YWCA NSW
(A COMPANY LIMITED BY GUARANTEE)
ABN 77 000 007 714

ANNUAL FINANCIAL REPORT
30 JUNE 2017

YWCA NSW
ABN 77 000 007 714

Contents **Page**

YWCA NSW
ABN 77 000 007 714

DIRECTORS' REPORT
FOR THE YEAR ENDED 30 JUNE 2017

The directors present their report together with the financial report of YWCA NSW (the Company) for the financial year ended 30 June 2017 and the auditor's report thereon.

Directors

The directors of the company at any time during or since the end of the financial year are:

Name and qualifications	Experience, special responsibilities and other directorships
Elizabeth Bryan AM BA (Econ), MA (Econ), FAICD	President (Chairman) - Resigned 31 December 2016 Chairman – Virgin Australia Holdings Limited Non-Executive Director – Westpac Banking Corporation Chairman – Insurance Australia Group Limited Member – Australian Government Takeovers Panel Member – The ASIC Director Advisory Panel
Professor Mary Foley AM BA (Hons), D. Litt	President (Chairman) since 1 January 2017
Anna Bligh, AC BA	CEO, Company Secretary and Executive Director since 6 January 2014, resigned 17 March 2017 Director – Medibank Private Limited Director – Bangarra Dance Company
Vanessa Beggs BScLE, MCRS	CEO and Company Secretary since 17 March 2017
Jane Reilly BCom, FCA, GAICD	Non-Executive Director since 2 April 2012 Treasurer Partner – PricewaterhouseCoopers
Tristan Landers LLB, BA, GAICD	Non-Executive Director since 7 May 2012 Principal, IN21 Director – YWCA Australia Ambassador – Australian Indigenous Education Foundation
Suzie Riddell BBus, MPhil (International Relations)	Non-Executive Director since 2 August 2011 Executive Director, Strategy & Projects – Social Ventures Australia Non-Executive Director – Holdsworth Community Centre Non-Executive Director – The Observership Program
Lindall West BComm	Non-Executive Director since 2 February 2015 Head of Human Resources – Colonial First State Global Asset Management
Rose Herceg BComm	Non-Executive Director since 1 July 2015, resigned 31 December 2016 Chief Strategy Officer – WPP AUNZ

DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 30 JUNE 2017

Directors (continued)

The directors of the company at any time during or since the end of the financial year are:

Name and qualifications	Experience, special responsibilities and other directorships
Nicole Kuepper PhD Engineering	Non-Executive Director since 7 October 2015 Consultant – Bain & Company Inc.
Juliana Nkrumah AM MSc, BSc Sociology and Social Anthropology	Non-Executive Director since 1 February 2016 Senior Policy Officer, Cultural Diversity – NSW Police Force
Lina Tchung BComm, BBus (Man), CA	Non-Executive Director since 30 November 2009, term ended 30 November 2015, reappointed 31 May 2016 Director – Ernst & Young
Tania Kullmann	Non-Executive Director since 2 February 2017 CEO – Kantar Australia
Nicole Freeman BA/LLB (Hons)	Non-Executive Director since 2 February 2017 Associate – Landerer and Company

Directors meetings

The number of directors' meetings and number of meetings attended by each of the directors during the financial year are:

	Board Meetings	
Director	**A**	**B**
Professor Mary Foley AM	5	5
Anna Bligh, AC	8	8
Jane Reilly	10	10
Tristan Landers	8	10
Suzie Riddell	10	10
Lindall West	9	10
Rose Herceg	3	5
Nicole Kuepper	9	10
Juliana Nkrumah AM	6	10
Lina Tchung	10	10
Tania Kullman	3	5
Nicole Freeman	3	5
Elizabeth Bryan	5	5
Vanessa Beggs	2	2

A: Number of meetings attended
B: Number of meetings held during the time the director held office during the year

Objectives

Purpose : Building a better Australia through the power of women

Vision : Be the place and voice of women in Australia

Mission : To build a strong, disruptive, independent organisation of women, for women.

Our work in community is at the grass roots level, however from an organisation point of view, a more corporate and professional framework is applied. As an organisation we believe in strong corporate governance with a women led independent Board contributing a broad-based suite of experience and commercial expertise.

YWCA NSW has a diversified range of funding sources. These include contributions from our profit-for-purpose hospitality businesses which include two hotels, catering and food and beverage, government grants, corporate funds and donations, and investment income.

Throughout this year we conducted programs centred in our four major service hubs: in the Sydney Metro, South West Sydney, Shoalhaven and Northern Rivers regions. At YWCA NSW we are committed to measuring the impact of our work and being accountable for our results. We have adopted the Results Based Accountability™ (“RBA”)[1], framework to monitor and measure the programs.

Principal activities

The principal activities of the Company during the course of the financial year were the provision of accommodation, emergency housing, and social and welfare activities.

There were no significant changes in the nature of the activities of the Company during the financial year.

Review of performance

The directors are satisfied with the performance of the Company during the year and such result will assist the company in achieving its principal activities and supporting programs in future years. The net loss for the financial year ended 30 June 2017 was $406,241 (2016: $50,791 net surplus).

