



Uniting Housing
Australia Limited

trading as
Uniting Housing



Annual Report 2018 - 2019



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Introduction

Vision

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

Mission

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

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

Values

Our Faith

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

A focus on the disadvantaged

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

Social justice

Promoting equity, human rights and participation for all

Empowerment

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

Respect

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

Working holistically

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

Working together

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

Pursuing innovation

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

Striving to do better

Undertaking ongoing research, evaluation and quality improvement



Our Business

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

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

From the Chairperson

There is seldom a week passes without there being an article or reference in the press to the urgent need for housing, be it emergency, disabled or affordable housing. Uniting Housing Australia Ltd (UHA) is committed to responding to this challenge. Throughout the a past six years Uniting Housing Victoria (UHV) has worked to position itself to respond to the Uniting Church – Synod of Victoria and Tasmania highest priority "To Making Housing a Priority". This decision lead to the formation of Uniting Housing Australia Ltd to fulfil this priority and to manage successfully the risks associated with maintaining and developing our social housing portfolio and to permanently maintain an accountable and affordable social housing portfolio both in Victoria and Tasmania.



During the period under review UHA has been able to engage with Uniting Vic.Tas Ltd to develop a suitable governance and operational structure that in time will support the attainment of Housing Association status for UHA. The new operational model will operate as from 1 January 2020.

This year, five x two- bedroom modular units have been located on Uniting Church land in Mount Pleasant, Ballarat with a DHHS capital grant. These units are being occupied from June 2019. Under the leadership of our CEO Ian Brain, our team have investigated further housing developments on the land of several Uniting Church congregations in Victoria.

It is pleasing to report that UHA has met all the Government and Industry registrations and compliance requirements and has again achieved a positive year of operations.

UHA wishes to acknowledge the support which has been received from the Uniting Church in Australia, Synod of Victoria and Tasmania.

Many thanks to the Board and CEO of Uniting Vic.Tas and to its dedicated staff of the Uniting programs in Ballarat, Harrison, Prahran, Werribee and Wimmera for their support and cooperation over the past year.



We acknowledge and thank Mr Mark Grigsby and Mr Robert Burns for their contribution to the life and work of UHA. Mark resigned in October 2018 and Robert in December 2018.

I remain extremely grateful to the directors of the Board, our CEO Ian Brain and the dedicated staff, advisers and contractors for their support and commitment to the life and work of the company through a very challenging year of planning and development for Uniting Housing Australia Ltd.

John Preston
August 2019

From the Chief Executive Officer



The past year has seen significant attention paid to future housing activity in partnership with Uniting Vic.Tas. It is now clear that if we can build a strong, cooperative relationship and an effective and visionary governance structure and agreed strategy, Uniting Housing's potential of being a community housing provider of significance is in sight. This year has built the base for that future development; our mutual plans for the future have survived a quite challenging Due Diligence process overseen by Synod's Property and Operations Committee, and an achievable pathway is now before us.

These activities have not been without cost. For the first time in the past six years, our operating costs exceeded our operating revenue. While modest, and within budget, it

indicates that indeed UHA does need external support to venture into expanded activities. That we have secured the support of Uniting Vic.Tas for this work should give all our supporters comfort and confidence for the future. Both I, and our expanding staff welcome the opportunity and the challenge these changes will bring.

Our regular responsibilities and activities were not overlooked during this time. We again expanded the portfolio of properties under management, we again clean sheeted the Housing Registrar's Key Performance Measures, and we increased our capital reserves, a very satisfying performance in a very busy year.

I am indebted to the UHA Board for their efforts and support this year, in particular Chair John Preston, Chair of our Risk Committee Robert Short, and Member of the Housing Strategy Sub Committee, Brian Collins. They have shared a large part of the planning and direction setting burden this year, and without them it would not have been achieved. Similarly the work of our staff, Susan Howell, and Sandra Legro has been exemplary.

Uniting Vic.Tas should also be mentioned in this regard. In a busy time for them, their Chair Bronwyn Pike, Board Director Heather Watson and CEO Paul Linossier and senior management have provided support, guidance, and now commitment to this shared vision.

