risk people and communities through partnerships, community engagement and advocacy to achieve social, cultural, economic and political participation
- (f) advance the leadership, wellbeing, participation and empowerment of girls and women
- (g) conduct, disseminate and promote research and advocacy for the benefit or safety of girls and women
- (h) advocate for positive change within government policy, based on research and evidence
- (i) be affiliated with and an active, engaged participant and supporter of the work of YWCA Australia and World YWCA to harness and develop the leadership and collective power of girls and women throughout Australia to achieve justice, peace, health, human rights, freedom, reconciliation and environmental sustainability for all people.

Strategies to achieve these objectives

YWCA Canberra implemented a five-point strategic plan 2018–23 to assist in the achievement of the objectives outlined above. The organisation's vision is *Girls and women thriving*. As part of this, YWCA Canberra has identified five strategic priorities to progress between 2018 and 2023. The strategic directions include:

- We support children, young people, women and the community through our services
- We build capacity and connect girls and women through our training, leadership programs and networking events
- We create change by engaging with diverse and at-risk groups and provide leadership through our partnerships, community engagement and advocacy informed by evidence-based policy and research
- We foster a movement of girls and women through our members and connection with the national and international YWCA organisations
- We ensure sustainable, transparent and accountable practices through our innovation, strong governance, management, service delivery and partnerships.

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30 June 2021

Principal activities and review of operations

YWCA Canberra undertook several principal activities throughout the year, including:

- activities that promoted girls' and women's leadership, including training, education and personal development, conferences and events, community activities for girls and women in the region
- activities to expand our community housing programs, affordable housing, domestic violence services and homeless services to support older women, women and their children, and single women
- Children's and Community Services programs in areas including early learning education, school age care, family day care, youth services, community development, emergency relief, and therapeutic counselling
- advocacy activities, primarily focused on highlighting gender inequity, prevention of violence against women, addressing women's homelessness and supporting girls and women to achieve their potential
- investment management strategy to ensure the sustainability of the organisation
- activities that support the YWCA movement in the local community, across Australia and globally.

Adapting during COVID 19

As an organisation, we have a proud history of adapting to the changing needs of the Canberra community, to provide support where it is most needed.

The ongoing COVID crisis, now in the second year, has continued to require us to provide our services in compliance with COVID safe practices. The innovations implemented in the previous year to respond to COVID continue to serve the organisation and our clients well this financial year. We have adopted a blended approach in our use of digital technology and our standard service delivery models in a flexible way as we respond to the rapid changes in health directives.

By June 2021, we had achieved occupancy levels in most centres back to pre-COVID occupancy levels. Our community services programs were able to resume direct client support programs as well as our education and training programs to in person delivery.

Post financial year COVID developments will again have significant impacts across the organisation and at this time no announcements of government policy such as Job keeper and a child care support package have been announced. The current cash flow and reserves provide a sound resilience for the financial sustainably during this current iteration of the COVID pandemic.

Operating results

The net surplus for the year was \$1,806,228 (2020: surplus \$1,872,832).

Dividends paid or recommended

The Constitution prohibits the payment of dividends to members of YWCA Canberra.

Significant changes in the state of affairs

There were no significant changes in YWCA Canberra's state of affairs during the financial year.

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Directors' Report

30 June 2021

Future development and results

Expanding our community housing portfolio and affordable housing programs will be the focus of future developments in the 2021–22 year.

We plan to maintain our early learning education services and outside school age care services at current services.

Expanding our accredited training programs through our RTO and professional development programs through development of digital training packages.

Expand our respectful relationship programs to workplaces and prevention of sexual harassment digital educational resources.

Indemnifying officers or auditor

During the financial year, YWCA Canberra has paid premiums to insure the Directors against liabilities for costs and expenses incurred by them in defending any legal proceeding arising out of their conduct while acting in the capacity of a Director, other than conduct involving a wilful breach of duty in relation to YWCA Canberra. The insurance contract prohibits disclosure of the nature of liabilities and the amount of the premium.

YWCA Canberra has not, during or since the financial year, in respect of any person who is or has been an auditor of YWCA Canberra or a related body corporate:

- indemnified or made any relevant agreement for indemnifying against a liability incurred as an auditor, including costs and expenses in successfully defending legal proceedings
- paid or agreed to pay a premium in respect of a contract insuring against a liability incurred as an auditor for the costs or expenses to defend legal proceedings.

Auditor's Independence Declaration

A copy of the auditor's independence declaration as required under section 307C of the *Corporations Act 2001* is set out on page 6.

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Directors' Report

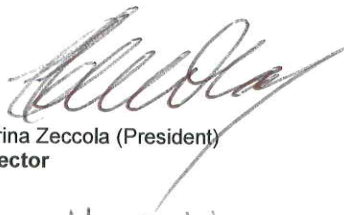
30 June 2021

Meetings of Directors

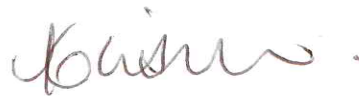
During the financial year, ten meetings of directors were held. Attendances were:

	No of meetings eligible to attend	No of meetings attended
Frances Crimmins	9	9
Sophie Fisher	2	2
Skye Saunders	2	2
Carina Zeccola	9	9
Ashleigh Streeter	9	8
Katie Whitehead	9	8
Julie Lean	9	9
Kristin Blume	9	9
Emma Fitch	7	6
Anita Vardanega	9	7
Di Bakon	9	8
Louise Crossman	2	2
Georgina Carnell	7	6
Maree Harman	3	3
Vivian Chan	7	6

Signed in accordance with a resolution of the Board of Directors.



Carina Zeccola (President)
Director



Katie Whitehead (Treasurer)
Director

Dated: 11 October 2021



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AUDITOR'S INDEPENDENCE DECLARATION UNDER S60-40 OF THE *AUSTRALIAN CHARITIES AND NOT-FOR-PROFITS COMMISSION ACT 2012* TO THE DIRECTORS OF YWCA CANBERRA

As lead auditor of YWCA Canberra, I declare that, to the best of my knowledge and belief, during the year ended 30 June 2021 there have been no contraventions of:

- i. 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. any applicable code of professional conduct in relation to the audit.

A handwritten signature in black ink, appearing to read 'James Barrett'.

James Barrett, FCA
Registered Company Auditor
BellchambersBarrett

Canberra, ACT
Dated this 11th day of October 2021

YWCA Canberra

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**Statement of Profit or Loss and Other Comprehensive Income
For the Year Ended 30 June 2021**

		2021	2020
	Note	\$	\$
Revenue	5(a)	19,120,478	16,403,367
Other income	5(b)	2,662,059	4,416,529
Administration and operational expenses		(1,998,708)	(1,607,467)
Bad debts		(10,972)	(17,324)
Depreciation and amortisation	6	(1,131,783)	(1,116,067)
Minor equipment expense		(473,678)	(420,798)
Service and utilities		(738,775)	(687,257)
Employee benefits expense	6	(14,932,591)	(14,358,565)
Rent expense	6	(159,958)	(183,726)
Interest expense on lease liabilities	6	(529,844)	(555,860)
Surplus for the year		1,806,228	1,872,832
Other comprehensive income			
Net gain / (loss) on disposal of investments		53,073	(1,853)
Net fair value gain / (loss) on re-measurement of financial assets		481,971	(83,248)
Other comprehensive income / (loss) for the year		535,044	(85,101)
Total comprehensive income attributable to members of the entity		2,341,272	1,787,731

The accompanying notes form part of these financial statements.