During 2017, YWCA NSW, our services were more closely aligned to Mission with an increased focus on gender equality and empowerment of women and girls. YWCA NSW invested in growing sustainable returns from its profit-for-purpose businesses by rebranding the Y-Hotels as Song Hotels; the completion of the first stage of renovations to Song Hotel Sydney with minimal impact on profits and guest experience; and the launch of two new businesses, the Song Kitchen Café and Song Catering (Mirvac) to deliver all profits to program support. Recognising the significant additional revenue streams from underutilised areas in the Song Hotels, YWCA NSW plans to add more hotel rooms to its properties in 2017-2018. With this in mind, the organisation set up a new head office with successful staff-led initiatives in working environment, furnishings, and ways of working.

YWCA NSW and other YWCA member associations have been collaborating on more efficient ways of working together including the feasibility of a national merger. YWCA NSW has made significant contributions during the financial year to support these initiatives.

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[1] Results Based Accountability™ (RBA) is a measurement tool developed by Mark Friedman, author of ‘*Trying Hard is Not Good Enough: How to Produce Measurable Improvements for Customers and Communities*.’ Mark Friedman is Director of the Fiscal Policy Studies Institute in Santa Fe, New Mexico.

DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 30 JUNE 2017

Events subsequent to reporting date

A loan in the amount of $612,500 classified as a current liability at 30 June 2017 has subsequently become a non-current liability. Refer to Note 16.

Likely developments

The Company will continue to pursue its charitable objectives described above.

Environmental regulations

The Company operations are not subject to significant environmental regulations under either Commonwealth or State legislation.

Indemnification and insurance of officers and auditors

Since the end of the previous financial year, the Company has not indemnified or made a relevant agreement for indemnifying against a liability any person who is or has been an officer or auditor of the Company.

During the financial year the Company has paid premiums in respect of directors' and officers' liability.

Dividends

The Memorandum and Articles of the Company prohibit the payment of dividends.

Liabilities of members

The maximum liability of each member in the event of a winding up is $2. The number of members at the end of the year was 734 (2016: 669). In total the members' liability amounts to $1,468 (2016: $1,338).

YWCA NSW
ABN 77 000 007 714

Lead auditors independence declaration

A copy of the auditor's independence declaration as required by subdivision 60-C section 60-40 of Australian Charities and Not-for-profits Commission Act 2012 is on page 5 of this annual financial report.

Dated at Sydney this 3rd day of October 2017.

Signed in accordance with a resolution of the directors:

Jane Reilly
Director

Professor Mary Foley AM
President

Auditor's Independence Declaration under subdivision 60-C section 60-40 of Australian Charities and Not-for-profits Commission Act 2012

To: the directors of YWCA NSW

I declare that, to the best of my knowledge and belief, in relation to the audit for the financial year ended 30 June 2017 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.

KPMG

Tracey Driver
Partner
Sydney
3 October 2017

YWCA NSW
ABN 77 000 007 714

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED 30 JUNE 2017

	Note	2017 $	2016 $
Revenue	5	17,984,072	15,778,100
Total income		**17,984,072**	**15,778,100**
Hotel commissions		(846,777)	(669,275)
Computer and IT expenses		(382,568)	(318,199)
Cost of sales		(489,157)	(332,405)
Depreciation		(625,085)	(478,122)
Insurance, rent and utilities		(754,120)	(585,970)
Program expenses (excluding salaries and wages)		(2,746,054)	(3,056,723)
Repairs and maintenance		(227,121)	(201,547)
Salaries and wages	7	(9,186,242)	(8,414,969)
Subscriptions and membership fees	8	(336,180)	(201,488)
In-kind expenses	5	(250,362)	-
Other expenses		(2,736,908)	(1,646,229)
Total expenses		**(18,580,574)**	**(15,904,927)**
Operating (deficit)/surplus		**(596,502)**	**(126,827)**
Finance income		291,296	301,371
Finance expense		(101,035)	(123,753)
Net finance income	6	**190,261**	**177,618**
(Loss)/surplus before tax		**(406,241)**	**50,791**
Income tax expense	3(c)	-	-
Net (loss)/surplus for the year		**(406,241)**	**50,791**

YWCA NSW
ABN 77 000 007 714

STATEMENT OF CHANGES IN ACCUMULATED FUNDS
FOR THE YEAR ENDED 30 JUNE 2017

	Asset revaluation reserve $	Retained surplus $	Total accumulated funds $
Opening balance at 1 July 2015	5,467,757	13,586,640	19,054,397
Net surplus for the period	-	50,791	50,791
Other comprehensive income	-	-	-
Closing balance at 30 June 2016	5,467,757	13,637,431	19,105,188
Opening balance at 1 July 2016	5,467,757	13,637,431	19,105,188
Net deficit for the period	-	(406,241)	(406,241)
Other comprehensive income	-	-	-
Closing balance at 30 June 2017	5,467,757	13,231,190	18,698,947