The shared journey to "Making Housing a Priority for the Uniting Church" has begun.

Ian Brain
August 2019



Board of Governance Report

The Board presents their report on Uniting Housing Australia Limited for the financial year ended 30 June 2019.

Company Structure

On the 27 November 2018 a new Constitution and business name was adopted at the Annual General Meeting by the Company Members.

From 1 July 2018 to 27 November 2018, UnitingCare Housing Victoria Limited (ACN 134 589 745) had three Company Members:

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

From 27 November 2018, Uniting Housing Australia Limited (ACN 134 589 745) has two Company Members:

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

Company Members guarantee

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

Company Statement of objects

On the 27 November 2018 a new Constitution and business name was adopted at the Annual General Meeting by the Company Members.

From 1 July 2018 to 27 November 2018, the objects for which the Company was established were:

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

From 27 November 2018, the objects for which the Company is 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.



The Company acts as an extension of the [Uniting] Church to implement the strategic directions of the Synod [of Victoria and Tasmania] in the fields of social welfare, public welfare and community services.

Principal Activities

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

Significant Changes

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

Events after the Reporting date

On 27 June 2019, the Uniting Church in Australia Synod of Victoria and Tasmania approved the implementation of changes to the governance and operating models at Uniting Housing Australia to deliver on a joint strategy with Uniting Victoria and Tasmania to “make housing a priority for the Uniting Church”. These changes will be implemented from 1 September 2019 to 1 January 2020.

Operating Result

The Net Surplus for the year ended 30 June 2019 amounted to \$854,146

Financial Position

The Cash at Bank at 30 June 2019 amounted to \$1,812,932

Total Equity as at 30 June 2019 amounted to \$3,167,984

Taxation Status

Uniting Housing Australia Limited is endorsed as a Tax Concession Charity - Public Benevolent Institution for the following:

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

Company Secretary

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

The Role of the Board

The role of the Board on behalf of the legal owners (The Uniting Church in Australia Synod of Victoria and Tasmania) and its moral owners (the Victorian 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.



Information on the Board of Directors

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

John Preston - Chairperson:

Qualifications - Grad.Dip.Org.Beh

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



Andrew Boatman:



Qualifications - BSc, MBus, GradDipEd, GradDipMgtStud,
Andrew is a retired Naval Officer and former Credit Union Director. During his Navy service, he held several Command appointments, and for several years worked in Defence's family service organisation in close collaboration with the Defence Housing Authority and Defence housing rental allocators. He is currently a member of the Victorian Department of Justice and Regulation (DJR) Human Research Ethics Committee, and Chair of Uniting Church Presbytery of Western Victoria. He is a past Chairperson of UnitingCare Ballarat.

David Pratt:

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



Brian Collins:



Qualifications - Cert. Applied Science - Medical Laboratory Technology

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



Robert Short – Company Secretary: Qualifications: FCPA. Dip Bus Stud.

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



Robert Burns: Retired as of 5th December 2018

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

Rev. Jenny Hayes: Qualifications - BThL.



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

Olivia Sheridan:

Qualifications - Advanced Diploma of Building Design, Certificate III Furniture & Construction

Olivia is currently employed as a drafts person while completing Architectural studies. She has working knowledge of Australian Standards relating to residential building and the building code and has particular interest in residential design, with a focus on sustainability. Olivia also has experience in the disability sector and has basic knowledge of Auslan. (Australian Sign Language)



Heather Watson:



Heather is a specialist charity lawyer and former Partner with McCullough Robertson, Lawyers. She has broad experience across the non-profit sector with specialist expertise in the areas of aged care, health and community services, affordable housing and Indigenous communities. Heather has previously been Chairperson of UnitingCare Queensland and 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 Chairperson, Epic Good Foundation. Other 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.



Mark Grigsby: Retired as of 30th October 2018

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

Mark is a Member of the Institute of Architects, Director & Strategic Director at Smith & Tracey Architects.