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Statement of Financial Position

As at 30 June 2021

	Note	2021 \$	2020 \$
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	7	2,122,350	2,406,526
Trade and other receivables	8	481,527	1,113,564
Other assets	10	48,682	65,829
Financial assets	9	3,004,032	1,977,439
TOTAL CURRENT ASSETS		5,656,591	5,563,358
NON-CURRENT ASSETS			
Financial assets	9	7,033,763	4,627,831
Property, plant and equipment	11	3,925,393	3,857,515
Right of use assets	12	8,558,638	9,347,003
TOTAL NON-CURRENT ASSETS		19,517,794	17,832,349
TOTAL ASSETS		25,174,385	23,395,707
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	13	1,326,647	1,287,153
Lease liabilities		754,116	557,417
Provisions	14	1,085,918	983,254
Other financial liabilities	15	373,325	557,560
TOTAL CURRENT LIABILITIES		3,540,006	3,385,384
NON-CURRENT LIABILITIES			
Lease liabilities		10,007,681	10,724,897
TOTAL NON-CURRENT LIABILITIES		10,007,681	10,724,897
TOTAL LIABILITIES		13,547,687	14,110,281
NET ASSETS		11,626,698	9,285,426
EQUITY			
Retained earnings		9,430,073	8,038,011
Reserves		2,196,625	1,247,415
TOTAL EQUITY		11,626,698	9,285,426

The accompanying notes form part of these financial statements.

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Statement of Changes in Equity For the Year Ended 30 June 2021

2021

	Retained Surplus	Asset Revaluation Reserve	Financial Asset Reserve	Sinking Fund Reserve	Housing Development Reserve	Total
Note	\$	\$	\$	\$	\$	\$
Balance at 1 July 2020	8,038,011	362,187	58,938	407,136	419,154	9,285,426
Surplus for the year	1,806,228	-	-	-	-	1,806,228
Revaluation increment	-	-	481,971	-	-	481,971
Net gain on disposal of investments	-	-	53,073	-	-	53,073
Transfers	(414,166)	-	57,249	12,214	344,703	-
Balance at 30 June 2021	9,430,073	362,187	651,231	419,350	763,857	11,626,698

2020

	Retained Surplus	Asset Revaluation Reserve	Financial Asset Reserve	Sinking Fund Reserve	Housing Development Reserve	Total
Note	\$	\$	\$	\$	\$	\$
Balance at 1 July 2019	7,999,981	362,187	144,039	395,276	133,608	9,035,091
Cumulative adjustment upon adoption of new accounting standards – AASB 16	(1,537,396)	-	-	-	-	(1,537,396)
Balance at 1 July 2019 restated	6,462,585	362,187	144,039	395,276	133,608	7,497,695
Surplus for the year	1,872,832	-	-	-	-	1,872,832
Revaluation decrement	-	-	(83,248)	-	-	(83,248)
Net (loss) on disposal of investments	-	-	(1,853)	-	-	(1,853)
Transfers	(297,406)	-	-	11,860	285,546	-
Balance at 30 June 2020	8,038,011	362,187	58,938	407,136	419,154	9,285,426

The accompanying notes form part of these financial statements.

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Statement of Cash Flows
For the Year Ended 30 June 2021

	2021	2020
Note	\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES:		
Receipts from customers	22,459,284	20,387,770
Payments to suppliers and employees	(18,659,346)	(17,426,500)
Dividends received	110,755	65,949
Interest received	75,447	90,279
Finance costs	(529,844)	(555,860)
Net cash provided by operating activities	<u>3,456,296</u>	<u>2,561,638</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Proceeds from sale of financial assets	1,069,847	96,624
Purchase of financial assets	(2,940,495)	(1,699,278)
Proceeds from sale of property, plant and equipment	957	-
Purchase of property, plant and equipment	(345,136)	(187,666)
Net cash (used in) investing activities	<u>(2,214,827)</u>	<u>(1,790,320)</u>
CASH FLOWS FROM FINANCING ACTIVITIES:		
Repayment of lease liability	(499,052)	(474,420)
Net cash (used in) financing activities	<u>(499,052)</u>	<u>(474,420)</u>
Net increase in cash and cash equivalents held	742,417	296,898
Cash and cash equivalents at beginning of year	4,383,965	4,087,067
Cash and cash equivalents at end of financial year	7(a) <u>5,126,382</u>	<u>4,383,965</u>

The accompanying notes form part of these financial statements.

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Notes to the Financial Statements

For the Year Ended 30 June 2021

The financial report covers YWCA Canberra as an individual entity. YWCA Canberra is a not-for-profit Company, registered and domiciled in Australia.

The functional and presentation currency of YWCA Canberra is Australian dollars.

The financial report was authorised for issue by those charged with governance on 2021.

The classification of comparative figures has been changed where the change improves the understandability of the financial information.

1 Basis of Preparation

The Company applies Australian Accounting Standards – Reduced Disclosure Requirements as set out in AASB 1053: *Application of Tiers of Australian Accounting Standards*. The financial statements are general purpose financial statements that have been prepared in accordance with the Australian Accounting Standards - Reduced Disclosure Requirements of the Australian Accounting Standards Board (AASB) and the *Australian Charities and Not-for-profits Commission Act 2012*.

YWCA Canberra is a not-for-profit entity for financial reporting purposes under Australian Accounting Standards. Material accounting policies adopted in the preparation of these financial statements are presented below and have been consistently applied unless stated otherwise.

The financial statements, except for the cash flow information, have been prepared on an accruals basis and are based on historical costs, modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and financial liabilities. The amounts presented in the financial statements have been rounded to the nearest dollar.

2 New and Amended Accounting Standards Adopted by the Entity

Adoption of AASB 2020-04 COVID-19 – Related Rent Concessions

AASB 2020-4 *Amendments to Australian Accounting Standards – COVID-19- Related Rent Concessions* amends AASB 16 by providing a practical expedient that permits lessees to assess whether rent concessions that occur as a direct consequence of the COVID-19 pandemic and, if certain conditions are met, account for those rent concessions as if they were not lease modifications.

The standard listed above did not have any impact on the amounts recognised in prior periods and are not expected to significantly affect the current or future periods.

3 Summary of Significant Accounting Policies

(a) Income Tax

The Company is exempt from income tax under Division 50 of the *Income Tax Assessment Act 1997*.

The provision of child care services on a non-profit basis, and the provision of a rental dwelling under the National Rental Affordability Scheme by an entity that is endorsed as exempt from income tax, have been deemed to be charitable for the purposes of Commonwealth legislation and are also exempt from tax under section 50-105 of the *Income Tax Assessment Act 1997*.

ATO issued the Company a Class Ruling for the Rentwell program applicable from 1 July 2018 to 30 June 2023. This Ruling sets out tax consequences of a landlord paying donation amounts to YWCA Canberra by way of an executed Payment Direction Deed. This Ruling applies to both participating in the Affordable Housing Initiative (AHI), and making a donation to YWCA Canberra pursuant to a Payment Direction Deed.

Notes to the Financial Statements

For the Year Ended 30 June 2021

3 Summary of Significant Accounting Policies

(b) Leases

The Company as a lessee

At inception of a contract, the Company assesses if the contract contains or is a lease. If there is a lease present, a right of use asset and a corresponding lease liability is recognised by the Company where the Company is a lessee. However all contracts that are classified as short-term leases (leases with remaining lease term of 12 months or less) and leases of low value assets are recognised as an operating expense on a straight-line basis over the term of the lease.

Initially, the lease liability is measured at present value of the lease payments still to be paid at commencement date. The lease payments are discounted at the interest rate implicit in the lease. If this rate cannot be readily determined, the Company uses the incremental borrowing rate.

