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

ANNUAL FINANCIAL REPORT
30 JUNE 2016

YWCA NSW
ABN 77 000 007 714

Contents

YWCA NSW
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DIRECTORS' REPORT
FOR THE YEAR ENDED 30 JUNE 2016

The directors present their report together with the financial report of YWCA NSW (the Company) for the financial year ended 30 June 2016 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 delegate (Chairman) since 1 July 2015, President (Chairman) since 2 November 2015 Non-Executive Director since 4 May 2015 Chairman - Caltex Australia Limited until 9 December 2015 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
Anna Bligh BA	CEO, YWCA NSW from 6 January 2014 Company Secretary since 6 January 2014 Executive Director since 6 January 2014 Director - Medibank Private Limited Director – Bangarra Dance Company
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 Non-Executive Director YWCA Australia Principal, IN21 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 Chief Strategy Officer WPP AUNZ

DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 30 JUNE 2016

Directors (continued)

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

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, Financial Services – Ernst & Young
Lisa George BSc (Chemistry), BA (Political Science – Italian), MPP (Harvard)	Non-Executive Director since 3 August 2011 until 4 April 2016 Global Head - Macquarie Group Foundation
Heidi Beck BA (Hons), BBA (Hons), MBA	Non-Executive Director since 6 October 2009 until 6 October 2015 Head of Commercial – Qantas Freight and Catering

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**
Elizabeth Bryan AM	11	11
Anna Bligh	11	11
Jane Reilly	10	11
Tristan Landers	8	11
Suzie Riddell	11	11
Lindall West	10	11
Rose Herceg	9	11
Nicole Kuepper	5	7
Juliana Nkrumah AM	4	5
Lina Tchung	7	7
Lisa George	7	10
Heidi Beck	2	4

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

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DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 30 JUNE 2016

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 Sydney Metro, South West Sydney, the Shoalhaven and the 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 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 surplus for the year ended 30 June 2016 was $50,791 (2015: $315,803).

During the year YWCA NSW purchased premises in Campbelltown as a new regional hub for the South West region of NSW.

Events subsequent to reporting 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 of the Company, to affect significantly the operations of the Company, the results of those operations, or the state of affairs of the Company, in future financial years.

Likely developments

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

[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.

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 669 (2015: 607). In total the members' liability amounts to $1,338 (2015: $1,214).

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 26th day of September 2016.

Signed in accordance with a resolution of the directors:

Jane Reilly
Director

Elizabeth Bryan 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 2016 there has been:

- 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
- no contraventions of any applicable code of professional conduct in relation to the audit.

KPMG

KPMG

Caoimhe Toouli

Caoimhe Toouli
Partner

Sydney

26 September 2016

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STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED 30 JUNE 2016

	Note	2016 $	2015 $
Revenue	5	15,778,100	15,196,835
Total income		**15,778,100**	**15,196,835**
Hotel commissions		(669,275)	(586,922)
Computer and IT expenses		(318,199)	(317,643)
Cost of sales		(332,405)	(294,416)
Depreciation		(478,122)	(680,997)
Insurance, rent and utilities		(585,970)	(395,235)
Program expenses (excluding salaries and wages)		(3,056,723)	(2,496,191)
Repairs and maintenance		(201,547)	(204,443)
Salaries and wages		(8,414,969)	(8,430,102)
Subscriptions and membership fees	8	(201,488)	(119,155)
Other expenses		(1,646,229)	(1,519,724)
Total expenses		**(15,904,927)**	**(15,044,828)**
Operating (deficit) / surplus		**(126,827)**	**152,007**
Finance income		301,371	224,571
Finance expense		(123,753)	(60,775)
Net finance income	6	**177,618**	**163,796**
Surplus before tax		**50,791**	**315,803**
Income tax expense	3(c)	-	-
Net surplus for the year		**50,791**	**315,803**

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STATEMENT OF CHANGES IN ACCUMULATED FUNDS
FOR THE YEAR ENDED 30 JUNE 2016

	Asset revaluation reserve $	Retained surplus $	Total accumulated funds $
Opening balance at 1 July 2014	5,467,757	13,270,837	18,738,594
Net surplus for the period	-	315,803	315,803
Other comprehensive income	-	-	-
Closing balance at 30 June 2015	5,467,757	13,586,640	19,054,397
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

The notes on pages 10 to 24 are an integral part of these financial statements.