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

During the financial year 11 board meetings were held. Attendances by each member during the year are as follows:

Name	Position	Appointed	2019 Eligibility	2019 Attendance	*Leave of Absence
John Preston	Chairperson	19-Mar-12	11	10	1
David Pratt	Deputy Chair	19-Mar-12	11	11	0
Brian Collins	Director	19-Mar-12	11	10	1
Andrew Boatman	Director	19-Mar-12	11	10	0
Mark Grigsby	Director	1-Oct-12	4	2	0
Robert Short	Director	1-Dec-13	11	9	1
Robert Burns	Director	1-May-15	6	3	1
Jenny Hayes	Director	6-Apr-17	11	10	0
Olivia Sheridan	Director	27-Oct-18	7	7	0
Heather Watson	Director	27-Oct-18	7	4	1



Housing Registrar's Key Performance Measures

Key Performance Measure	2016-17	2017-18	2018-19	Result	Preferred
Staff turnover	0%	0%	0%	Preferred	< 15%
Turnaround time (tenantable)	14.7 days	12.6 days	12.4 Days	Satisfactory	< 7
Turnaround time (untenantable)	16.5 days	15.1 days	12.5 days	Preferred	< 21
Rent outstanding from current tenants	0.6%	0.6%	1.3%	Satisfactory	< 1%
Tenancies maintained (long term housing)	77.9%	73.6%	67.7%	Action Required*	> 90%
<i>*Includes Karrung, a youth program that is designed for tenants to exit after 1-2years.</i>					
Prospective tenant/tenant complaints	100%	100%	100%	Preferred	> 90%
Average occupancy rate	92.5%	97.5%	94.3%	Preferred	> 90%
Evictions	3.3%	3.7%	6.9%	Satisfactory	< 5%
Urgent requested repairs on time	100.0%	100.0%	93.1%	Preferred	100%
Non-urgent requested repairs on time	91.4%	85.1%	91.6%	Preferred	> 90%
Tenant satisfaction - housing services	98.1%	-	97.5%	Preferred	> 90%
Tenant satisfaction – consideration of views	87.0%	-	97.5%	Preferred	> 90%
Tenant satisfaction - maintenance	83.0%	-	95%	Preferred	> 90%

Tenant comments from the 2019 Survey



'I am very happy with everything & everyone. I love my home.'

*'Re complaint - heater fixed now
Love my garden
Love my dog
being with me.'*

'My phone calls with problems are attended to quickly. '

'We have been so grateful to of been assisted by you and would be lost without this home. '

'Thank You for your support.'



Financial Statements

Statement of Comprehensive Income

UNITING HOUSING AUSTRALIA LIMITED STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 30TH JUNE 2019

	Note	2019 \$	2018 \$
REVENUE FROM ORDINARY ACTIVITIES			
Grants		1,864,580	1,725,112
Rent		596,374	580,116
Interest on deposit	3	30,270	23,684
Amortisation of Director of Housing loan		9,833	9,833
Gift & donation		1,094,986	269,672
Miscellaneous income		35,970	4,445
<u>TOTAL REVENUE</u>		<u>3,632,013</u>	<u>2,612,862</u>
EXPENSES FROM ORDINARY ACTIVITIES			
Service agreement fees		1,808,608	1,677,117
Labour & related costs		354,398	189,753
Printing & stationery		755	339
Responsive maintenance		252,071	46,667
Cyclical maintenance		69,325	30,727
Committee expenses		413	273
General expenses		58,185	47,651
Depreciation & amortisation expenses	3	35,358	35,090
IT charges		32,123	4,610
Consulting/legal fees		13,772	16,888
Motor vehicle & travel		11,859	5,590
Postage & telephone		5,802	5,896
Property costs		158,604	150,910
<u>TOTAL EXPENSES</u>		<u>2,801,273</u>	<u>2,211,511</u>
<u>OPERATING RESULT FOR THE YEAR</u>		<u>830,740</u>	<u>401,351</u>
OTHER COMPREHENSIVE INCOME			
First time recognition of DOH's equity in Heywood properties		-	(271,609)
Unrealised gain on revaluation of UEthical Investment Growth Fund		23,406	21,502
		<u>23,406</u>	<u>(250,107)</u>
<u>TOTAL COMPREHENSIVE INCOME FOR THE YEAR</u>		<u>854,146</u>	<u>151,244</u>