Lease payments included in the measurement of the lease liability are as follows:

- fixed lease payments less any lease incentives;
- variable lease payments that depend on an index or rate, initially measure using the index or rate at the commencement date;
- the amount expected to be payable by the lessee under residual value guarantees;
- the exercise price of purchase options, if the lessee is reasonably certain to exercise the options;
- lease payments under extension options if lessee is reasonably certain to exercise the options; and
- payments of penalties for terminating the lease, if the lease term reflects the exercise option to terminate the lease.

The right of use assets comprise the initial measurement of the corresponding lease liability as mentioned above, any lease payments made at or before the commencement date as well as any initial direct costs. The subsequent measurement of the right of use assets is at cost less accumulated depreciation and impairment losses.

Right of use assets are depreciated over the lease term or useful life of the underlying asset whichever is the shortest. Where a lease transfers ownership of the underlying asset or the cost of right of use asset reflects that the Company anticipates to exercise a purchase option, the specific asset is depreciated over the useful life of the underlying asset.

Concessionary leases

For leases that have significantly below-market terms and conditions principally to enable the Company to further its objectives (commonly known as peppercorn / concessionary leases), the Company has adopted the temporary relief under AASB 2018-8 and measures the right of use assets at cost on initial recognition.

The Company as a lessor

Upon entering into each contract as a lessor, the Company assesses if the lease is a finance or operating lease.

Notes to the Financial Statements

For the Year Ended 30 June 2021

3 Summary of Significant Accounting Policies

(b) Leases (continued)

The contract is classified as a finance lease when the terms of the lease transfer substantially all the risks and reward of ownership to the lessee. All other leases not within this definition are classified as operating leases.

Rental income received from operating lease is recognised on a straight-line basis over the term of the specific lease.

Rental income due under finance leases are recognised as receivables at the amount of the Company's net investment in the leases.

COVID-19 related rent concessions

The Company has applied the practical expedient in accordance with AASB 2020-4 *Amendments to Australian Accounting Standards - COVID-19 Related Rent Concessions* to all rent concessions that meet the conditions in paragraph 46B:

- i) The rent concession provides relief to payments that overall results in the consideration for the lease contracts being substantially less than the original consideration for the leases immediately before the concession was provided.
- ii) The rent concession is for relief for payments that were originally due on or before 30 June 2021.
- iii) There are no other substantive changes to the other terms and conditions of the lease.

(c) Revenue and other income

Operating grants, donations and bequests

When the Company receives operating grant revenue, donations or bequest, it assesses whether the contract is enforceable and has sufficiently specific performance obligations in accordance to AASB 15.

When both these conditions are satisfied, the Company:

- identifies each performance obligation relating to the grant;
- recognises a contract liability for its obligations under the agreement; and
- recognises a revenue as it satisfies its performance obligations.

Where the contract is not enforceable or does not have sufficiently specific performance obligations, the Company:

- recognises the asset received in accordance with the recognition requirements of other applicable accounting standards (for example AASB 9, AASB 16, AASB 116 and AASB 138);
- recognises related amounts (being contributions by owners, lease liability, financial instruments, provisions, revenue or contract liability arising from a contract with a customer); and

Notes to the Financial Statements

For the Year Ended 30 June 2021

3 Summary of Significant Accounting Policies

(c) Revenue and other income (continued)

- recognises income immediately in profit or loss as the difference between the initial carrying amount of the asset and the related amount.

If the contract liability is recognised as a related amount above, the Company recognises income in profit or loss when or as it satisfies its obligations under the contract.

Childcare fees

Childcare fees are brought to account as revenue when the related services have been provided and the income earned. Childcare subsidies in arrears represent an estimate of Childcare Subsidy Payments outstanding at balance date and are brought to account as a current asset.

Interest income

Interest income is recognised using the effective interest method.

Dividend income

The Company recognises dividends in profit or loss only when the Company's right to receive payment of the dividend is established.

Other income

All other sources of income are recognised as income when the related goods or services have been provided and the income earned.

All revenue is stated net of the amount of goods and service tax.

(d) Goods and services tax (GST)

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

Receivables and payable are stated inclusive of GST.

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

Notes to the Financial Statements

For the Year Ended 30 June 2021

3 Summary of Significant Accounting Policies

(e) Property, plant and equipment

Each class of property, plant and equipment is carried at cost or fair value less, where applicable, any accumulated depreciation and impairment.

The assets' residual lives and useful lives are reviewed, and adjusted if appropriate, at each financial year end.

Land and buildings - Investment Property

Land and buildings are measured using the revaluation model.

Leasehold land and buildings are shown at their fair value based on periodic, but at least triennial, valuations by external independent valuers, less subsequent depreciation for buildings. In periods when the freehold land and buildings are not subject to an independent valuation, the directors conduct directors' valuations to ensure the carrying amount for the land and buildings is not materially different to the fair value.

Any accumulated depreciation at the date of the revaluation is eliminated against the gross carrying amount of the asset and the net amount is restated to the revalued amount of the asset. Changes to fair value are recorded in the statement of profit or loss and other comprehensive income other income/expenses because the land and buildings held are classified as investment property.

Plant and equipment

Plant and equipment are measured using the cost model.

Construction in progress

(i) Development property

Construction in progress includes development investment property going to be constructed or developed for future rental. It is stated at cost until construction or development is completed, at which time it is reclassified to be accounted for as investment property. Cost to be capitalised include costs directly related to development expenditure in developing the property.

(ii) Cloud-based software

Construction in progress includes development of cloud-based software as a service (SaaS.) It is stated at cost until development of cloud-based software is completed, at which time it is reclassified to be accounted for as plant and equipment. Cost to be capitalised include software application development stage, installation and implementation.

Direct expenditure, which enhances or extends the performance of cloud-based software beyond its specifications and which can be reliably measured, is recognised as a capital improvement and added to the original cost of the software. Costs associated with maintaining computer software are recognised as an expense.

Cloud-based software upon completion is stated at cost less accumulated amortisation. These costs are amortised using the straight-line method over their estimated useful lives of three to five years.

Notes to the Financial Statements

For the Year Ended 30 June 2021

3 Summary of Significant Accounting Policies

(e) Property, plant and equipment (continued)

Depreciation

Plant and equipment are measured on the cost basis and are therefore carried at cost less accumulated depreciation and any accumulated impairment losses. In the event the carrying amount of plant and equipment is greater than the estimated recoverable amount, the carrying amount is written down immediately to the estimated recoverable amount and impairment losses are recognised either in profit or loss or as a revaluation decrease if the impairment losses relate to a revalued asset. A formal assessment of recoverable amount is made when impairment indicators are present.

The depreciation rates used for each class of depreciable asset are shown below:

Fixed asset class	Depreciation rate
Buildings	3.5%
Plant and Equipment	12% - 50%
Motor Vehicles	15%

At the end of each annual reporting period, the depreciation method, useful life and residual value of each asset are reviewed. Any revisions are accounted for prospectively as a change in estimate.

Gains and losses on disposal are determined by comparing proceeds with the carrying amount. These gains or losses are recognised in profit or loss in the period in which they arise.

(f) Financial instruments

Financial instruments are recognised initially on the date that the Company becomes party to the contractual provisions of the instrument.

On initial recognition, all financial instruments are measured at fair value plus transaction costs (except for instruments measured at fair value through profit or loss where transaction costs are expensed as incurred).

Financial assets

All recognised financial assets are subsequently measured in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

Classification

On initial recognition, the Company classifies its financial assets into the following categories, those measured at:

- amortised cost
- fair value through profit or loss - FVTPL
- fair value through other comprehensive income - equity instrument (FVOCI - equity)

Notes to the Financial Statements

For the Year Ended 30 June 2021

3 Summary of Significant Accounting Policies

(f) Financial instruments (continued)

Financial assets are not reclassified subsequent to their initial recognition unless the Company changes its business model for managing financial assets.