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STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2016

	Note	2016 $	2015 $
Current assets			
Cash and cash equivalents	10	3,603,546	2,740,832
Trade and other receivables	11	237,120	392,079
Inventories	12	27,685	30,618
Financial asset	13	762,174	1,744,305
Other		34,535	63,892
Total current assets		4,665,060	4,971,726
Non-current assets			
Property, plant and equipment	14	14,712,089	13,473,115
Financial asset	13	4,952,487	4,279,346
Total non-current assets		19,664,576	17,752,461
Total assets		24,329,636	22,724,187
Current liabilities			
Trade and other payables	15	817,362	774,517
Interest-bearing loans and borrowings	16	-	1,140,000
Employee benefits	17	618,595	527,338
Other liabilities	18	1,788,149	1,080,321
Total current liabilities		3,224,106	3,522,176
Non-current liabilities			
Interest-bearing loans and borrowings	16	1,827,500	-
Employee benefits	17	172,842	147,614
Total non-current liabilities		2,000,342	147,614
Total liabilities		5,224,448	3,669,790
Net assets		19,105,188	19,054,397
Accumulated funds			
Reserves	3(d)	5,467,757	5,467,757
Retained surplus		13,637,431	13,586,640
Total accumulated funds		19,105,188	19,054,397

The notes on pages 10 to 24 are an integral part of these financial statements.

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STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2016

	Note	2016 $	2015 $
Cash flows from operating activities			
Cash receipts from government, commercial activities and donors		18,047,782	17,101,722
Cash paid to suppliers and employees		(16,348,135)	(15,806,692)
Cash generated from operations		1,699,647	1,295,030
Interest received		77,836	225,772
Interest paid		(115,412)	(60,846)
Net cash from operating activities		1,662,071	1,459,956
Cash flows from investing activities			
Acquisition of property, plant and equipment	14	(1,722,251)	(378,142)
Dividends received		229,094	-
Proceeds from disposal of property, plant and equipment		6,300	-
Net cash used in investing activities		(1,486,857)	(378,142)
Cash flows from financing activities			
Proceeds from borrowings	16	687,500	-
Net cash from financing activities		687,500	-
Net increase in cash and cash equivalents		862,714	1,081,814
Cash and cash equivalents at 1 July		2,740,832	1,659,018
Cash and cash equivalents at 30 June	10	3,603,546	2,740,832

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2016

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 accommodation, emergency housing, and social and welfare activities.

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 26 September 2016.

(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.

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.

(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.

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.

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.

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 services
Organisation	Conducting management activities
Projects	Conducting community projects funded by government and other sources
Fundraising	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				
2016	**Hotel**	**Organisation**	**Projects**	**Fundraising**	**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	2,739,128	(2,710,582)	(764,934)	609,561	(126,827)

	Reportable segments				
2015	**Hotel**	**Organisation**	**Projects**	**Fundraising**	**Total**
Revenue	6,707,401	201,541	7,154,387	1,133,506	15,196,835
Expenses	(4,019,879)	(2,667,227)	(8,023,580)	(334,142)	(15,044,828)
Operating surplus	2,687,522	(2,465,686)	(869,193)	799,364	152,007

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 expenditurein accordance with specified terms and conditions. Amounts deferred are presented within "Current liabilities – Other liabilities".
Donations and fundraising	Amounts paid to YWCA NSW from donors where donors receive no 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 has discontinued its employment and training programmes in the financial year ended 30 June 2015. Revenue earned during the financial year represent remaining contractual revenue on services provided in the previous financial year.

5 Revenue (continued)

	2016 $	2015 $
Hotel revenue	7,243,475	6,707,401
Government sourced revenue		
Government grants	5,451,484	4,757,763
Government contracts JSA/IEP	87,328	1,315,433
NGO Partnerships	1,047,549	583,779
	6,586,361	6,656,975
Other operational revenues		
Non-government sourced revenue	833,408	497,412
Fundraising	618,312	880,809
Donations	257,429	252,697
Other revenue	239,115	201,541
	1,948,264	1,832,459
Total revenues	15,778,100	15,196,835

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.

	2016 $	2015 $
Interest income	72,276	224,571
Dividend income	229,095	-
Total finance income	301,371	(224,571)
Interest expense	(103,802)	(60,775)
Loss in remeasurement of fair value of financial assets	(19,951)	-
Total finance cost	(123,753)	(60,775)
Net finance income	177,618	163,796

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. Prepaid contributions are recognised as an asset to the extent that a cash refund or reduction in future payments is available.

7 Personnel expenses (continued)

	2016 $	2015 $
Wages, salaries and related costs	7,745,246	7,746,693
Contributions to defined contribution plans	702,354	760,808
Increase / (decrease) in liability for employee benefits	106,876	(20,285)
	8,554,476	8,487,216

8 Subscription and membership fees

	2016 $	2015 $
YWCA Australia National quota	186,805	115,300
Other subscription items	14,683	3,855
	201,488	119,155

9 Auditors' remuneration

	2016 $	2015 $
Audit services		
Auditors of the Company		
KPMG Sydney:		
Audit of financial reports	33,500	33,000

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.

