



Salvation Army **HOUSING**

ANNUAL REPORT 2020 - 2021

Salvation Army Housing
ACN 608 346 934

**The Salvation Army
Community Housing Service**
ACN 152 257 728

Salvation Army Housing (Victoria)
ACN 113 724 651

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Our Mission

Salvation Army Housing, Salvation Army Housing Victoria and The Salvation Army Community Housing Service (together “Salvation Army Housing”) as a National Enterprise are committed to assist individuals experiencing social disadvantage and to establish and maintain safe, affordable, secure tenancies through the management of a range of high-quality housing options.

Salvation Army Housing’s principles complement and support the mission and values of The Salvation Army:

- Caring for people
- Creating faith pathways
- Building health communities
- Working for justice

Values

Recognising that God is always at work in the world, we value:

- Integrity** Being honest and accountable in all we do
- Compassion** Hearing and responding to pain with love
- Respect** Affirming the worth and capacity of all people
- Diversity** Embracing difference as a gift
- Collaboration** Creating partnerships in mission

We commit ourselves in prayer and practice to this land of Australia and its people, seeking reconciliation, unity and equity.



About Us

Salvation Army Housing operates nationally as a community housing organisation that provides homes for individuals and families who are homeless or at risk of homelessness, on low incomes and often with specific support needs.

As at 30 June 2021, Salvation Army Housing managed over 1600 properties throughout Australia providing long term housing, transition housing as well as crisis and rooming house tenancies, to approximately 1628 tenants.

Salvation Army Housing sits under both the National Regulatory System, (NRSCH), and the Victorian Regulatory System, (VHR), with properties in all states and one territory, the ACT. Salvation Army Housing is fully compliant under both systems.

As a not-for-profit organisation, registered charity and a public company limited by guarantee, each Salvation Army Housing entity operates under the auspices of The Salvation Army to address the needs of people at all stages of their life and housing requirements. This includes early intervention to avoid a slide into homelessness, emergency accommodation and crisis response, transition to more stable accommodation and supporting a move to independence.

Salvation Army Housing is in the unique position of having the full potential of The Salvation Army in all aspects to support our tenants. Spiritual support, case management, rehabilitation services, domestic and family violence service, youth services, employment service and Salvos Stores. There is no other Community Housing Provider better placed to offer full wrap around services.



Our History

Following The Salvation Army's launch of the Australian Territory on 1 December 2018, Salvation Army Housing (Victoria) with its presence throughout Victoria, has come together with Salvation Army Housing which operates in SA, NT, WA and Tasmania as well as Salvos Housing with its presence in NSW, Queensland and ACT to act collaboratively as a National organisation headquartered in Melbourne. This reorganisation was implemented in the first quarter of 2020.

In 1883, when Salvation Army Officers James and Alice Barker leased a small house in Melbourne's North to provide accommodation and support for men discharged from Melbourne Gaol, they could not have conceived what our social services network would become. The Salvation Army with its commitment to housing our countries most vulnerable has held on to and continues that tradition.

In 2015, following the introduction of specific regulatory requirements for community housing agencies, The Salvation Army established separate entities to manage community housing throughout Australia confirming its commitment to address the needs of people by providing crisis accommodation, transitional housing and long-term housing.

This commitment has been reaffirmed with Salvation Army Housing now a national mission expression that

seeks to transform the lives of those experiencing housing hardship and injustice by providing low-cost accommodation, supporting the homeless and socially disadvantaged members of society.





Mark Gray
Board Chair/Treasurer

Mark brings substantial experience in business, tax advice, financial planning and business development. Mark is a chartered accountant and has been a Director and Treasurer of SAHV since inception. Mark became Board Chair in February 2019.



Prof Roz Hansen
Board Director

Roz brings more than 40 years' experience as an urban and regional planner working in both the public and private sectors in Australia and the Asia Pacific Region. In addition to project managing multi-disciplinary teams, Roz has undertaken community engagement and participation in the preparation of municipal, regional, and metropolitan strategies. Roz resides in southern NSW.



Robert Pradolin
Board Director

Robert is an engineer by background and has been active in the property industry for over 30 years. Robert has a keen interest and is active in the area of social and affordable housing. Robert is the Founder and Director of Housing All Australians and also sits on the Summer Housing Board.



Jeff Davey
Board Director

Jeff joined The Salvation Army in January 2018 as Group Executive, Mission Enterprises. Jeff trained as a Chartered Accountant and spent most of his career as an executive in the health and welfare sectors.



Major Jenny Begent
Board Director

Jenny has been a Salvation Army officer over 30 years, serving in a range of social and community services and leadership positions including the Family Violence and Homelessness area. Jenny is currently National Head of Social Mission.