Amortised cost

Assets measured at amortised cost are financial assets where:

- the business model is to hold assets to collect contractual cash flows; and
- the contractual terms give rise on specified dates to cash flows are solely payments of principal and interest on the principal amount outstanding.

The Company's financial assets measured at amortised cost comprise trade and other receivables and cash and cash equivalents in the statement of financial position.

Subsequent to initial recognition, these assets are carried at amortised cost using the effective interest rate method less provision for impairment.

Interest income, foreign exchange gains or losses and impairment are recognised in profit or loss. Gain or loss on derecognition is recognised in profit or loss.

Fair value through other comprehensive income

Equity instruments

The Company has a number of strategic investments in listed and unlisted entities over which they do not have significant influence nor control. The Company has made an irrevocable election to classify these equity investments as fair value through other comprehensive income as they are not held for trading purposes.

These investments are carried at fair value with changes in fair value recognised in other comprehensive income (financial asset reserve). On disposal any balance in the financial asset reserve is transferred to retained earnings and is not reclassified to profit or loss.

Dividends are recognised as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognised in OCI.

Financial assets through profit or loss

All financial assets not classified as measured at amortised cost or fair value through other comprehensive income as described above are measured at FVTPL.

Net gains or losses, including any interest or dividend income are recognised in profit or loss (refer to hedging accounting policy for derivatives designated as hedging instruments.)

Notes to the Financial Statements

For the Year Ended 30 June 2021

3 Summary of Significant Accounting Policies

(f) Financial instruments (continued)

Impairment of financial assets

Impairment of financial assets is recognised on an expected credit loss (ECL) basis for the following assets:

- financial assets measured at amortised cost

When determining whether the credit risk of a financial assets has increased significant since initial recognition and when estimating ECL, the Company considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis based on the Company's historical experience and informed credit assessment and including forward looking information.

The Company uses the presumption that an asset which is more than 30 days past due has seen a significant increase in credit risk.

The Company uses the presumption that a financial asset is in default when:

- the other party is unlikely to pay its credit obligations to the Company in full, without recourse to the Company to actions such as realising security (if any is held); or
- the financial assets is more than 90 days past due.

Credit losses are measured as the present value of the difference between the cash flows due to the Company in accordance with the contract and the cash flows expected to be received. This is applied using a probability weighted approach.

Trade receivables

Impairment of trade receivables have been determined using the simplified approach in AASB 9 which uses an estimation of lifetime expected credit losses. The Company has determined the probability of non-payment of the receivable and multiplied this by the amount of the expected loss arising from default.

The amount of the impairment is recorded in a separate allowance account with the loss being recognised in finance expense. Once the receivable is determined to be uncollectable then the gross carrying amount is written off against the associated allowance.

Where the Company renegotiates the terms of trade receivables due from certain customers, the new expected cash flows are discounted at the original effective interest rate and any resulting difference to the carrying value is recognised in profit or loss.

Other financial assets measured at amortised cost

Impairment of other financial assets measured at amortised cost are determined using the expected credit loss model in AASB 9. On initial recognition of the asset, an estimate of the expected credit losses for the next 12 months is recognised. Where the asset has experienced significant increase in credit risk then the lifetime losses are estimated and recognised.

Notes to the Financial Statements

For the Year Ended 30 June 2021

3 Summary of Significant Accounting Policies

(f) **Financial instruments (continued)**

Financial liabilities

The Company measures all financial liabilities initially at fair value less transaction costs, subsequently financial liabilities are measured at amortised cost using the effective interest rate method.

The financial liabilities of the Company comprise trade payables.

(g) **Impairment of non-financial assets**

At the end of each reporting period the Company determines whether there is an evidence of an impairment indicator for non-financial assets.

Where an indicator exists the recoverable amount of the asset is estimated.

Where assets do not operate independently of other assets, the recoverable amount of the relevant cash-generating unit (CGU) is estimated.

The recoverable amount of an asset or CGU is the higher of the fair value less costs of disposal and the value in use. Value in use is the present value of the future cash flows expected to be derived from an asset or cash-generating unit.

Where the recoverable amount is less than the carrying amount, an impairment loss is recognised in profit or loss.

Reversal indicators are considered in subsequent periods for all assets which have suffered an impairment loss.

(h) **Cash and cash equivalents**

Cash and cash equivalents include cash on hand, demand deposits 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.

(i) **Employee benefits**

Provision is made for the Company's liability for employee benefits arising from services rendered by employees to the end of the reporting period. Employee benefits that are expected to be wholly settled within one year have been measured at the amounts expected to be paid when the liability is settled.

Employee benefits expected to be settled more than one year after the end of the reporting period have been measured at the present value of the estimated future cash outflows to be made for those benefits. In determining the liability, consideration is given to employee wage increases and the probability that the employee may satisfy vesting requirements. Changes in the measurement of the liability are recognised in profit or loss.

Defined contribution schemes

Obligations for contributions to defined contribution superannuation plans are recognised as an employee benefit expense in profit or loss in the periods in which services are provided by employees.

Notes to the Financial Statements

For the Year Ended 30 June 2021

3 Summary of Significant Accounting Policies

(j) Trade and other debtors

Trade and other debtors include amounts due from customers for services sold in the ordinary course of business. 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. Accounts receivable are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method, less any provision for impairment.

(k) Provisions

Provisions are recognised when the Company has a legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will result and that outflow can be reliably measured. Provisions recognised represent the best estimate of the amounts required to settle the obligation at the end of the reporting period.

(l) Trade and other payables

Trade and other payables represent the liabilities for goods and services received by the Company during the reporting period that remain unpaid at the end of the reporting period. The balance is recognised as a current liability with the amounts normally paid within 30 days of recognition of the liability.

(m) Fair value of assets and liabilities

The Company measures some of its assets and liabilities at fair value on either a recurring or non-recurring basis, depending on the requirements of the applicable Accounting Standard.

“Fair value” is the price the Company would receive to sell an asset or would have to pay to transfer a liability in an orderly (i.e. unforced) transaction between independent, knowledgeable and willing market participants at the measurement date.

As fair value is a market-based measure, the closest equivalent observable market pricing information is used to determine fair value. Adjustments to market values may be made having regard to the characteristics of the specific asset or liability. The fair values of assets and liabilities that are not traded in an active market are determined using one or more valuation techniques. These valuation techniques maximise, to the extent possible, the use of observable market data.

To the extent possible, market information is extracted from the principal market for the asset or liability (i.e. the market with the greatest volume and level of activity for the asset or liability). In the absence of such a market, market information is extracted from the most advantageous market available to the Company at the end of the reporting period (i.e. the market that maximises the receipts from the sale of the asset or minimises the payments made to transfer the liability, after taking into account transaction costs and transport costs).

For non-financial assets, the fair value measurement also takes into account a market participant's ability to use the asset in its highest and best use or to sell it to another market participant that would use the asset in its highest and best use.

(n) Comparative figures

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

Notes to the Financial Statements

For the Year Ended 30 June 2021

4 Critical Accounting Estimates and Judgments

Those charged with governance make estimates and judgements 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 the estimates.

The significant estimates and judgements made have been described below.

Key estimates - receivables

The receivables at reporting date have been reviewed to determine whether there is any objective evidence that any of the receivables are impaired. An impairment provision is included for any receivable where the entire balance is not considered collectible. The impairment provision is based on the best information at the reporting date.

Key estimates - impairment of property, plant and equipment

The Company assesses impairment at the end of each reporting period by evaluating conditions specific to the Company that may be indicative of impairment triggers. Recoverable amounts of relevant assets are reassessed using value-in-use calculations which incorporate various key assumptions.