	2016 $	2015 $
Cash at bank	3,587,821	2,724,508
Cash on hand	15,725	16,324
	3,603,546	2,740,832

The weighted average interest rate on cash at bank at 30 June 2016 is 1.54% (2015: 0.42%).

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.

	2016	**2015**
	$	**$**
Trade receivables	216,907	330,474
Other receivables	20,213	61,605
	237,120	392,079

Trade receivables are shown net of impairment losses of $nil (2015: $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 (2015: $nil).

13 Financial assets

Accounting policy

Investments in financial assets are classified as at fair value through profit or loss if they are classified as held-for-trading or are designated as such on initial recognition. 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.

	2016	**2015**
	$	**$**
Current		
Short term deposit	762,174	1,744,305
Non-current		
Investments	4,952,487	4,279,346

Funds held in short term deposits paid an average interest rate in 2016 of 3.41% (2015: 1.92%).

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 generally 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 2014	2,004,000	20,365,480	4,536,679	26,906,159
Additions	-	112,920	265,222	378,142
Disposals	-	(8,077)	(3,329,864)	(3,337,941)
Balance at 30 June 2015	2,004,000	20,470,323	1,472,037	23,946,360
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
Depreciation and impairment losses				
Balance at 1 July 2014	-	9,047,109	4,049,618	13,096,727
Depreciation charge for the year	-	512,687	168,310	680,997
Disposals	-	(1,409)	(3,303,070)	(3,304,479)
Balance at 30 June 2015	-	9,558,387	914,858	10,473,245
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
Carrying amounts				
At 1 July 2014	2,004,000	11,318,371	487,061	13,809,432
At 30 June 2015	2,004,000	10,911,936	557,179	13,473,115
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

Security

At 30 June 2016, properties with total carrying amount of $6,669,508 (2015: $5,394,998) 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, capitalisation rates utilised ranged from 7.5% to 8.0% and pre-tax discount rates utilised ranged from 9.75% to 10.25% 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 – 2016	
- Freehold Land, Buildings and Improvements and Plant and Equipment	37,500,000
Book value of Freehold Land, Buildings and Improvements and Plant and Equipment not independently valued	2,521,842
	40,021,842

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.

	2016 $	2015 $
Trade creditors	263,788	328,548
Other creditors and accruals	553,574	445,969
	817,362	774,517

16 Interest-bearing loans and borrowings

	2016 $	2015 $
Current		
Bank loan – secured	-	1,140,000
	-	1,140,000
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.

On 28 August 2015, the Company obtained a facility agreement of $750,000, with maturity date of 30 September 2020. The amount utilised and drawn down at balance date was $687,500.

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 2016 is 4.62% (2015: 4.39%).

Overdraft facility

The Company has access to an overdraft facility to the value of $100,000 (2015: $100,000). The amount of this facility drawn down at balance date was $nil (2015: $nil).

Business Card facility

The company has a business card facility of $70,500 (2015: $78,500). 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.

	2016	2015
	$	$
Current		
Salaries and wages accrued	95,439	85,830
Liability for long service leave	135,587	121,315
Liability for annual leave	387,569	320,193
	618,595	527,338
Non-current		
Liability for long service leave	172,842	147,614

18 Other liabilities

	2016	2015
	$	$
Government grants received in advance	1,587,144	1,009,466
Prepaid accommodation	201,005	70,855
	1,788,149	1,080,321

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	2016	2015
		$	$
Cash and cash equivalents	10	3,603,546	2,740,832
Trade and other receivables	11	237,120	392,079
Financial assets	13	5,714,661	6,023,651
		9,555,327	9,156,562

Impairment losses

Based on historic default rates, the Company believes that no 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 2016 the Company has collective impairments of $nil on its trade receivables (2015: $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 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	803,018	803,018	803,018	-	-	-
Non-current liabilities						
Bank loans - secured	1,827,500	2,038,441	42,249	42,249	1,190,723	763,220
	2,630,518	2,841,459	845,267	42,249	1,190,723	763,220

30 June 2015	**Carrying amount $**	**Contractual cash flows $**	**6 months or less $**	**6-12 months $**	**1-2 years $**	**2-5 years $**
Current liabilities						
Bank loan - secured	1,140,000	1,156,689	12,517	1,144,172	-	-
Trade and other payables	774,517	774,517	774,517	-	-	-
	1,914,517	1,931,203	787,034	1,144,172	-	-

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:

	2016 $	**2015 $**
Less than one year	34,063	144,057
Between one and five years	148,124	85,434
	182,187	229,491

During the financial year ended 30 June 2016, $177,526 was recognised as an expense in profit or loss in respect of operating leases (2015: $143,569).