Colonel Kelvin Merrett
Board Director

Kelvin has served as a Salvation Army officer for over 30 years in a variety of roles including Divisional Commander, Secretary for Programme and National Secretary for Personnel. Kelvin is currently Assistant Chief Secretary, Australia Territory, and became a Director in February 2020.



Chairman's Report



Mark Gray CA
Chairman

I am grateful for the opportunity that being the Chair of this organisation provides.

2021 has been a year of consolidation and growth for our business.

I would again reiterate that our strong integration with The Salvation Army and its services provides the best opportunity for delivering the outcomes we strive for. As an organization we continue to strive for improvement on the journey to be the best we can possibly be.

This year we spent considerable time together in our strategy day and as a board worked through the “why” we do what we do. It was very beneficial and a long time coming. It has narrowed our focus and energy and provided a very helpful insight into both the challenges we face and the great minds we have on the board.

As is evident we are continuing to operate in extremely challenging times. Our role, that of providing housing to those most in need, cannot be underestimated. We continue to work to build more supply to assist in this ever-increasing and largely unsatisfied demand.

This year we have had some exciting developments in our project pipeline. Some joint venture projects are in place with The Salvation Army, and we are very pleased that we have been able to achieve the progress to date. This provides us with an excellent working model and strategy for future joint property developments.

I acknowledge the work and efforts of all our Directors and thank them for their service this past year. I would especially note the independent directors, namely Professor Roz Hansen and Robert Pradolin who willingly donate their time to our Vision and Strategy.

I would further acknowledge the hard work of our CEO Chris Karagiannis, who has completed another excellent year in continuing to improve our business across all its aspects. Further, thanks to the respective State and Territory Managers and their teams across the country, that daily and tirelessly roll out our services and seek to provide a home and support to those most vulnerable.

The evidence supports that we have made significant progress forward in this last 12 months and our future is well planned. That is, to both provide increased housing stock, and together with The Salvation Army merge the support services and structures so critical to the people we serve.



Leadership Team

Operating as a National housing organisation, the Leadership Team comprises the State Managers of each State and the Head Office under the leadership of the CEO, Chris Karagiannis.



Chris Karagiannis
CEO

Chris joined The Salvation Army in 2019 bringing 20 years' experience in management and leadership roles in local and state government and the not-for-profit sector, with qualifications in project management and business administration.



Barry Wilson
Financial Controller

Barry is a CPA with extensive experience in all aspects of Finance. He joined the team in January this year after previously having fulfilled term contracts with The Salvation Army Finance team. His experience is principally in industry with Oil & Gas, Construction, Trading and Retail. He brings a broad commercial background which includes Sales & Marketing, IT, Project Management and Project Governance. Barry believes that financial control and a commercial framework will lead to sustainability of Salvation Army Housing and improve our client outcomes.



Lisa Dalla-Zuanna
Corporate Development Manager

Lisa commenced work with The Salvation Army in July 2008, working in Geelong Managing the Housing and Men's Housing Support teams for the Geelong region and Western Victorian Region.

Lisa then moved to the position of Victorian State Manager for Salvation Army Housing in 2015 and, in March 2020, moved into her current role as Corporate Development Manager.

Lisa is currently studying her Masters in Property at RMIT University.



Leadership Team cont.



Bethany Critchley
State Manager SA, WA, NT

Bethany is driven by her passion for helping people, she takes pride in providing the best Community Housing services possible.

As a State Manager for SA WA & NT, her goals include providing long term supportive accommodation for the most vulnerable and supporting her teams to deliver the best outcomes possible.

In addition to her primary job functions, Bethany also plays a key role in System and Database Management and Enhancement Projects for the organisation.



Hong Young Tsao
National Infrastructure Manager

Experienced Manager in Housing Development with a demonstrated history of working in the real estate and non-government community sectors. Skilled in Lease Administration, Real Estate Appraisal, Real Estate Development, Facility Management (FM), and Property Management. Strong community and social services professional graduated from Swinburne University of Technology.



Dr. Jed Donoghue
Social Mission Coordinator & State Manager Tas.

Jed Donoghue has over 35 years' experience working in the community sector in Australia and the UK. He is employed by The Salvation Army as the state housing and homelessness manager in Tasmania. Jed has a PhD in Sociology from the University of Tasmania and is an Honorary Research Associate at the University of Tasmania.

Jed is the Vice Chair of Shelter Tasmania, the state housing and homelessness peak body; and he is a national Board member of Community Housing Industry Association (CHIA). He is a former Board member of the Community Housing Federation of Australia, National Shelter and TASCROSS. He has published papers in a variety of academic and professional journals regarding Australian national identity, citizenship rights, aged care, social housing, and homelessness.