Key estimates - property held at fair value

The revaluations are in accordance with a policy of regularly independently revaluing land and buildings to their fair value. Normally this exercise is undertaken every 3 years. Where a class of non-current assets are measured on the fair value basis, revaluations must be made with sufficient regularity to ensure that the carrying amount of each asset in the class does not differ materially from its fair value at reporting date. Where non-current assets experience frequent and material movements in fair value, revaluations may be necessary each reporting date.

i). The valuation of affordable housing property for 24 Scattergood Place, Spence ACT was \$920,000 and was based on the estimated realisable (fair) value of the land and building in an open market. The valuation was carried out on 16 May 2019 by OPTÉON. Next valuation is due in the financial year ending 30 June 2022.

ii). The valuation of the affordable housing properties for two Eclipse apartments, unit 108/140 and 109/140 Thynne Street, Bruce, ACT was \$290,000 each and was based on the estimated realisable (fair) value of the building in an open market. The valuation was carried out on 16 May 2019 by OPTÉON. Next valuation is due in the financial year ending 30 June 2022.

iii). The valuation of the Ainslie property for YWCA Community House, Rutherford Cres, Ainslie ACT was \$660,000 and was based on the estimated realisable (fair) value in an open market. The valuation was carried out as at 30 June 2020 by OPTÉON. Next valuation is due in the financial year ending 30 June 2023.

Those charged with governance have reviewed this valuation and updated it based on valuation indexes for the area in which the property is located. The valuation is an estimation which would only be realised if the property is sold.

Note 23 provides information on inputs and techniques to determine valuation.

Key estimates - useful lives of property, plant and equipment

As described in Note 3(e), the Company reviews the estimated useful lives of property, plant and equipment at the end of each annual reporting period.

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Notes to the Financial Statements

For the Year Ended 30 June 2021

4 Critical Accounting Estimates and Judgments (continued)

Key judgements - performance obligations under AASB 15

To identify a performance obligation under AASB 15, the promise must be sufficiently specific to be able to determine when the obligation is satisfied. Management exercises judgement to determine whether the promise is sufficiently specific by taking into account any conditions specified in the arrangement, explicit or implicit, regarding the promised goods or services. In making this assessment, management includes the nature / type, cost / value, quantity and the period of transfer related to the goods or services promised.

Key judgements - lease term and option to extend under AASB 16

The lease term is defined as the non-cancellable period of a lease together with both periods covered by an option to extend the lease if the lessee is reasonably certain to exercise that option; and also periods covered by an option to terminate the lease if the lessee is reasonably certain not to exercise that option. The options that are reasonably going to be exercised is a key management judgement that the Company will make. The Company determines the likelihood to exercise the options on a lease-by-lease basis looking at various factors such as which assets are strategic, and which are key to future strategy of the Company.

Note 12 provides information on extension and termination options that have been included in the lease liability calculations.

Key judgements - employee benefits

For the purpose of measurement, AASB 119: *Employee Benefits* defines obligations for short-term employee benefits as obligations expected to be settled wholly before 12 months after the end of the annual reporting period in which the employees render the related service. The Company expects that most employees will use their annual leave entitlements within 24 months of the reporting period in which they were earned, but this will not have a material impact on the amounts recognised in respect of obligations for employees' leave entitlements.

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Notes to the Financial Statements For the Year Ended 30 June 2021

5 Revenue and Other Income

(a) Revenue

	2021	2020
	\$	\$
Revenue		
- Administration fees	23,384	20,066
- Childcare fees	13,684,086	11,566,529
- Dividend revenue	186,887	138,381
- Government grants	3,619,017	3,211,967
- Interest revenue	80,478	72,963
- Membership fees	6,304	5,316
- Miscellaneous revenue	588,221	491,148
- Rental revenue	459,131	385,730
- Training revenue	472,970	511,267
Total revenue from continuing operations	19,120,478	16,403,367

(b) Other Income

	2021	2020
	\$	\$
Other Income		
- (Loss) / gain on disposal of property, plant and equipment	(1)	63,697
- Fair value adjustment to investment property	-	217,007
- COVID-19 rent concessions	88,583	202,834
- JobKeeper wage subsidy	1,506,300	2,085,000
- Childcare ECEC relief	1,017,177	1,797,991
- Cash flow boost	50,000	50,000
Total other income	2,662,059	4,416,529

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Notes to the Financial Statements For the Year Ended 30 June 2021

6 Result for the Year

The result for the year includes the following specific expenses:

	2021	2020
	\$	\$
Employee benefits expense		
Salary and wages	12,682,707	11,934,102
JobKeeper wages top up	121,560	491,787
Other employee benefits	2,128,324	1,932,676
	<u>14,932,591</u>	<u>14,358,565</u>
Depreciation and amortisation		
Property, plant and equipment	11(a) 276,300	265,135
Right of use assets	12(a) 855,483	850,932
	<u>1,131,783</u>	<u>1,116,067</u>
Finance cost		
Interest expense on lease liabilities	529,844	555,860
Rent expense		
Short-term lease expense	159,957	183,726
Low value asset lease expense	80,945	76,466
	<u>240,902</u>	<u>260,192</u>

7 Cash and Cash Equivalents

	2021	2020
	\$	\$
Debit card balances	6,950	7,500
Bank balances	1,999,495	1,731,467
Cash trust - JB Were	115,905	67,559
Short-term deposits	-	600,000
	<u>2,122,350</u>	<u>2,406,526</u>

(a) Reconciliation of cash

Cash and cash equivalents reported in the statement of cash flows are reconciled to the equivalent items in the statement of financial position as follows:

	2021	2020
	\$	\$
Cash and cash equivalents	7 2,122,350	2,406,526
Term deposits	9(a) 3,004,032	1,977,439
Balance as per statement of cash flows	<u>5,126,382</u>	<u>4,383,965</u>

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**Notes to the Financial Statements
For the Year Ended 30 June 2021**

8 Trade and Other Receivables

	2021	2020
Note	\$	\$
CURRENT		
Trade receivables	231,248	75,171
Provision for doubtful debts	8(a) (6,331)	(13,222)
GST receivable	13,198	17,620
Franking credit receivable	38,083	26,398
Accrued revenue	205,329	1,007,597
Total current trade and other receivables	<u>481,527</u>	<u>1,113,564</u>

(a) Provision for doubtful debts

Reconciliation of changes in the provision for impairment of receivables is as follows:

	2021	2020
	\$	\$
Balance at beginning of the year	13,222	20,319
Additional impairment loss recognised	10,972	17,325
Provision used	(17,863)	(24,422)
Balance at end of the year	<u>6,331</u>	<u>13,222</u>

The carrying value of trade receivables is considered a reasonable approximation of fair value due to the short-term nature of the balances.

The maximum exposure to credit risk at the reporting date is the fair value of each class of receivable in the financial statements.

(b) Financial assets at amortised cost classified as trade and other receivables

	2021	2020
Note	\$	\$
Trade and other receivables	481,527	1,113,564
Less:		
GST receivable	(13,198)	(17,620)
Franking credit receivable	(38,083)	(26,398)
Total financial assets classified as trade and other receivables	21 <u>430,246</u>	<u>1,069,546</u>

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Notes to the Financial Statements For the Year Ended 30 June 2021

9 Financial Assets

	2021	2020
Note	\$	\$
CURRENT		
Financial assets at amortised cost	9(a) <u>3,004,032</u>	<u>1,977,439</u>
	<u>3,004,032</u>	<u>1,977,439</u>
NON-CURRENT		
Investments in equity instruments designated as at fair value through other comprehensive income	9(b) <u>7,033,763</u>	<u>4,627,831</u>
	<u>7,033,763</u>	<u>4,627,831</u>
Total financial assets	<u>10,037,795</u>	<u>6,605,270</u>

(a) Financial assets at amortised cost

	2021	2020
Note	\$	\$
Term deposits	21, 23 <u>3,004,032</u>	<u>1,977,439</u>

(b) Investments in equity instruments designated as at fair value through other comprehensive income

	2021	2020
Note	\$	\$
Listed investments		
JB Were investment portfolio	21, 23 <u>7,033,763</u>	<u>4,627,831</u>

Classification of financial assets

Term deposits are classified as financial assets at amortised costs. They include a term deposit with Beyond Bank of \$2,789,157 and a bank guarantee of \$214,875 held for the bond over the facility leased at Fairley ECEC \$110,687 expiring on 16 December 2021 and Central Office \$104,188 expiring 10 March 2022.