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



Statement of Financial Position

UNITING HOUSING AUSTRALIA LIMITED
STATEMENT OF FINANCIAL POSITION
AS AT 30TH JUNE 2019

	NOTE	2019 \$	2018 \$
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	4	1,812,932	1,016,783
Trade and other receivables	5	115,058	220,464
TOTAL CURRENT ASSETS		<u>1,927,990</u>	<u>1,237,247</u>
NON CURRENT ASSETS			
UEthical Investment Growth Fund		332,897	302,548
Property, plant and equipment	6	5,371,269	4,888,353
TOTAL NON-CURRENT ASSETS		<u>5,704,166</u>	<u>5,190,901</u>
<u>TOTAL ASSETS</u>		<u>7,632,156</u>	<u>6,428,148</u>
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	7	585,850	274,006
Employee benefit provision	8	19,236	-
Borrowings	9	9,833	9,833
TOTAL CURRENT LIABILITIES		<u>614,919</u>	<u>283,839</u>
NON CURRENT LIABILITIES			
Trade and other payables	7	3,628,508	3,558,652
Employee benefit provision	8	10,552	-
Borrowings	9	210,193	271,819
TOTAL NON CURRENT LIABILITIES		<u>3,849,253</u>	<u>3,830,471</u>
<u>TOTAL LIABILITIES</u>		<u>4,464,172</u>	<u>4,114,310</u>
<u>NET ASSETS</u>		<u>3,167,984</u>	<u>2,313,838</u>
EQUITY			
Retained surplus		3,069,410	2,226,346
Reserves	12	98,574	87,492
<u>TOTAL EQUITY</u>		<u>3,167,984</u>	<u>2,313,838</u>

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



Statement of Changes in Equity

UNITING HOUSING AUSTRALIA LIMITED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30TH JUNE 2019

	Retained Surplus \$	Cyclical Maintenance Reserve	Asset Revaluation Reserve	Financial Asset Reserve	Total Equity \$
Balance at 1 July 2017	2,117,877	16,565	28,152	-	2,162,594
Surplus for the year	401,351	-	-	-	401,351
Transfer to reserves	(21,273)	21,273	-	-	-
Other comprehensive income for the year	(271,609)	-	-	21,502	(250,107)
Balance as at 30 June 2018	2,226,346	37,838	28,152	21,502	2,313,838
Balance at 1 July 2018	2,226,346	37,838	28,152	21,502	2,313,838
Surplus for the year	830,740	-	-	-	830,740
Transfer to reserves	12,324	(12,324)	-	-	-
Other comprehensive income for the year	-	-	-	23,406	23,406
Balance as at 30 June 2019	3,069,410	25,514	28,152	44,908	3,167,984

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



Statement of Cash Flow

UNITING HOUSING AUSTRALIA LIMITED STATEMENT OF CASH FLOW FOR THE YEAR ENDED 30TH JUNE 2019

		2019 \$	2018 \$
	NOTE		
Cash flows from operating activities			
Receipts from customers		3,699,693	2,547,967
Payment to suppliers and employees		(2,426,659)	(2,197,883)
Interest received		30,270	23,684
Net cash provided by operating activities	10	1,303,304	373,768
Cash flows from investing activities			
Payment for UEthical Investment Growth Fund		(6,943)	(281,046)
Payment for property, plant and equipment		(568,491)	(766,611)
Net cash used in investing activities		(575,434)	(1,047,657)
Cash flows from financing activities			
Net repayments of Borrowings		(51,793)	(13,417)
Proceeds from Director of Housing - Equity Contribution		120,072	1,080,650
Net cash provided by financing activities		68,279	1,067,233
Net increase in cash and cash equivalents		796,149	393,344
Cash at beginning of the year		1,016,783	623,439
Cash at end of the year	4	1,812,932	1,016,783

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



Notes to the Financial Statements

UNITING HOUSING AUSTRALIA LIMITED NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH JUNE 2019

The financial statements cover Uniting Housing Australia Limited as an individual entity, incorporated and domiciled in Australia. Uniting Housing Australia 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*; 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 valuation conducted by local councils or independent valuers. 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
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.