Leadership Team cont.



Cheri Erai-Collins
State Manager NSW, ACT and QLD

Cheri has been involved in the day to day running and management of Salvos Housing across a variety of roles for 8 years, prior to this Cheri had 4 years' experience in the community sector in Northern Ireland working closely with a range of community welfare organisations. Cheri also holds tertiary qualification in Finance.

Cheri has been a key and respected member of The Salvation Army team and bring with her a broad range of technical, financial, and interpersonal skills with a focus on mission delivery will be an asset to the Salvation Army Housing leadership team.

Cheri carried out the role of Acting State Manager NSW, QLD, ACT from February 2020. During that time she has working closely with the Social Mission team and the QLD Homelessness team to redevelop a more collaborative MOU and actively working on a partnering for growth submission for redevelopment of properties and growth of social housing stock in QLD including Toowoomba, Cairns and Pindari.

Cheri has also been an integral contributor in getting the NSW, QLD and ACT regions' included at a national level as members of various strategic working group across TSA.

Cheri is excited and looking forward to the role and working with the broader Salvation Army team to make a positive difference in the lives of those at risk of or currently experiencing homelessness.



Irena Baric
State Manager Vic.

A highly motivated and results-driven individual, who is passionate about creating affordable housing while assisting people build on life skills and sustaining their housing.

Experienced in achieving continuous business results in competitive markets, leading process improvements and delivering high quality outcomes. Professionally, Irena is dedicated to achieving growth through new initiatives and execution of innovative strategies.

As a Deputy Chair at Western Edge Youth Arts (WEYA), Irena has demonstrated sound judgment and encourages a different perspective while looking after and promote WEYA's best interests.

Irena is driven by intellectual curiosity to find answers to the most pressing questions to uncover the pain point and identify a strategic solution. She is a lifelong learner and has recently completed a Master of Business Administration (MBA) at LaTrobe University.

Chief Executive Officer's Report



Chris Karagiannis
Chief Executive Officer

The 2020 / 21 Annual Report for Salvation Army Housing represents the commitment and focus of the organisation to contribute to the missional impact of The Salvation Army.

While this year has been a challenging one for many Australians, it has been significantly challenging for those vulnerable Australians experiencing homelessness or at risk of homelessness. As such, the work of Salvation Army Housing and the broader Salvation Army has been critical in supporting many of our clients during this period.

This year we were thrilled to have completed several strategic projects including the opening of our 'state of the art' twenty-five (25) townhouse development in Grovedale, Victoria.

In addition, we continue to progress our twenty-one (21) apartment development in Moonah, Tasmania and twenty-three (23) apartments in Toowoomba, Queensland. A hallmark of all these projects is the collaborative approach between Salvation Army Housing, various Salvation Army Mission Expressions and Government to provide a unique and holistic housing and support service response for clients.

A hallmark of all Salvation Army Housing developments is the focus on building communities. We are focused on developing communities that take a holistic approach to caring for people – responding to both spiritual, social, and material needs and providing seamless service integration for our clients.

We continue to build and invest in our IT infrastructure with the implementation of Chintaro and SolvSafety to support enhanced data management, performance, and client incident reporting.

Our Strategic Plan 2018-2023 continues to set the direction for Salvation Army Housing's growth over the next two years and focusses us on being a leader in the provision of quality, affordable and sustainable long-term supported housing across Australia.

We have completed a full condition audit of all our property assets allowing us to take a strategic and more informed view regarding future costs, maintenance, and renewal programs across the property portfolio.

Our staff continue to be our greatest asset and I would like to thank them for their hard work and dedication throughout what has been a very challenging year.

We are extremely proud of all that has been achieved over the 2020 / 21 reporting period. The year has been filled with significant challenges, change and opportunities and we continue to work through this with enthusiasm and energy.

We continue to be optimistic about the long-term outlook and sustainability of the sector and the aspiration to help create a society where all Australians have access to the basic human right of safe, secure, and affordable housing.

It is my great privilege to work with the board, the management team, our staff, and partners and thank everyone for their contribution to the mission of Salvation Army Housing.

“Wherever there is hardship or injustice, Salvos will live, love and fight alongside others to transform Australia one life at a time with the love of Jesus.”



Listening to our Tenants

Salvation Army Housing (SAH) is actively encouraging participation and recognises that tenant input is essential to developing and maintaining services and programs which effectively address tenant needs. As a result, Salvation Army Housing conducts regular tenant satisfaction surveys.