JB Were investment portfolio is classified as equity securities designated at fair value through other comprehensive income (FVOCI). The Company designated the investment as equity securities as at FVOCI because these equity securities represent investments that the Company intends to hold for the long-term for strategic purpose.

10 Other Assets

	2021	2020
	\$	\$
CURRENT		
Prepayments	<u>48,682</u>	<u>65,829</u>
	<u>48,682</u>	<u>65,829</u>

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**Notes to the Financial Statements
For the Year Ended 30 June 2021**

11 Property, Plant and Equipment

	2021	2020
	\$	\$
INVESTMENT PROPERTIES		
Land		
At fair value	645,000	645,000
Total land	<u>645,000</u>	<u>645,000</u>
Buildings		
At fair value	1,704,500	1,515,000
Accumulated depreciation	(87,953)	(39,599)
Total buildings	<u>1,616,547</u>	<u>1,475,401</u>
Total land and buildings	<u>2,261,547</u>	<u>2,120,401</u>
PLANT AND EQUIPMENT		
Furniture, fixtures and fittings		
At cost	3,098,943	3,007,188
Accumulated depreciation	(1,636,877)	(1,488,808)
Total furniture, fixtures and fittings	<u>1,462,066</u>	<u>1,518,380</u>
Motor vehicles		
At cost	257,087	257,087
Accumulated depreciation	(117,967)	(38,353)
Total motor vehicles	<u>139,120</u>	<u>218,734</u>
Total plant and equipment	<u>1,601,186</u>	<u>1,737,114</u>
CONSTRUCTION IN PROGRESS		
Construction in-progress		
At cost	62,660	-
Total construction in-progress	<u>62,660</u>	<u>-</u>
Total property, plant and equipment	<u><u>3,925,393</u></u>	<u><u>3,857,515</u></u>

(a) Movements in Carrying Amounts

Movement in the carrying amounts for each class of property, plant and equipment between the beginning and the end of the current financial year:

	Plant and equipment	Investment properties	Construction in progress	Total
	\$	\$	\$	\$
Year ended 30 June 2021				
Balance at the beginning of year	1,737,114	2,120,401	-	3,857,515
Additions	92,976	189,500	62,660	345,136
Disposals	(958)	-	-	(958)
Depreciation	(227,946)	(48,354)	-	(276,300)
Balance at the end of the year	<u><u>1,601,186</u></u>	<u><u>2,261,547</u></u>	<u><u>62,660</u></u>	<u><u>3,925,393</u></u>

Investment property has been revalued in accordance with the details described at Note 4.

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Notes to the Financial Statements For the Year Ended 30 June 2021

12 Right of Use Assets

The Company's lease portfolio includes three operating leases of the central office, Winyu early childhood service and Fairley early childhood service.

- The Central Office lease has a lease term of seven years with a five-year extension option to 21 September 2027. The option to extend has been included in the calculation of the right of use asset.
- The Winyu Early Childcare Centre has a lease term of 20 years. The changes in consumer price index (CPI) are unknown for the future years and excluded from the lease liability calculation. The Company remeasures the lease liability when the amount payable for the next period is known.
- The Fairley Early Childcare Centre has a lease term of 15 years.

(a) AASB 16 related amounts recognised in the balance sheet

	2021	2020
	\$	\$
Right of use assets		
Leased building	10,265,053	10,197,935
Accumulated depreciation	(1,706,415)	(850,932)
	<u>8,558,638</u>	<u>9,347,003</u>

Movement in carrying amounts:

	Central Office	Winyu Childcare Centre	Fairley Childcare Centre	Total
	\$	\$	\$	\$
Year ended 30 June 2021				
Opening balance as at 1 July 2020	2,106,536	3,138,713	4,101,754	9,347,003
Addition to right of use asset from re-measurement of lease liability	-	67,118	-	67,118
Depreciation expense	(293,935)	(217,345)	(344,203)	(855,483)
Balance at end of year	<u>1,812,601</u>	<u>2,988,486</u>	<u>3,757,551</u>	<u>8,558,638</u>

(b) AASB 16 related amounts recognised in the statement of profit or loss

Statement of Profit or Loss and Other Comprehensive Income

The amounts recognised in the statement of profit or loss and other comprehensive income relating to leases where the Company is a lessee are shown below:

	2021	2020
	\$	\$
Depreciation of right-of-use assets	(855,483)	(850,932)
Interest expense on lease liabilities	(529,844)	(555,860)
Short-term lease expense	(159,957)	(183,726)
Low value asset leases expense (included within administration and operational expenses and minor equipment expense)	(80,945)	(74,466)
COVID-19 rent concessions	88,583	202,834

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Notes to the Financial Statements For the Year Ended 30 June 2021

12 Right of Use Assets (continued)

The Company has applied the practical expedient in accordance with AASB 2020-4 *Amendments to Australian Accounting Standards - COVID-19 Related Rent Concessions* to all rent concessions that meet the conditions in paragraph 46B.

During the financial year ended 30 June 2021, the Company received the following rent concession:

- Winyu Early Childhood Service: initial rent free for the period April to September 2020 was further extended to December 2020 since the last financial year.

As a result, the amount reported in profit and loss for the year ended 30 June 2021 that reflects the change in lease payment arising from rent concession is \$88,583, for the period from October 2020 to December 2020.

13 Trade and Other Payables

	2021	2020
	\$	\$
CURRENT		
Trade payables	448,412	161,054
Employee benefits	645,482	931,433
Bonds and deposit held	232,753	194,666
	<u>1,326,647</u>	<u>1,287,153</u>

Trade and other payables are unsecured, non-interest bearing and are normally settled within 30 days. The carrying value of trade and other payables is considered a reasonable approximation of fair value due to the short-term nature of the balances.

Employee benefits payable include accrued salaries and on-costs, superannuation payable, PAYG withholding tax and pre-purchased annual leave.

Bonds and deposits held include family day care, long day care, school age care bonds and tenancy maintenance bonds from housing support unit.

(a) Financial liabilities at amortised cost classified as trade and other payables

	Note	2021	2020
		\$	\$
Trade and other payables			
- total current		<u>1,326,647</u>	<u>1,287,153</u>
		<u>1,326,647</u>	<u>1,287,153</u>
Less:			
Employee benefits		<u>(645,482)</u>	<u>(931,433)</u>
		<u>(645,482)</u>	<u>(931,433)</u>
Total financial liabilities classified as trade and other payables	21	<u>681,165</u>	<u>355,720</u>

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Notes to the Financial Statements For the Year Ended 30 June 2021

14 Provisions

	2021	2020
	\$	\$
CURRENT		
Provision for employee benefits: annual leave	865,637	779,652
Provision for employee benefits: long service leave	106,683	109,576
Provision for employee benefits: others	113,598	94,026
	<u>1,085,918</u>	<u>983,254</u>

(a) Analysis of total provisions

	Employee benefits	Total
	\$	\$
Current		
Opening balance at 1 July 2020	983,254	824,578
Additional provisions	292,252	282,654
Provisions used	(189,588)	(123,978)
Balance at 30 June 2021	<u>1,085,918</u>	<u>983,254</u>

Provision for employee benefits

Provision for employee benefits represents amounts accrued for annual leave, long service leave, maternity leave and personal leave provision for ex Belconnen Community Service Inc family day care employees and Spence Children's Cottage Association Incorporated.