YWCA NSW
ABN 77 000 007 714

STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2017

	Note	2017 $	2016 $
Current assets			
Cash and cash equivalents	10	2,935,451	3,603,546
Trade and other receivables	11	296,781	237,120
Inventories	12	67,781	27,685
Financial assets	13	768,727	762,174
Other		79,519	34,535
Total current assets		4,148,259	4,665,060
Non-current assets			
Property, plant and equipment	14	17,398,104	14,712,089
Financial assets	13	2,677,578	4,952,487
Total non-current assets		20,075,682	19,664,576
Total assets		24,223,941	24,329,636
Current liabilities			
Trade and other payables	15	1,115,483	817,362
Interest-bearing loans and borrowings	16	1,752,500	-
Employee benefits	17	752,909	618,595
Other liabilities	18	1,738,460	1,788,149
Total current liabilities		5,359,352	3,224,106
Non-current liabilities			
Interest-bearing loans and borrowings	16	-	1,827,500
Employee benefits	17	165,642	172,842
Total non-current liabilities		165,642	2,000,342
Total liabilities		5,524,994	5,224,448
Net assets		18,698,947	19,105,188
Accumulated funds			
Reserves	3(d)	5,467,757	5,467,757
Retained surplus		13,231,190	13,637,431
Total accumulated funds		18,698,947	19,105,188

YWCA NSW
ABN 77 000 007 714

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2017

	Note	2017 $	2016 $
Cash flows from operating activities			
Cash receipts from government, commercial activities and donors		19,431,841	18,047,782
Cash paid to suppliers and employees		(19,146,592)	(16,657,125)
Cash generated from operations		285,249	1,390,657
Interest received		54,100	77,836
Interest paid		(81,981)	(115,412)
Net cash from operating activities		257,368	1,353,081
Cash flows from investing activities			
Acquisition of property, plant and equipment	14	(3,311,100)	(1,722,251)
Dividends received		192,281	229,094
Proceeds from disposal of property, plant and equipment		-	6,300
Drawdowns of financial assets		2,268,356	308,990
Net cash used in investing activities		(850,463)	(1,177,867)
Cash flows from financing activities			
(Repayment)/Proceeds from borrowings	16	(75,000)	687,500
Net cash from financing activities		(75,000)	687,500
Net (decrease)/increase in cash and cash equivalents		(668,095)	862,714
Cash and cash equivalents at 1 July		3,603,546	2,740,832
Cash and cash equivalents at 30 June	10	2,935,451	3,603,546

1. Reporting entity

YWCA NSW (the Company) is a company domiciled in Australia. The address of the Company's registered office is 5-11 Wentworth Avenue, Sydney, NSW 2000. The Company is primarily involved in the provision of social and welfare activities, accommodation, advocacy and emergency housing.

The Company is a not-for-profit entity.

2. Basis of preparation

(a) Statement of compliance

In the opinion of the directors, the Company is not a reporting entity. These financial statements are Tier 2 general purpose financial statements that have been prepared in accordance with Australian Accounting Standards - Reduced Disclosure Requirements adopted by the Australian Accounting Standards Board and the *Australian Charities & Not-for-Profits Commission Act 2012*. These financial statements comply with Australian Accounting Standards – Reduced Disclosure Requirements.

The financial statements were authorised for issue by the Board of Directors on 3 October 2017.

(b) Basis of measurement

These financial statements have been prepared on the historical cost basis, except for investments in financial assets which are measured at fair value through profit or loss.

(c) Functional and presentation currency

The financial statements are presented in Australian dollars, which is the Company's functional currency.

(d) Use of estimates and judgements

In preparing these financial statements, management has made judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised prospectively.

3. Significant accounting policies

The accounting policies set out below have been applied consistently to all periods presented in these financial statements, and have been applied consistently by the Company.

(a) Financial instruments

(i) Non-derivative financial assets

The Company has the following non-derivative financial assets: trade and other receivables and cash and cash equivalents, held to maturity deposits and investments.

The Company initially recognises trade and other receivables, cash and cash equivalents, held to maturity deposits and investments on the date that they originate.

The Company derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows on the financial asset in a transaction in which substantially all the risks and rewards of ownership of the financial asset are transferred. Any interest in transferred financial assets that is created or retained by the Company is recognised as a separate asset or liability.

(ii) Non-derivative financial liabilities

The Company initially recognises financial liabilities on the trade date at which the Company becomes a party to the contractual provisions of the instrument. The Company derecognises a financial liability when its contractual obligations are discharged or cancelled or expire.

The Company has the following non-derivative financial liabilities: interest bearing loans and borrowings and trade and other payables.

Such financial liabilities are recognised initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition these financial liabilities are measured at amortised cost using the effective interest rate method.

(iii) Offsetting of financial assets and liabilities

Financial assets and liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Company has a legal right to offset the amounts and intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

3. Significant accounting policies (continued)

(b) Impairment

(i) Financial assets (including receivables)

A financial asset is assessed at each reporting date to determine whether there is objective evidence that it is impaired. A financial asset is impaired if objective evidence indicates that a loss event has occurred after the initial recognition of the asset, and that the loss event had a negative effect on the estimated future cash flows of that asset that can be estimated reliably.

Objective evidence that financial assets are impaired can include default or delinquency by a debtor, restructuring of an amount due to the Company on terms that the Company would not consider otherwise, indications that a debtor or issuer will enter bankruptcy.