This year, the satisfaction survey was conducted on behalf of SAH, by Community Housing Industry Association (CHIA) from New South Wales (NSW). CHIA NSW is an independent and impartial entity that holds industry knowledge and holds comprehensive tenant satisfaction benchmarking service in Australia.

According to CHIA, SAH exceeded the National Regulatory System for Community Housing (NRSCH) benchmark of 75% and comfortably outperformed all three thresholds:

 **84%** overall satisfaction for our housing services

 **83%** satisfaction with property condition

 **78%** satisfaction with repairs and maintenance services.

Housing Services

86% of tenants were satisfied overall with the services provided by Salvos Housing. This score sits comfortably above the NRSCH threshold of 75% and is ahead of the CHIA NSW benchmark of 84%.

At 88%, satisfaction with value for money, 3% points ahead of the CHIA NSW benchmark.

84% of tenants indicated they were satisfied that their rights as a tenant are upheld, 1% point above the CHIA NSW benchmark, and the most important driver of overall satisfaction among Salvos Housing's tenants.

In a few words...

"Really professional, helpful & friendly. Love my place and everything about Salvo Housing. Genuinely really happy to live here 😊"

"Keep up the amazing work. I'm so grateful to be given this opportunity to have secure housing for my kids and myself. I wouldn't change a thing."

"Thank God for the Salvos. They saved my life."

Overall Figures 2020-2021 Financial Year



Number of people housed:

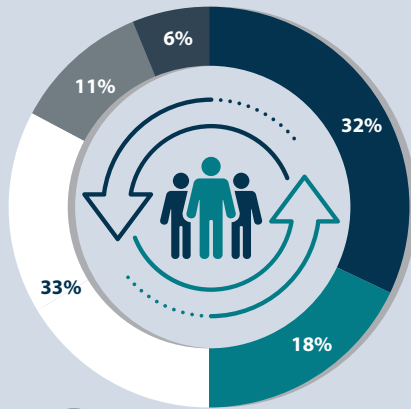
3018



Number of tenancies:

1741

Age groups of people housed:



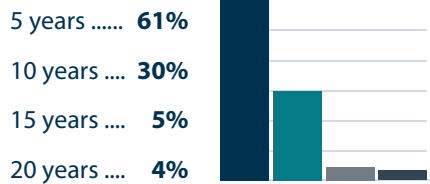
Under 18	32%
Young Adult (18-30 yrs)	18%
Adult (31-54 yrs)	33%
Older Adult (55-70 yrs)	11%
Aged (70 yrs+)	6%



Gender:



Time in current home:



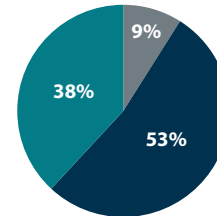
Number of properties:

1704

Accommodation type:

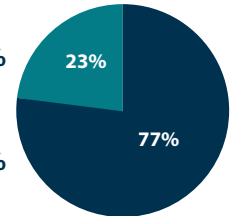


Crisis	9%
Long term	53%
Transitional	38%

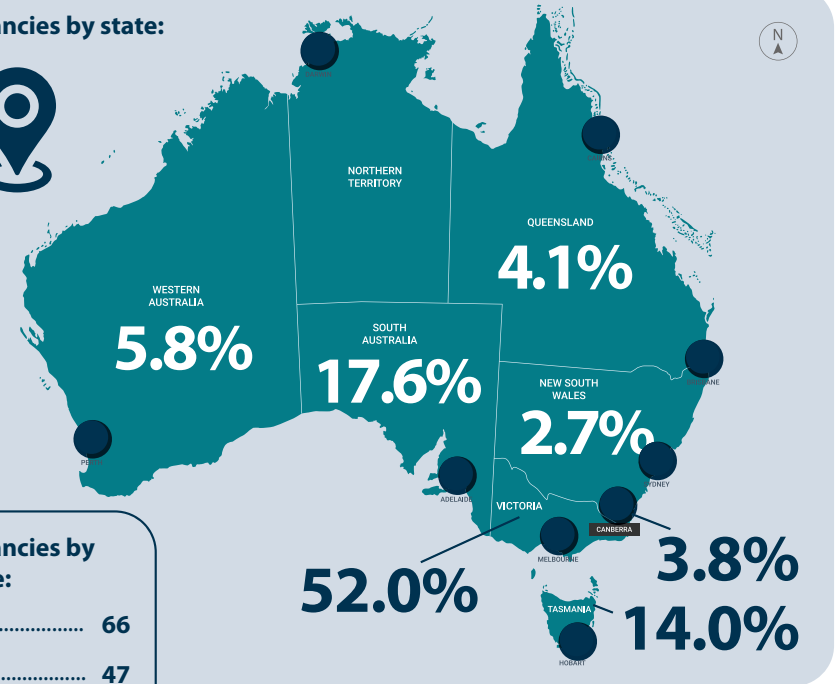


Ownership:

Managed	1314	77%
Owned (wholly or partially)	390	23%



Tenancies by state:



Tenancies by state:

ACT	66
NSW	47
QLD	72
SA	307
Tas	243
Vic	905
WA	101

Properties by state:

ACT	59	3.5%	Tas	244	14.3%
NSW	53	3.1%	Vic	861	50.5%
QLD	66	3.9%	WA	113	6.6%
SA	308	18.1%			

Victoria



Lone workers

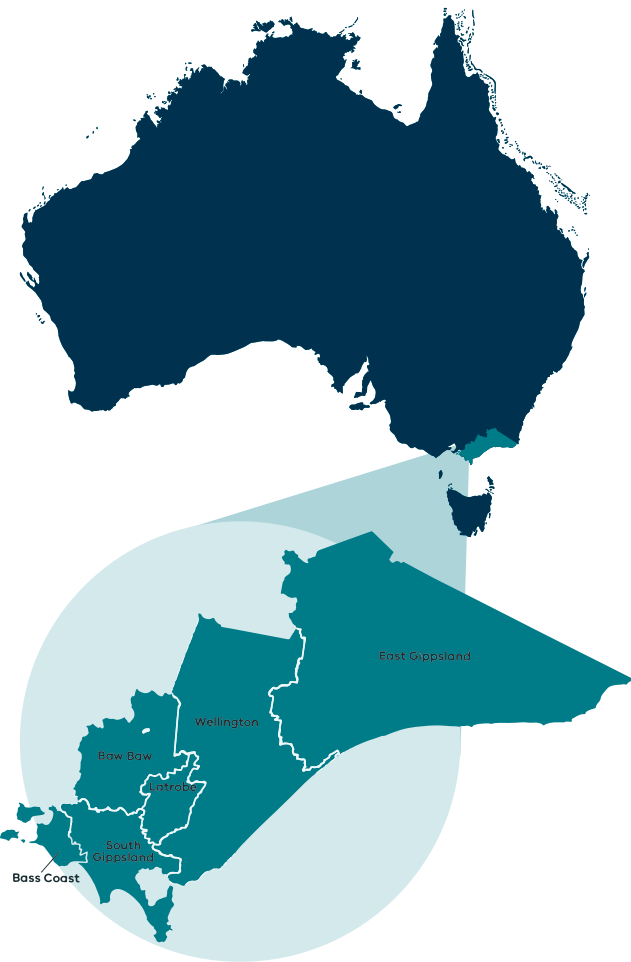
With housing needs extending beyond metropolitan regions, Salvation Army Housing Victoria

(SAH/V) employs tenancy workers who operate as lone entities in rural and regional areas. Responsible for a large portfolio of properties, these lone workers are supported by a housing coordinator and team members from satellite offices.

Although connected with their extended team through cloud-based team collaboration software, working alone involves occupational health and safety risks, especially when attending properties. To negate this, lone workers have access to a network of regionally based case management support, local tradespeople, emergency services and a portable duress alarm that is monitored 24/7 for their security and safety.

In order to holistically support clients' individual needs, SAH/V has developed formal partnerships with targeted case management agencies. This support includes, but is not limited to, youth, mental health, family violence, alcohol and other drugs. SAH/V also maintains collaborative relationships with Aboriginal and Torres Strait Islander agencies in these regions.





Katie Healey
Tenancy Worker
-Victoria

Covering three large shires within the Gippsland area, tenancy worker Katie Healey is used to travelling long, winding country roads. With around 50 properties – including crisis, transitional and long-term housing – in her charge, it's not unusual for her to be on the road all day, to get from one property to another.

Katie has witnessed a dramatic fall in housing availability, coupled with an overwhelming amount of nominations for housing over time.

"We are seeing a huge increase in how many nominations come through, which tells us that demand is just ridiculous," says Katie. "I just don't have the properties. We are really limited here for replacement stock – it can take up to 18 to 20 months for me to get a replacement property."

She says those who have it the hardest are most often single men, as there are very few one-bedroom properties around. And when the demand is so high every bedroom in a property needs to be utilised.

As a lone worker, Katie enjoys the variety her role brings. "My day would include talking to clients, maintenance, travelling, going to properties. During COVID, we've done everything the same, just different. I've done signups in hotel carparks, wherever I could do it – handing things out of the boot or out of the window [to be COVID-compliant]," she laughs.

Part of Katie's role is helping people in transitional properties work towards permanent housing through an exit plan. This includes engaging with supports, building a reference and advocacy with real estate agents if clients are able to take up private rental.