The current portion for this provision includes the total amount accrued for leave entitlements that have vested due to employees having completed the required period of service. Based on the past experience, the Company does not expect the full amount of leave entitlements balances classified as current liabilities to be settled within the next 12 months. However, these amounts must be classified as current liabilities since the Company does not have an unconditional right to defer the settlement of these amounts in the event employees wish to use their leave entitlements.

In calculating the present value of future cash flows in respect of long service leave, the probability of long service leave being taken is based upon historical data. The measurement and recognition criteria for employee benefits have been discussed in Note 3(i).

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Notes to the Financial Statements For the Year Ended 30 June 2021

15 Other Liabilities

	2021	2020
	\$	\$
CURRENT		
Grants in advance	108,924	116,585
Income in advance	372,991	373,147
Unexpended grants	79,590	63,364
Childcare subsidy in advance	(188,180)	4,464
	<u>373,325</u>	<u>557,560</u>

(a) Contract liabilities

	2021
	\$
Balance at the beginning of the year	179,949
Movement in Grants for which performance obligations will only be satisfied in subsequent year	8,565
Closing balance at the end of the year	<u>188,514</u>

If grants are enforceable and have sufficiently specific performance obligations in accordance with AASB 15 the amount received at that point in time is recognised as a contract liability until the performance obligations have been satisfied.

16 Contingencies

In the opinion of those charged with governance, the Company did not have any contingencies at 30 June 2021 (30 June 2020: None).

17 Capital and Leasing Commitments

(a) Operating lease commitments payable

Leasing commitments include contracts that are classified as short-term leases and leases of low value assets. These are non-cancellable operating leases contracted for but not capitalised in respect of:

(i) Parking spaces (YWCA House) lease term is for 7 years expiring on 21 September 2022;

(ii) Operating lease of photocopier equipment and printers in the supply contract for 5 years expiring on 30 September 2024;

(iii) Social and community housing operating leases expiring on 30 June 2022;

(iv) Affordable Betty Seale housing operating lease is charged at 33.3% of the market rate; and

(v) Computer equipment operating leases from HP, consist of seven leases with various expiry dates ranging from 3 September 2022 to 30 June 2024.

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Notes to the Financial Statements

For the Year Ended 30 June 2021

17 Capital and Leasing Commitments (continued)

	2021	2020
	\$	\$
Minimum lease payments under non-cancellable operating leases:		
- not later than one year	354,836	325,835
- between one year and five years	78,358	134,926
Minimum lease payments	433,194	460,761

The above commitments are inclusive of GST where applicable.

(b) Operating lease commitments receivable

The Company leases the below premises to external parties with rentals payable monthly. These leases are classified as operating leases as they do not transfer substantially all of the risks and rewards incidental to the ownership of the assets. These leases include:

- Social and Community housing operating leases are fixed term of 6 months in general. Renewal of the leases are reviewed at the end of the 6-month period if all parties agree and eligibility requirements are met.
- Affordable housing operating leases are fixed term of one year and charged up to 74.9% of market rent. Renewal of the leases are reviewed at the end of the 12-month period if all parties agree and eligibility requirements are met.
- Sublease for one office space in YWCA House for 3 years lease term expiring on 29 July 2022.

	2021	2020
	\$	\$
Minimum lease receivable:		
- not later than one year	392,019	127,443
- between one year and five years	7,123	30,928
Minimum lease receivable	399,142	158,371

(c) Operating leases with no charge

Operating leases at no charge are provided by The ACT Community Services Directorate for the operation of the Campbell, Spence Children's Cottage, Conder Childcare Centres and for Mura Lanyon Youth & Community Centre. All leases except Spence Children's Cottage had expired in December 2017 and are awaiting for renewal from the ACT Property Group. Spence Children's Cottage has a 5-year peppercorn lease from November 2019 to November 2024.

YWCA Canberra

ABN: 48 008 389 151

Notes to the Financial Statements For the Year Ended 30 June 2021

18 Events after the end of the Reporting Period

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

19 Key Management Personnel Remuneration

Any person(s) having authority and responsibility for planning, directing and controlling the activities of the Company, directly or indirectly, including any director (whether executive or otherwise) of that entity, is considered key management personnel (KMP).

The totals of remuneration paid to the key management personnel of YWCA Canberra during the year are as follows:

	2021	2020
	\$	\$
Short-term employee benefits	911,624	771,711
Long-term benefits	5,154	5,472
Post-employment benefits	84,684	60,931
	<u>1,001,462</u>	<u>838,114</u>

20 Related Parties

During the year ended 30 June 2021, Ms Katie Whitehead was paid \$3,300 through Willoring Apiaries Pty Ltd for delivery of Introduction to Business Planning module in the She Leads diploma program.

Except for the above, the directors did not receive any remuneration directly or indirectly from the YWCA Canberra or any related body corporate for management of the YWCA Canberra, except for those who are also executives of the YWCA Canberra and their compensation is included in Key Management Personnel.

Directors pay membership fees which are on normal commercial terms and conditions no more favourable than those available to other parties unless otherwise stated.

YWCA Canberra

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Notes to the Financial Statements

For the Year Ended 30 June 2021

21 Financial Risk Management

The Company is exposed to a variety of financial risks through its use of financial instruments. The Company's financial instruments consist mainly of deposits with banks, local money market instruments, short-term and long-term investments, accounts receivable and payable, and lease liabilities.

The Company's overall risk management plan seeks to minimise potential adverse effects due to the unpredictability of financial markets.

	Note	2021 \$	2020 \$
Financial assets			
Financial assets at amortised cost			
Cash and cash equivalents	7	2,122,350	2,406,526
Trade and other receivables	8(b)	430,246	1,069,546
Term deposits	9(a)	3,004,032	1,977,439
Investments in equity instruments designated at fair value through Other Comprehensive Income (OCI)			
JB Were investment portfolio	9(b)	7,033,763	4,627,831
Total financial assets		12,590,391	10,081,342
Financial liabilities			
Financial liabilities at amortised cost			
Trade and other payables	13(a)	681,165	355,720
Total financial liabilities		681,165	355,720

Objectives, policies and processes

Those charged with governance have overall responsibility for the establishment of YWCA Canberra's financial risk management framework. This includes the development of policies covering specific areas such as foreign exchange risk, interest rate risk, credit risk and the use of derivatives.

Risk management policies and systems are reviewed regularly to reflect changes in market conditions and YWCA Canberra's activities.

The day-to-day risk management is carried out by YWCA Canberra's finance function under policies and objectives which have been approved by those charged with governance. The Executive Director, Finance & Corporate Services has been delegated the authority for designing and implementing processes which follow the objectives and policies. This includes monitoring the levels of exposure to interest rate and foreign exchange rate risk and assessment of market forecasts for interest rate and foreign exchange movements.

Those charged with governance receives monthly reports which provide details of the effectiveness of the processes and policies in place.

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Notes to the Financial Statements

For the Year Ended 30 June 2021

22 Going Concern

Since 31 March 2020, the COVID-19 outbreak has impacted the way of life in Australia. This has affected the ability of the Company to continue operations as usual. In accordance with national guidelines, the Company has implemented remote working arrangements in response to government requirements and to ensure the wellbeing and safety of all employees and visitors. The Company has determined that there are no going concern risks arising from the impact of the COVID-19 outbreak and that the Company has a sound financial position.