The Company considers evidence of impairment for receivables at both a specific asset and collective level. All individually significant receivables are assessed for specific impairment.

Receivables that are not individually significant are collectively assessed for impairment by grouping together receivables with similar risk characteristics.

In assessing collective impairment the Company uses historical trends of the probability of default, timing of recoveries and the amount of loss incurred, adjusted for management's judgement as to whether current economic and credit conditions are such that the actual losses are likely to be greater or less than suggested by historical trends.

An impairment loss in respect of a financial asset measured at amortised cost is calculated as the difference between its carrying amount and the present value of the estimated future cash flows discounted at the asset's original effective interest rate. Losses are recognised in profit or loss and reflected in an allowance account against receivables. When a subsequent event causes the amount of impairment loss to decrease, the decrease in impairment loss is reversed through profit or loss.

(ii) Non-financial assets

The carrying amounts of the Company's non-financial assets, other than inventories, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

The recoverable amount of an asset or cash-generating unit is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For the purpose of impairment testing, assets that cannot be tested individually are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets (the "cash-generating unit - CGU").

An impairment loss is recognised if the carrying amount of an asset or its CGU exceeds its estimated recoverable amount. Impairment losses are recognised in profit or loss. Impairment losses recognised in respect of CGUs are allocated to reduce the carrying amounts of the other assets in the unit (group of units) on a pro rata basis.

3. Significant accounting policies (continued)

(c) Income tax

In accordance with the provisions of subdivision 50-B of the *Australian Income Tax Assessment Act 1997*, the Company is exempt from income tax.

(d) Reserves

The reserve, being an asset revaluation reserve, arose under previous Australian Generally Accepted Accounting Principles ("GAAP") and includes the net increments and decrements arising from the revaluation of land and buildings. The amount of the reserve being $5,467,757 is not available for future land and building write-downs as a result of adopting deemed cost for land and building in accordance with the current standards.

4 Operating Segments

A. Basis for segmentation

The Company has the following four strategic divisions, which are its reportable segments. These divisions offer different services and are managed separately because they require different marketing strategies.

The following summary describes the operations of each reportable segment.

Reportable Segments	Operations
Hotel	Providing accommodation and related services
Organisation	Conducting management activities
Projects	Conducting community projects funded by government and other sources
Fundraising and donations	Raising revenue via organisation of events and other fundraising activities

B. Information about reportable segments

Information related to each reportable segment is set out below.

	Reportable segments				
2017	**Hotel**	**Organisation**	**Projects**	**Fundraising and donations**	**Total**
Revenue	8,116,130	256,111	8,922,754	689,077	17,984,072
Expenses	(6,056,489)	(2,491,838)	(9,792,663)	(239,584)	(18,580,574)
Operating surplus/ (deficit)	2,059,641	(2,235,727)	(869,909)	449,493	(596,502)

	Reportable segments				
2016	**Hotel**	**Organisation**	**Projects**	**Fundraising and donations**	**Total**
Revenue	7,243,475	239,115	7,419,769	875,741	15,778,100
Expenses	(4,504,347)	(2,949,697)	(8,184,703)	(266,180)	(15,904,927)
Operating surplus/ (deficit)	2,739,128	(2,710,582)	(764,934)	609,561	(126,827)

5 Revenue

Accounting policy

Revenue is stated exclusive of GST. Revenue recognition criteria for key classes of revenue are recognised on the following bases:

Income stream	Nature	Recognition criteria
Government grants and NGO partnerships	Grants for ongoing funding and specific purposes.	Recognised in the period to which the funding relates. Where funding in a period exceeds related expenditure, unspent amounts are either: • Deferred and recognised as unearned income in the statement of financial position if they are repayable to related government bodies; • Deferred and recognised as unearned income in the statement of financial position if amounts are not repayable but related expenditure has not yet been incurred; or • Recognised as income if the amounts are not repayable and no obligation exists to incur expenditure in accordance with specified terms and conditions. Amounts deferred are presented within "Current liabilities – Other liabilities".
Fundraising and donations	Amounts paid to YWCA NSW from donors whereby for donations, donors receive no material benefit and for fundraising, donors may or may not receive material benefit.	Upon gaining control over the monies, economic benefits are probable and the amount can be measured reliably.
Hotel revenue	Revenue from the provision of accommodation and related services such as food and beverages, parking and other miscellaneous services, at hotel properties owned by YWCA NSW.	In the period in which accommodation or service is provided.
Employment and training services revenue	Revenue from the Australian government contracts requiring the delivery of employment and training services to job seekers.	In proportion to the stage of services provided as at balance sheet date. The Company discontinued its employment and training programmes in the financial year ended 30 June 2015. Revenue earned during the previous financial year represented remaining contractual revenue on services provided.