For Katie, the positive outcomes are what make the role truly worthwhile, "seeing people turn themselves around. When they come to us, it's a common theme – usually they're quite depressed, the world is on their shoulders. Just seeing the confidence increase and being able to help them achieve that."



Street Parties Light Up Grovedale Housing Project

When residents began setting up a new life at The Salvation Army Housing Development in Grovedale, Victoria, last November, they acquired more than a roof over their heads and a safe place to live – they gained a community.

The official opening of the Grovedale Housing Development on land provided by The Salvation Army.

Financed by the Victorian Department of Health and Human Services in partnership with Salvation Army Housing Victoria (SAHV), the purpose was to fill the 25 townhouses with tenants who were homeless or at risk of homelessness in the Barwon region.

In the eight months since the development on Torquay Road in Geelong's south was officially opened, the Salvos have seen these residents come together – not only acting as a support system but also celebrating kids' birthdays through regular street parties.

“When a tenant first moves into their new home, we want to do everything we can to ensure that not only is their new home comfortable, safe and secure but that they also feel immediately connected and a part of their community,” explains Michael Haley, SAHV Housing Coordinator.

“Over the years, we have developed a few different strategies to achieve this, and for this site, we have partnered with South Barwon Corps to host community engagement events – never underestimate the power of a community barbeque! Unfortunately, this hasn't been possible yet due to COVID-19, but that has not stopped this new community who have naturally started working together, and instead of us driving it, they've driven it by organising street parties and children's birthday parties.

It's been so good to see!”

Thirteen units are long-term residencies, while the rest are transitional and act as crisis accommodation. This means that multiple friendship groups have formed. And while some people move in as singles, others come with young children or teenagers – and that's where the street parties come in.

Because when a parent or guardian pops up a few balloons, sets up tables of snacks and invites every child in the community to join in, the adults automatically connect. And it has made for eight months of new friendships and hope.

“Putting 25 different households and strangers into the one community means teething problems are inevitable, but to see the incredible stuff like those parties and how they are supporting one another [has been amazing],” said Michael. “We had a situation where one family was experiencing domestic violence [off property], and we saw families getting around them and looking after the kids so that the adult can talk to the police.”

Feeling like home

Housing worker Connie Osborne has also witnessed this community when she stops by on work calls, and tenants come to meet her for a chat.

“It's a really nice environment. To have that [camaraderie] within a gated community and to know you're safe in



there [is amazing],” says Connie. “Some of these children have never been to parties like this.”

When the Grovedale development was planned, strategic thought for long-term investment was put into the properties. Michael is happy to say that the quality of the homes should stand the test of time, making them feel like a home rather than a temporary residence. But the unexpected benefit of the housing project has been how residents thrive when they have a safe common area to meet and play.

“One of the things I’ve loved seeing, with it being a gated community, is how [tenants] feel safe to let their kids simply play with other kids in the common areas of the site,” says Michael.

It’s still early days, but eight months in, the pilot program is already delivering rewards above and beyond what everyone had hoped for. It is giving people a place to belong – and party!



SAHV Partnering with The Salvation Army Youth Services

SAHV has entered an exciting partnership with TSA Youth Service to build two houses in Maidstone Melbourne.

The construction has been funded through a strong commitment from a family in Melbourne donating the funding through TSA Philanthropic, Donor Care services. Making this a genuine commitment from both TSA and Melbourne community towards assisting our youth clients to transform their lives through a strong commitment to supported housing.



South Australia / Western Australia / Northern Territory



The 2020-2021 financial year has been a challenging year for all, facing and dealing with the worldwide pandemic, COVID-19. It has seen a change in service delivery models and team interactions, bringing about innovative approaches to ensure the most vulnerable are still served. This financial year, both South Australia and Western Australia have been through team redesigns, focusing on upskilling and connection with TSA services, to better serve our tenants.

Engagement with tenants has been at the forefront of Salvation Army Housing minds. We have focused on building rapport and connections with tenants, particularly those who have had to face isolation while the pandemic evolved, during periods of lockdown and varying restrictions. The world is not as it used to be.

In South Australia, Salvation Army Housing provides housing for 309 diverse households across Metropolitan Adelaide, Mount Gambier, and the Riverland. In Western Australia we provide housing for 111 diverse households across Metropolitan Perth, Peel and Narrogin regions. We continue to house people who are escaping domestic violence, exiting alcohol and other drug rehabilitation programs, homeless youth, those engaged with mental health support programs and those with disabilities. We do this through long term, transitional and crisis housing programs. We are fortunate to have close working relationships with integrated Salvation Army support services to provide supportive tenancies and better

outcomes for people.