It is not possible to reliably estimate the duration and severity of the impact of COVID-19, as well as the impact on the financial position and results of the Company for the future periods. However, based on analysis of the financial performance and position the financial statements have been prepared on a going concern basis. The Company believes at this point in time that there is no significant doubt about the Company's ability to continue as a going concern.

23 Fair Value Measurement

The Company measures the following assets and liabilities at fair value on a recurring basis:

- Investment property
- Financial assets: Equity Securities at FVOCI

Fair value hierarchy

AASB 13 *Fair Value Measurement* requires all assets and liabilities measured at fair value to be assigned to a level in the fair value hierarchy as follows:

Level 1	Unadjusted quoted prices in active markets for identical assets or liabilities that the entity can access at the measurement date.
Level 2	Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.

The table below shows the assigned level for each asset and liability held at fair value by the company:

30 June 2021	Note	Level 1 \$	Level 2 \$	Total \$
Recurring fair value measurements				
Investment property	11	-	2,261,547	2,261,547
Financial assets				
Listed investment at fair value	9	7,033,763	-	7,033,763

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Notes to the Financial Statements For the Year Ended 30 June 2021

23 Fair Value Measurement (continued)

Fair value hierarchy

30 June 2020	Note	Level 1 \$	Level 2 \$	Total \$
Recurring fair value measurements				
Investment property	11	-	2,120,401	2,120,401
Financial assets				
Listed investment at fair value	9	4,627,831	-	4,627,831

Level 2 measurements

Details of the basis of level 2 revaluation measurements are provided in Note 4.

Transfers between levels of the hierarchy

There were no transfers between levels of the fair value hierarchy.

Highest and best use

The current use of each asset measured at fair value is considered to be its highest and best use.

24 Reserves

(a) Asset revaluation reserve

The asset revaluation reserve records revaluations of non-current assets. The asset revaluation reserve represents revaluation of YWCA Community House (Ainslie) held as owner occupied property. As of 27 January 2016, YWCA Community House was reclassified from owner occupied to investment property.

(b) Financial asset reserve

Change in the fair value of available for sale investments and the disposal of the investment or when an impairment arises are recognised in other comprehensive income - financial asset reserve. With the adoption of AASB 9 *Financial Instruments*, YWCA Canberra has made the irrevocable election to present gains and losses on the investment in an equity instrument in other comprehensive income. All movements in fair value of that instrument go through other comprehensive income regardless of whether the investment was impaired or not.

(c) Sinking fund reserve

The sinking fund reserve as at 30 June 2021 is \$419,350 (Housing: \$265,225, Children's Services: \$154,125). The transitional and affordable housing sinking fund allocation to \$250,000 is to comply with housing registration requirement and ensure that there are ongoing funds for major capital investment in the properties when required. The sinking fund is increased at CPI rates annually.

YWCA Canberra

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Notes to the Financial Statements

For the Year Ended 30 June 2021

24 Reserves (continued)

(d) Housing development fund reserve

The housing development fund reserve is dedicated exclusively to the development and preservation of affordable housing. The housing development fund reserve is made up of the surpluses generated from the affordable housing programs. Balance as at 30 June 2021 is \$763,857.

25 Members' Guarantee

The Company is incorporated under the *Corporations Act 2001* and is a Company limited by guarantee. If the Company is wound up, the constitution states that each member is required to contribute a maximum of \$ 10 each towards meeting any outstandings and obligations of the Company. At 30 June 2021 the number of members was 202 (2020: 308).

26 Economic dependency

17% of income received is grant funding from Federal and Territory government. At this stage, there is no indication that government programs will not continue to be funded. Written confirmation has been received from the Community Services Minister that all ACT government grants have been rolled over to 30 June 2022. The remainder of income is from childcare services, events, donations, investments and training course fees.

27 Resources received free of charge

Operating leases at no charge are provided by The ACT Community Services Directorate for the operation of the Campbell, Spence Children's Cottage, Conder Childcare Centres and for Mura Lanyon Youth & Community Centre. All leases except Spence Children's Cottage had expired in December 2017 and are awaiting for renewal from the ACT Property Group. Spence Children's Cottage has a 5-year peppercorn lease from November 2019 to November 2024.

An operating lease at no charge is also provided by ACT Education and Training Directorate for the operation of the Computer Clubhouse in Richardson.

28 In-kind donations

Total in-kind donations received in the financial year end 30 June 2021 was \$24,446 for the sponsorship of She Leads events and donation of computer equipment for computer clubhouse.

29 Statutory Information

YWCA Canberra is a not-for-profit organisation, as Australian public company under the *Corporations Act 2001* (Cth). YWCA Canberra was formerly known as The Young Women's Christian Association of Canberra until 16 May 2018 when an EGM was held and the new YWCA Canberra's Constitution was revised to reflect the change of name. The current name has also been updated in ASIC on 29 May 2018.

The registered office and principal place of business of the Company is:

YWCA Canberra
Level 2, YWCA House
71 Northbourne Avenue, Canberra ACT 2601

YWCA Canberra

ABN: 48 008 389 151

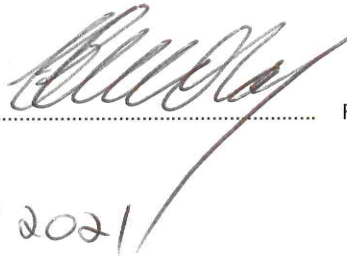
Responsible Persons' Declaration

The responsible persons declare that in the responsible persons' opinion:

- there are reasonable grounds to believe that the registered entity is able to pay all of its debts, as and when they become due and payable; and
- the financial statements and notes satisfy the requirements of the *Australian Charities and Not-for-profits Commission Act 2012* and.
 - comply with Australian Accounting Standards - Reduced Disclosure Requirements applicable to the entity; and
 - give a true and fair view of the financial position of the registered entity as at 30 June 2021 and of its performance for the year ended on that date.

Signed in accordance with subsection 60.15(2) of the *Australian Charities and Not-for-profit Commission Regulation 2013*.

Responsible person



Responsible person



Dated

11/10/2021

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF YWCA CANBERRA

Report on the Audit of the Financial Report

Opinion

We have audited the accompanying financial report of YWCA Canberra (the registered entity), which comprises the statement of financial position as at 30 June 2021, the statement of profit or loss, statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration.

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

- (i) giving a true and fair view of the registered entity's financial position as at 30 June 2021 and of its financial performance for the year then ended; and
- (ii) complying with Australian Accounting Standards – Reduced Disclosure Requirements and Division 60 of the *Australian Charities and Not-for-profits Commission Regulation 2013*.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Report section of our report. We are independent of the registered entity in accordance with the ACNC Act and ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

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

Emphasis of Matter

We draw attention to Note 22 of the financial report which notes the outbreak of COVID-19 as a global pandemic and how this has been considered by the directors in the preparation of the financial report. The impact of COVID-19 is an unprecedented event, which continues to cause a high level of uncertainty and volatility. As set out in the financial statements, no adjustments have been made to financial statements as at 30 June 2021 for the impacts of COVID-19. Our opinion is not modified in respect of this matter.

Information Other than the Financial Report and Auditor's Report Thereon

The directors are responsible for the other information. The other information comprises the information included in the annual report for the year ended 30 June 2021 but does not include the financial report and our auditor's report thereon. Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon. In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the Financial Report

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



INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF YWCA CANBERRA

In preparing the financial report, the directors are responsible for assessing the ability of the registered entity to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the registered entity or to cease operations, or has no realistic alternative but to do so.

The directors are responsible for overseeing the registered entity's financial reporting process.

Auditor's Responsibility 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 registered entity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the registered entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the registered entity 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 directors 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.

A handwritten signature in black ink, appearing to read 'James Barrett'.

James Barrett, FCA
Registered Company Auditor
BellchambersBarrett

Canberra, ACT
Dated this 11th day of October 2021