5 Revenue (continued)

	2017 $	2016 $
Hotel revenue (including Food & Beverage)	8,116,130	7,243,475
Government sourced revenue		
Government grants	7,246,086	5,451,484
NGO Partnerships	1,127,881	1,047,549
Government contracts JSA/IEP	-	87,328
	8,373,967	6,586,361
Other operational revenues		
Non-government sourced revenue	388,422	833,408
Fundraising	252,419	618,312
Donations	441,846	257,429
Other revenue	160,926	239,115
In-kind revenue	250,362	-
	1,493,975	1,948,264
Total revenue	17,984,072	15,778,100

In-kind revenue is the fair value of the contributions received or receivable. In-kind revenue and a corresponding in-kind expense are recognised during the current financial year in accordance with *AASB 1004 Contributions*.

6 Net finance income

Accounting policy

Finance income comprises interest income from financial institutions and dividend income from financial investments, and finance cost comprises interest expense. Interest income or expense is recognised using the effective interest method.

	2017 $	2016 $
Interest income	50,922	72,276
Dividend income	192,281	229,095
Gain in remeasurement of fair value of financial assets	48,093	-
Total finance income	291,296	301,371
Interest expense	(101,035)	(103,802)
Loss in remeasurement of fair value of financial assets	-	(19,951)
Total finance cost	(101,035)	(123,753)
Net finance income	190,261	177,618

7 Personnel expenses

Accounting policy

Short-term employee benefits are expensed as the related service is provided. A liability is recognised for the amount expected to be paid if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

Obligations for contributions to defined contribution plans are expensed as the related service is provided.

	2017 $	2016 $
Wages, salaries and related costs	8,264,764	7,605,739
Contributions to defined contribution plans	794,364	702,354
Increase in liability for employee benefits	127,114	106,876
	9,186,242	8,414,969

8 Subscription and membership fees

	2017 $	2016 $
YWCA Australia National quota	198,000	186,805
YWCA Australia National Merger Project	124,784	-
Other subscription items	13,396	14,683
	336,180	201,488

9 Auditors' remuneration

	2017 $	2016 $
Audit services		
Auditors of the Company		
KPMG Sydney:		
Audit of financial report	34,150	33,500

10 Cash and cash equivalents

Accounting policy

Cash and cash equivalents comprise cash balances and call deposits with original maturities of three months or less. Bank overdrafts that are repayable on demand and form an integral part of the Company's cash management are included as a component of cash and cash equivalents for the purpose of the statement of cash flows.

	2017 $	2016 $
Cash at bank	2,921,038	3,587,821
Cash on hand	14,413	15,725
	2,935,451	3,603,546

The weighted average interest rate on cash at bank at 30 June 2017 is 1.10% (2016: 1.54%).

11 Trade and other receivables

Accounting policy

Trade and other receivables are financial assets with fixed or determinable payments that are not quoted in an active market. Such assets are recognised initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition trade and other receivables are measured at amortised cost using the effective interest method, less any impairment losses. Receivables are stated with Goods and Services Tax ("GST") included.

	2017 $	2016 $
Trade receivables	284,571	216,907
Other receivables	12,210	20,213
	296,781	237,120

Trade receivables are shown net of impairment losses of $4,082 (2016: $nil).

The Company's exposure to credit risk related to trade and other receivables is disclosed in Note 19.

12 Inventories

Accounting policy

Inventories are measured at the lower of cost and net realisable value.

In the current year, the Company did not recognise any write-down of inventories (2016: $nil).

13 Financial assets

Accounting policy

Investments in financial assets are classified as at fair value through profit or loss. Directly attributable transaction costs are recognised in profit or loss as incurred.

Financial assets at fair value through profit or loss are measured at fair value and changes therein, including any dividend income, are recognised in profit or loss.

	2017 $	2016 $
Current		
Short term deposit	268,727	762,174
Investments	500,000	-
	768,727	762,174
Non-current		
Investments	2,677,578	4,952,487

Funds held in short term deposits paid an average interest rate in 2017 of 1.26% (2016: 3.41 %).

14 Property, plant and equipment

Accounting policy

Items of property, plant and equipment are stated at cost or deemed cost less accumulated depreciation (see below) and impairment losses (see accounting policy (3(b)). Where parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items of property, plant and equipment.

Any gain or loss on disposal of an item of property, plant and equipment is recognised in profit or loss.

Depreciation is calculated to write off the cost of property, plant and equipment using the straight-line basis over their estimated useful lives and is recognised in profit or loss. Leased assets are depreciated over the shorter of the lease term and their useful lives. Land is not depreciated. The estimated useful lives for the current and comparative periods are as follows:

Buildings	40 - 75 years
Plant and equipment	2 - 7 years

Depreciation methods, useful lives and residual values are reviewed at each financial year-end and adjusted if appropriate.