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 Executive and Non-Executive Directors, the Company's Chief Executive Officer and senior management personnel.

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

	2016 $	2015 $
Short-term employee benefits	872,135	832,458
Post-employment benefits	81,475	110,238
	953,610	942,696

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:	2016 $	2015 $
Fundraising Appeals (Donations only):		
Gross proceeds from fundraising appeals	20,298	68,179
Less: Direct costs of fundraising appeals	(2,888)	-
Net surplus from fundraising appeals	17,410	68,179
Fundraising Appeals (Events other than donations, that is, with associated supply of goods and services)		
Gross proceeds from fundraising events	598,014	812,630
Less: Direct costs of fundraising events	(262,943)	(331,271)
Net surplus from fundraising events	335,071	481,359

YWCA NSW
ABN 77 000 007 714

DIRECTORS' DECLARATION
FOR THE YEAR ENDED 30 JUNE 2016

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 2016 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 26th day of September 2016.

J Reilly

Jane Reilly
Director

Elizabeth Bryan AM
President

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF YWCA NSW

We have audited the accompanying financial report of YWCA NSW ("the Company"), which comprises the statement of financial position as at 30 June 2016, statement of comprehensive income, statement of changes in accumulated funds and statement of cash flows for the year ended on that date, Notes 1 to 23 comprising a summary of significant accounting policies and other explanatory information and Directors' declaration.

This audit report has also been prepared for the members of the Company pursuant to the *Australian Charities and Not-for-profits Commission Act 2012* and the *Australian Charities and Not-for-profits Commission Regulation 2013* ("ACNC") and Section 24(2) of the *Charitable Fundraising (NSW) Act 1991 and Regulations* (collectively "the Acts and Regulations").

Directors' responsibility for the financial report

The Directors of the Company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards – Reduced Disclosure Requirements and the Acts and Regulations. The Directors' responsibility also includes such internal control as the Directors determine necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. These Auditing Standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation of the financial report that gives a true and fair view 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. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial report.

We performed the procedures to assess whether in all material respects the financial report gives a true and fair view, in accordance with Australian Accounting Standards – Reduced Disclosure Requirements and the Acts and Regulations, which is consistent with our understanding of the Company's financial position and of its performance.

In addition, our audit report has also been prepared for the members of the Company to meet the requirements of the Acts and Regulations. Accordingly, we have performed additional work beyond that which is performed in our capacity as auditors pursuant to the ACNC. These additional procedures included obtaining an understanding of the internal control structure for fundraising appeal activities and examination, 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.

It should be noted that the accounting records and data relied upon for reporting on fundraising appeal activities are not continuously audited and do not necessarily reflect after the event accounting adjustments and the normal year-end financial adjustments for such matters as accruals, prepayments, provisioning and valuations necessary for year-end financial report preparation.

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

Independence

In conducting our audit, we have complied with the independence requirements of the *Australian Charities and Not-for-profits Commission Act 2012*.

Auditor’s opinion

In our opinion the financial report of YWCA NSW is in accordance with the *Australian Charities and Not-for-profits Commission Act 2012* including:

(a) giving a true and fair view of the Company’s financial position as at 30 June 2016 and of its performance for the year ended on that date; and

(b) complying with Australian Accounting Standards – Reduced Disclosure Requirements and the *Australian Charities and Not-for-profits Commission Regulation 2013*.

Audit opinion pursuant to the Charitable Fundraising Act (NSW) 1991

In our opinion:

(a) the financial report gives a true and fair view of the YWCA NSW financial result of fundraising appeal activities for the financial year ended 30 June 2016;

(b) the financial report has been properly drawn up, and the associated records have been properly kept for the period from 1 July 2015 to 30 June 2016, in accordance with the *Charitable Fundraising Act (NSW) 1991* and Regulations;

(c) money received as a result of fundraising appeal activities conducted during the period from 1 July 2015 to 30 June 2016 has been properly accounted for and applied in accordance with the *Charitable Fundraising Act (NSW) 1991* and Regulations; and

(d) there are reasonable grounds to believe that YWCA NSW will be able to pay its debts as and when they fall due.

KPMG

KPMG

Caoimhe Toouli

Caoimhe Toouli
Partner

Sydney

26 September 2016

YWCA NSW
ABN 77 000 007 714

DECLARATION BY THE PRESIDENT IN RESPECT OF FUNDRAISING APPEALS

Declared Opinion

I, Elizabeth Bryan, 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 2016;

(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 year ended 30 June 2016; 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 26th day of September 2016.

Elizabeth Bryan
Director