Notes to the Financial Statements cont'

UNITING HOUSING AUSTRALIA LIMITED NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH JUNE 2019

(c) Borrowing costs

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

(d) Trade and other receivables

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

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

(e) Revenue and other income

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

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

Grants revenue

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

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

Asset transfers

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

Donations and bequests

Donations and bequests are recognised as revenue when received.

Interest Revenue

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

Dividend revenue

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

(f) Trade and other payables

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

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

(g) Goods and services tax (GST)

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

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

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



Notes to the Financial Statements cont'

UNITING HOUSING AUSTRALIA LIMITED NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH JUNE 2019

(h) 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.

Key estimates - Director of Housing - equity shares

The Director of Housing's equity shares in the Heywood properties and the Morton Street Accommodation Facility have not yet been confirmed with the Department. The balance included in the equity share liability for these properties represent the best and most reliable estimates based on information available to management at the time of the preparation of this financial report. These estimates may need to be change when further information becomes available.



Notes to the Financial Statements cont'

UNITING HOUSING AUSTRALIA LIMITED NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH JUNE 2019

Note	2019 \$	2018 \$
3 OPERATING RESULT FOR THE YEAR		
Operating result for the year includes the following specific income and expenses:		
<u>Depreciation</u>		
- Buildings	34,417	34,241
- Computer equipment	545	455
- Motor vehicles	396	394
	35,358	35,090
<u>Interest income from:</u>		
- UEthical Investment	30,050	23,439
- Bank	220	245
	30,270	23,684
4 CASH AND CASH EQUIVALENTS		
Cash at bank - Westpac	167,098	188,353
Cash at bank - UEthical Investment	1,645,834	828,430
	1,812,932	1,016,783
The above figure is shown in the statement of cash flows.		
5 TRADE AND OTHER RECEIVABLES		
Accounts receivables	85,651	148,825
Prepayment	11,340	8,964
Provision for GST	18,067	62,675
	115,058	220,464
6 PROPERTY, PLANT AND EQUIPMENT		
Land at cost	402,665	402,665
Land at Directors valuation -2016	586,000	586,000
Land at independent valuation - 2016	60,000	60,000
	1,048,665	1,048,665
Buildings at cost	2,821,023	1,520,316
Buildings at Directors valuation -2016	1,260,500	1,260,500
Buildings at independent valuation - 2016	440,000	440,000
Accumulated depreciation	(210,214)	(125,581)
	4,311,309	3,095,235
Computer equipment	11,537	1,636
Accumulated depreciation	(1,000)	(455)
	10,537	1,181
Motor vehicles	2,198	2,197
Accumulated depreciation	(1,440)	(1,043)
	758	1,154
Buildings - work in progress	-	742,118
	-	742,118
	5,371,269	4,888,353

Land and buildings of the company were revalued at 30 June 2016, with the fair value of Bowen Street, St Arnaud, being determined based on valuation completed by independent valuers, Leader Property Practice, on a capitalisation approach and the fair values of the remaining properties held at the time being determined based on Directors' valuation with reference to the capital improved value in each property's respective council rate notices. All land and buildings acquired after 30 June 2016 are carried at cost.



Notes to the Financial Statements cont'