14 Property, plant and equipment (continued)

	Freehold Land $	Buildings and improvements $	Plant and equipment $	Total $
Cost				
Balance at 1 July 2015	2,004,000	20,470,323	1,472,037	23,946,360
Additions	431,000	1,083,610	207,641	1,722,251
Disposals	-	-	(6,191)	(6,191)
Balance at 30 June 2016	2,435,000	21,553,933	1,673,487	25,662,420
Balance at 1 July 2016	2,435,000	21,553,933	1,673,487	25,662,420
Additions	-	1,039,975	2,271,125	3,311,100
Disposals	-	(67,377)	(109,916)	(177,293)
Balance at 30 June 2017	2,435,000	22,526,531	3,834,696	28,796,227
Depreciation and impairment losses				
Balance at 1 July 2015	-	9,558,387	914,858	10,473,245
Depreciation charge for the year	-	321,494	156,628	478,122
Disposals	-	-	(1,036)	(1,036)
Balance at 30 June 2016	-	9,879,881	1,070,450	10,950,331
Balance at 1 July 2016	-	9,879,881	1,070,450	10,950,331
Depreciation charge for the year	-	354,889	270,196	625,085
Disposals	-	(67,377)	(109,916)	(177,293)
Balance at 30 June 2017	-	10,167,393	1,230,730	11,398,123
Carrying amounts				
At 1 July 2015	2,004,000	10,911,936	557,179	13,473,115
At 30 June 2016	2,435,000	11,674,052	603,037	14,712,089
At 1 July 2016	2,435,000	11,674,052	603,037	14,712,089
At 30 June 2017	2,435,000	12,359,138	2,603,966	17,398,104

Security

At 30 June 2017, properties with total carrying amount of $6,566,225 (2016: $6,669,508) are subject to first registered mortgage to secure bank loans and commercial bill facilities (see Note 16).

14 Property, plant and equipment (continued)

Independent valuations of interest in land and buildings

In assessing current values for the Company's interest in property, plant and equipment, the directors have relied upon independent valuations from registered qualified valuers.

Measurement of fair values

Amounts disclosed below represent the fair value of the Company's interests in property, plant and equipment as determined at the time of the most recent independent valuation report. Independent registered qualified valuers are engaged to perform the valuations. The values are determined based on the highest and best use of each property. In all cases, the existing use is the highest and best use, and values are determined on a going concern basis. Going concern value is based on capitalisation, discounted cash flows and direct comparison methodologies, and significant unobservable inputs include the forecast net income for each property, the capitalisation and discount rates used in determining fair value, and the comparison rates used.

In the most recent valuations performed on 22 January 2016 and 12 September 2017, capitalisation rates utilised ranged from 6.1% to 8.0% and pre-tax discount rates utilised ranged from 10.8% to 12.2% per annum. For direct comparison methodology, reference was made to recent sales of similar properties in similar location, improvements, trading levels and profitability.

The fair values determined by the independent registered qualified valuers are sensitive to changes in these significant unobservable inputs.

Overall, however, the fair value of the Company's interest in property, plant and equipment is significantly higher than the book value of these interests as noted below.

Most recent valuations of interest in Property, Plant and Equipment

A summary of recent independent valuations, by year of the last valuation, is set out as follows:

	$
Independent valuation – 22 January 2016 and 12 September 2017	
- Freehold Land, Buildings and Improvements and Plant and Equipment	44,500,000
Book value of Freehold Land, Buildings and Improvements and Plant and Equipment not independently valued	2,521,842
	47,021,842

15 Trade and other payables

Accounting policy

Trade payables are recognised at the value of the invoice received from supplier. The carrying value of trade payables is considered to approximate fair value.

	2017 $	2016 $
Trade creditors	376,943	263,788
Other creditors and accruals	738,540	553,574
	1,115,483	817,362

16 Interest-bearing loans and borrowings

	2017 $	2016 $
Current		
Bank loan – secured	1,752,500	-
Non-current		
Bank loans – secured	-	1,827,500

Financing arrangements

Bank loans - secured

On 28 February 2016, the Company's bank loan of $1,140,000 matured. The Company subsequently refinanced the bank loan to the value of $1,140,000, with maturity date of 3 March 2018. The amount of this facility drawn down at balance date was $1,140,000.

During 2015, YWCA NSW purchased premises in Campbelltown as a new regional hub for the South West region of NSW. On 28 August 2015, the Company obtained a facility agreement of $750,000, with maturity date of 30 September 2020. As at 30 June 2017, the amount utilised and drawn down at balance date was $612,500. The loan has been classified as a current liability as this facility agreement contains a covenant to be tested annually. As at 30 June 2017, the Company did not meet the covenant. Management has obtained a waiver from the bank in August 2017 meaning that subsequent to the year end the original repayment date remains in-place and the loan is now a non-current liability.

The bank loans are secured by registered first mortgage over land and buildings (see Note 14).

The weighted average interest rate on the loan balances at 30 June 2017 is 4.69% (2016: 4.62%).

Overdraft facility

The Company has access to an overdraft facility to the value of $100,000 (2016: $100,000). The amount of this facility drawn down at balance date was $nil (2016: $nil).

Business Card facility

The company has a business card facility of $100,000 (2016: $70,500). The amount utilised is repayable on a monthly basis.

17 Employee benefits

Accounting policy

The Company's net obligation in respect of long term employee benefits is the amount of future benefit that employees have earned in return for their service in the current and prior periods. The benefit is discounted to its present value. Remeasurements are recognised in profit or loss in the period in which they arise.