In 2020 the South Australian Government announced a reform of the Homelessness System for South Australia. The reform branded “Future Directions for Homelessness”, is based on similar models used in the United Kingdom and implemented in South Australia in July 2021 introducing an alliance model. The alliance model groups all homelessness organisations into alliances; two metropolitan Adelaide, two regional and one dedicated to family and domestic violence.

The Salvation Army Homelessness team with Salvation Army Housing are an integral part of the successful Inner City and Southern Metropolitan Alliance group for Homelessness, known as Toward Home. This is an alliance with The Salvation Army, Lutheran Care, Baptist Care SA, Mission Australia and Sonder. This has been a great achievement for The Salvation Army to increase their footprint in South Australia. The awareness of the need of separation of support and tenancy management was the catalyst for the inclusion of Salvation Army Housing. Being a registered Community Housing Provider, Salvation Army Housing will provide professional tenancy and property management for twenty-six properties in central Adelaide. Housing the chronic homeless is the target group for these properties with The Salvation Army Homelessness team providing professional support services for the tenants, with the aim of breaking the



cycle of homelessness for the most vulnerable.

Working closely with The Salvation Army Homelessness team in the Northern Territory, Salvation Army Housing are focusing on separating support and tenancy management, to provide long term supported accommodation for the most vulnerable. Salvation Army Housing are embarking on opportunities in the Territory to better serve clients, providing suitable and sustainable housing for those engaged in Domestic Violence and Homelessness support services.

Good news stories

In Western Australia, part of Salvation Army Housing service includes providing independent living housing for residents aged 55 years and over in a community known as Seaforth Gardens in Gosnells. These clients are allocated from the state joint waitlist for public and community housing. Over the years at this site we have been faced with an irrigation problem and consequently spent significant amounts of money to continually repair the system for the communal garden and lawn areas. One of our tenants has extensive experience in working with water filtration. He had seen the struggles with the system and took it upon himself to investigate the issue with the contractor and invent a filter to fix the irrigation system. He invited us to discuss his innovation and demonstrate how it would resolve the issue. It was truly impressive. This filter has now been implemented and is

working very well. It was great to see one of the tenants contribute in providing solutions for their community.

In South Australia, Salvation Army Housing have continued to support young, homeless, and vulnerable mothers into long term and sustainable accommodation with the support of workers from such organisations as Coolock and Malvern place. Similarly, female domestic violence victims and their children have been accommodated, transitioning from short term accommodation at Bramwell House (operated by The Salvation Army Domestic Violence team) to long term accommodation. Our success in terms of sustainability is largely attributable to the quality of support provided by these services and their willingness to reconnect with tenants to assist with any number of issues and a skilled and empathetic tenancy management team. During this financial year 6% of our properties were reallocated to the client group mentioned above.

A young mother housed by us in 2019 with her baby daughter following DV issues was desperate to move from her existing property following the suicide of her ex-partner in her back garden early this year. Without any suitable vacancies in our stock, and serious deterioration in the tenant's mental health, approaches were made to similar community housing organisations with a very prompt response from one. Happily, the tenant was re housed in a very short space of time and to an area closer to her family. She

now feels supported, relieved, and settled.

The vacancy mentioned above then became the solution to another tenant experiencing domestic violence who, after five years in one of our properties with her young son, was advised that her perpetrator had been housed in an adjoining suburb. Traumatized and still undergoing counselling, the tenant was frightened to attend the shops and take her son to school. She was transferred as promptly as maintenance work allowed and now resides several suburbs away from her previous residence. This has relieved her anxiety and allowed her and her son to live without such prominent fears of interacting in the local community.

Looking to the future

Community development projects have stalled somewhat during the COVID-19 crisis however some tenant forums have been held. Elderly tenants have been wary of gathering and moving from their local area which has presented problems in terms of meeting. The situation has prompted us to reconsider the way we connect with our tenants.

Currently we are considering more effective methods of reaching a larger audience and discussing ways in which tenants can contribute. We will discuss with our respective tenants' ideas they have to implement suggestions creating a more inclusive environment for people to connect.



Tasmania



Good news – Rachel @ SAHT

“We have received our first donation from Tint a Car Hobart. \$1,000 for the first donation and their campaign runs until the end of August. The donation came from Tint a Car as one of our residents works for them and we have assisted this resident for many years.”

Good News Story – SAH Campbell Street

“The Coffee Ground Café was invited to participate in the Taste of Tasmania. This was a wonderful opportunity for the staff and the business to get exposure to a wider group of customers. It provided a fantastic experience to the staff and great publicity for the café.”