UNITING HOUSING AUSTRALIA LIMITED NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH JUNE 2019

Note		2019 \$	2018 \$
7	TRADE AND OTHER PAYABLES		
	<u>Current</u>		
	Trade creditors	515,044	152,030
	Provision for GST	70,805	121,976
		585,850	274,006
	<u>Non-Current</u>		
	Director of Housing - equity share	3,628,508	2,478,002
	Director of Housing - funding for construction in progress	-	1,080,650
		3,628,508	3,558,652
	Director of Housing - equity share related to the Director of Housing's registered interest under Section 110 of the Housing Act 1983 in relation to several of the properties owned by the Company, as follows:		
	Note	At 30 June 2019	At 30 June 2018
		% share \$ Share	% share \$ Share
	4 Shirreff Street & 1-3 Robinson Street, Stawell	83.31 302,437	83.31 309,205
	Units 1-6, 46A Bowen Street, St Arnaud	86.97 406,150	86.97 415,717
	70 and 72 Hunter Street, Heywood	86.50 266,853	86.50 271,609
	212 Morton Street, Mount Pleasant	2 (h) N/A 1,200,722	2 (h) N/A -
	Other RHAF Properties	86.47 1,452,346	86.47 1,481,471
		3,628,508	2,478,002
8	EMPLOYEE BENEFIT PROVISION	2019 \$	2018 \$
	<u>Current</u>		
	Provision for annual leave	19,236	-
		19,236	-
	<u>Non-Current</u>		
	Provision for long service leave	10,552	-
		10,552	-
9	BORROWINGS		
	<u>Current</u>		
	Director of Housing-Loan	9,833	9,833
		9,833	9,833
	<u>Non-Current</u>		
	Director of Housing - Loan	118,001	127,834
	Secured Loan - UEthical	92,192	143,985
		210,193	271,819
10	CASH FLOW RECONCILIATION		
	Reconciliation of net cash provided by operating activities to operating result for the year:		
	Operating result for the year	830,740	401,351
	<u>Adjustments for non-cash components in surplus</u>		
	Depreciation of property, plant & equipment	35,358	35,090
	Amortisation of Director of Housing loan	(9,833)	(9,833)
	<u>Changes in assets and liabilities</u>		
	(Increase) / decrease in trade and other receivables	105,407	(116,369)
	Increase / (decrease) in trade and other payables	311,844	63,529
	Increase / (decrease) in employee benefit provisions	29,788	-
	Net cash provided by operating activities	1,303,304	373,768
11	AUDITORS REMUNERATION		
	Audit & Review of financial statements	4,550	5,400
		4,550	5,400



Notes to the Financial Statements cont'

UNITING HOUSING AUSTRALIA LIMITED NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH JUNE 2019

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 Growth Fund.

13 COMPANY DETAILS

The registered office and principal place of the company is:
Uniting Housing Australia Limited
130 Little Collins Street, Melbourne, VIC



Directors Declaration



Directors' Declaration


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

In the opinion of the Directors the financial report:

- i) satisfies the requirement of the *Australian Charities and Not-for-profits Commission Act 2012*, and
- ii) presents fairly the Company's financial position as at 30 June 2019 and its performance for the period ended on that date in accordance with the accounting policies described in Note 2 to the financial statements.

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

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

Director 

Director 

Dated 4 - 9 - 2019



Auditors Declaration



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Uniting Housing Australia Limited

Auditors Independence Declaration to the Board of Uniting Housing Australia Limited

I declare that, to the best of my knowledge and belief, during the year ended 30 June 2019 there have been:

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

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

A handwritten signature in blue ink, appearing to be 'J. Hargreaves', written over a horizontal dotted line.

Jason D. Hargreaves
Director

Dated this 3rd day of September, 2019

20 Lydiard Street South, Ballarat



Auditors Report



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UNITING HOUSING AUSTRALIA 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 Australia Limited (the Company), which comprises the balance sheet as at 30 June 2019, the profit and loss statement and the cash flow statement for the period then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial report of the Company for the period ended 30 June 2019 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 2019 and of its financial performance for the period ended, and
- ii. complying with Australian Accounting Standards to the extent described in Note 1 and the *Australian Charities and Not-for-profits Regulations 2013*.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Report section of our report. We are independent of the Company in accordance with the auditor independence requirements of the *Australian Charities and Not-for-profits Commission Act 2012* and the ethical requirements of the Accounting Professional and Ethical Standards Board's *APES 110 Code of Ethics for Professional Accountants* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

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

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

Emphasis of Matter - Basis of Accounting

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

Responsibilities of Management and Those Charged with Governance

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

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

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



Auditors Report Cont'



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Auditor's Responsibilities for the Audit of the Financial Report

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

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

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

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

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

PPT Audit Pty Ltd
PPT Audit Pty Ltd

A handwritten signature in blue ink, appearing to read 'J. Hargreaves', written over a horizontal line.

Jason D. Hargreaves
Director

Dated this 5th day of September, 2019

20 Lydiard Street South, Ballarat



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