	2017 $	2016 $
Current		
Salaries and wages accrued	177,636	95,439
Liability for long service leave	160,439	135,587
Liability for annual leave	414,834	387,569
	752,909	618,595
Non-current		
Liability for long service leave	165,642	172,842

18 Other liabilities

	2017 $	2016 $
Government grants received in advance	1,296,723	1,587,144
Prepaid accommodation	302,875	201,005
Other liabilities	138,862	-
	1,738,460	1,788,149

19 Financial instruments

(a) Credit risk

Exposure to credit risk

The carrying amount of the Company's financial assets represents the maximum credit exposure. The Company's maximum exposure to credit risk at the reporting date was:

	Note	2017 $	2016 $
Cash and cash equivalents	10	2,935,451	3,603,546
Trade and other receivables	11	296,781	237,120
Financial assets	13	3,446,305	5,714,661
		6,678,537	9,555,327

Impairment losses

Based on historic default rates, the Company believes that no additional impairment allowance is necessary in respect of trade receivable not past due or past due by up to 60 days.

The allowance accounts in respect of trade receivables is used to record impairment losses unless the Company is satisfied that no recovery of the amount owing is possible; at that point the amount is considered irrecoverable and is written off against the financial asset directly. At 30 June 2017 the Company has collective impairments of $4,082 on its trade receivables (2016: $nil).

19 Financial instruments (continued)

(b) Liquidity risk

The following are the contractual maturities of financial liabilities, including estimated interest payments and excluding the impact of netting agreements:

30 June 2017	Carrying amount $	Contractual cash flows $	6 months or less $	6-12 months $	1-2 years $	2-5 years $
Current liabilities						
Trade and other payables	1,115,483	1,115,483	1,115,483	-	-	-
Bank loans - secured	1,752,500	1,791,659	638,606	1,153,053	-	-
	2,867,983	2,907,142	1,754,089	1,153,053		

30 June 2016	Carrying amount $	Contractual cash flows $	6 months or less $	6-12 months $	1-2 years $	2-5 years $
Current liabilities						
Trade and other payables	817,362	817,362	817,362	-	-	-
Non-current liabilities						
Bank loan – secured	1,827,500	2,038,441	42,249	42,249	1,190,723	763,220
	2,644,862	2,855,803	859,611	42,249	1,190,723	763,220

Fair values

The carrying values of financial assets and liabilities approximate fair value.

20 Operating lease commitments

At 30 June, the future minimum lease payments under non-cancellable operating leases were payable as follows:

	2017 $	2016 $
Less than one year	425,643	34,063
Between one and five years	2,295,057	148,124
	2,720,700	182,187

During the financial year ended 30 June 2017, $391,642 was recognised as an expense in profit or loss in respect of operating leases (2016: $177,526).

21 Related parties

The related parties identified by the directors include key management personnel as the Company does not have any joint ventures, associated undertakings or direct equity investments. To enable users of our financial statements to form a view about the effects of related party relationships on the Company, we disclose the related party relationship when control exists, irrespective of whether there have been transactions between the related parties.

Key management personnel consists of the Company's Non-Executive Directors, the Company's Chief Executive Officer and senior management personnel. Non-Executive Directors are not remunerated by the Company.

The key management personnel compensation included in "Personnel Expenses" (see Note 7) are as follows:

	2017	**2016**
	$	**$**
Short-term employee benefits	850,653	872,135
Post-employment benefits	81,763	81,475
	932,416	953,610

22 Events subsequent to balance date

There has not arisen in the interval between the end of the financial year and the date of this report any item, transaction or event of a material and unusual nature likely, in the opinion of the directors, to affect significantly the operations of the Company, the results of those operations, or the state of affairs of the company in subsequent financial years.

23 Charitable Fundraising (NSW) Act 1991 disclosures

Results of Fundraising Appeals and Events:	**2017**	**2016**
	$	**$**
Fundraising Appeals (Donations only):		
Gross proceeds from fundraising appeals	117,695	300,971
Less: Direct costs of fundraising appeals	(9,052)	(25,143)
Net surplus from fundraising appeals	108,643	275,828
Fundraising Appeals (Events other than donations, that is, with associated supply of goods and services)		
Gross proceeds from fundraising events	365,906	577,716
Less: Direct costs of fundraising events	(230,532)	(265,831)
Net surplus from fundraising events	135,374	311,885

YWCA NSW
ABN 77 000 007 714

DIRECTORS' DECLARATION
FOR THE YEAR ENDED 30 JUNE 2017

In the opinion of the directors of YWCA NSW ('the Company'):

(a) the Company is not publicly accountable;

(b) the financial statements and notes that are set out on pages 6 to 24 are in accordance with the *Corporations Act 2001* and the *Australian Charities and Not-for-profits Commission Act 2012*, including:

  (i) giving a true and fair view of the Company's financial position as at 30 June 2017 and of its performance, for the financial year ended on that date; and

  (ii) complying with Australian Accounting Standards – Reduced Disclosure Requirements, the *Corporations Regulation 2001* and the *Australian Charities and Not-for-profits Commission Regulation 2013*; and

(c) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of the directors:

Dated at Sydney this 3rd day of October 2017.

Jane Reilly
Director

Professor Mary Foley AM
President

Independent Auditor's Report

To the members of YWCA NSW

Opinion

We have audited the ***Financial Report***, of the YWCA NSW ("the Company").

In our opinion, the accompanying ***Financial Report*** of the Company is in accordance with the *Australian Charities and Not-for-profits Commission (ACNC) Act 2012*, including:

i. giving a true and fair view of the Company's financial position as at 30 June 2017, and of its financial performance and its cash flows for the year ended on that date; and

ii. complying with *Australian Accounting Standards – Reduced Disclosure Requirements* and Division 60 of the *Australian Charities and Not-for-profits Commission Regulation 2013*.

The ***Financial Report*** comprises:

i. Statement of financial position as at 30 June 2017.

ii. Statement of profit or loss and other comprehensive income, Statement of changes in accumulated funds, and Statement of cash flows for the year then ended.

iii. Notes including a summary of significant accounting policies.

iv. Directors' declaration of the Company.

v. Declaration by the President in respect of fundraising appeals of the Company.

Basis for opinion

We conducted our audit in accordance with *Australian Auditing Standards*. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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 *Corporations Act 2001* 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 fulfilled our other ethical responsibilities in accordance with the Code.

Other information

Other Information is financial and non-financial information in YWCA NSW's annual reporting which is provided in addition to the Financial Report and the Auditor's Report. This includes the Directors' Report. The Directors are responsible for the Other Information. The Other Information we obtained prior to the date of this Auditor's Report was the Directors' Report.

Our opinion on the Financial Report does not cover the Other Information and, accordingly, we do not express an audit opinion or any form of assurance conclusion thereon.

In connection with our audit of the Financial Report, our responsibility is to read the Other Information. In doing so, we 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.

We are required to report if we conclude that there is a material misstatement of this Other Information, and based on the work we have performed on the Other Information we have nothing to report.

Responsibilities of the Directors for the Financial Report

The Directors are responsible for:

(i) Preparing the Financial Report that gives a true and fair view in accordance with *Australian Accounting Standards - Reduced Disclosures Requirements* and the ACNC.

(ii) Preparing the Financial Report in accordance with Section 24(2) of the *Charitable Fundraising (NSW) Act 1991* and Regulations.

(iii) Implementing necessary internal control to enable the preparation of a Financial Report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

(iv) Assessing the Company's ability to continue as a going concern. This includes disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless they either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the Financial Report

Our objective is:

(i) to obtain reasonable assurance about whether the Financial Report as a whole is free from material misstatement, whether due to fraud or error; and

(ii) 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 *Australian Auditing Standards* will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error. They 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.

Undertaking an audit in accordance with *Australian Auditing Standards*, means exercising professional judgment and maintaining professional skepticism.

Our responsibilities include:

(i) Identifying and assessing the risks of material misstatement of the Financial Report, whether due to fraud or error.

(ii) Designing and performing audit procedures responsive to those risks, and obtaining 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. This is because fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

(iii) Obtaining an understanding of internal control relevant to the Audit in order to design audit procedures that are appropriate in the circumstances. This is not for the purpose of expressing an opinion on its effectiveness.

(iv) Evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors.

(v) Concluding 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 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 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 Company to cease to continue as a going concern.

(vi) Evaluating 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.

In addition we have:

(i) Obtained an understanding of the internal control structure for fundraising appeal activities.

(ii) Examined on a test basis of evidence supporting compliance with the accounting and associated record keeping requirements for fundraising appeal activities pursuant to the Acts and Regulations.

We have not audited on a continuous basis the accounting records relied upon for reporting on fundraising appeal activities. These do not necessarily reflect accounting adjustments after the event or normal year-end financial adjustments required for the preparation of Financial Report such as accruals, prepayments, provisioning and valuations.

Opinion pursuant to the Charitable Fundraising Act (NSW) 1991

In our opinion:

(i) the Financial Report gives a true and fair view of the Company's financial result of fundraising appeal activities for the financial year ended 30 June 2017;

(ii) the Financial Report has been properly drawn up, and the associated records have been properly kept for the period from 1 July 2016 to 30 June 2017, in accordance with the *Charitable Fundraising Act (NSW) 1991* and Regulations;

(iii) money received as a result of fundraising appeal activities conducted during the period from 1 July 2016 to 30 June 2017 has been properly accounted for and applied in accordance with the *Charitable Fundraising Act (NSW) 1991* and Regulations; and

(iv) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they fall due.

KPMG

Tracey Driver

Partner

Sydney

3 October 2017

YWCA NSW
ABN 77 000 007 714

DECLARATION BY THE PRESIDENT IN RESPECT OF FUNDRAISING APPEALS

Declared Opinion

I, Professor Mary Foley, President of YWCA NSW declare in my opinion:

(a) the accounts give a true and fair view of all income and expenditure of YWCA NSW with respect to fundraising appeals;

(b) the statement of financial position gives a true and fair view of the state of affairs with respect to fundraising appeals as at 30 June 2017;

(c) the provision of the *Charitable Fundraising (NSW) Act 1991* and the regulations under that Act and the conditions attached to the authority have been complied with for the financial year ended 30 June 2017; and

(d) the internal controls exercised by YWCA NSW are appropriate and effective in accounting for all income received and applied from any fundraising appeals.

Dated at Sydney this 3rd day of October 2017.

Professor Mary Foley AM
Director