Tenant Engagement – SAH Campbell Street

“Our successful applicant to the NDIS is receiving a range of supports that are having a positive impact on their life, health & well-being. This person is now informing other tenants about the great work being done by the support staff, the great services they can purchase with the funds released from the NDIA and the great change this is having on the quality of their life. This is the kind of advertising and promotion that money cannot buy.”

Community Engagement – SAH Campbell Street

“Campbell Street staff organised another Golf Day with the former test cricketer David Boon.

It was a very successful day at Ratho Golf Course in Bothwell for the 3rd Common Ground Cup.

Early estimates are that the event raised approx. \$30k (minus fund-raising expenses).

There was increased participation from corporate golf players as well as Common Ground tenants.

We also held an art exhibition, which was well received by artists and attendees.

11 art works were sold on the day.”



QLD/NSW/ACT



Diane Quinlan
Tenancy Worker
-Queensland



In South East Queensland, tenancy worker Diane Quinlan oversees an active portfolio, with over 65% of the tenancies being for crisis accommodation – all supported through The Salvation Army's Supported Housing Service. With a new 26-unit build underway, the portfolio will see a much-needed increase in accommodation and a new focus into long-term housing.

Currently managing almost 40 properties spanning 200 kilometres of the south coast of Queensland, Diane has become adept at being organised and taking on a variety of roles to support client's needs as a lone worker.

"[I have to] make appointments, get all the lease paperwork ready, entry condition report. I do all the entries, exits. I do all the inspections on every property. I book all the maintenance and repairs. And I do all my

own paperwork – all my final account's reconciliation, all my invoicing. I don't have a receptionist!"

Diane says the lack of rental properties in Queensland is impacting more and more families. "There's been a big struggle for families trying to rent. There are people advertising everywhere. They're living in friends' properties, have got their stuff in storage – there's a waiting list for storage units. It's really bad. It's critical."

To try and negate this, she is working alongside Salvation Army corps in Brisbane and the Sunshine Coast to implement 'faith-based housing' – where they lease properties to families, hoping that in 6-12 months, they can sustain the tenancy and have the property signed over to them.

"I applied for 49 properties on the Sunshine Coast for one family – and got nothing. Whereas, the last property we got on the Sunshine Coast was from a lady who wanted to know if we were interested in renting her property. She said she was a big fan of the Salvos and all the work we do."

With less availability, clients are staying longer in transitional housing, meaning Diane is not seeing the turnover of properties at the rate she used to. "Everyday families [are] coming in looking for help these days, that have lost jobs due to COVID and things like that. So, we need more housing. It's just not keeping up with the amount of people that are in these areas."



Infrastructure

Victoria – Big Housing Build

This year has seen a welcomed announcement from the State Government with its \$5.3 Billion investment to deliver 12,000 new homes for predominantly social housing.

SAHV has been busy in its development of several projects and its work on submissions for funding for the Big Housing Build.

SAHV are looking forward to successful announcements in the near future for its submissions

Maintenance Stimulus Package NSW and Victoria

This year has been a much-welcomed year where SAH have upgraded our properties. Both NSW and Victoria have had substantial injections of funds.

In Victoria, works have commenced to upgrade properties to the value of approx. \$700 000. Works include kitchen upgrades, bathroom upgrades, painting, carpeting, installation of carpeting and more.

The works are spread from Warrnambool through to Gippsland.

Similarly, in NSW, our tenants have benefited from upgrade works to the value of approx. \$800,000. Our residents have welcomed the works with some going the extra mile by temporarily relocating whilst the works were carried out.

These works will go a long way to improving the living standards for our tenants and creating an environment that they can be proud of.

These works are important to increase longevity of property and make a home for individuals and families to build their lives upon.





Salvation Army

HOUSING

Financial Statement

2020 - 2021

Salvation Army Housing

ACN 608 346 934



Financial Statements

Directors' report

Salvation Army Housing

ACN 608 346 934

For the year ended 30 June 2021

The directors present their report together with the financial report of Salvation Army Housing, a Company limited by guarantee ('Company'), for the financial period ended 30 June 2021 and the auditor's report thereon.

1. Directors

The directors of the Company at any time during or since the end of the financial period are:

Name	Appointment Date	Resignation Date
Mark Christopher GRAY	21-Sep-15	N/A
Prof. Roslynne Elizabeth HANSEN	25-Nov-15	N/A
Jeffrey William DAVEY	28-Jun-18	N/A
Robert PRADOLIN	23-Aug-18	N/A
Jenny Irene BEGENT	7-Dec-18	N/A
Kelvin Leslie MERRETT	20-Feb-20	N/A

2. Company Secretary

Chris Karagiannis continues to serve as Company Secretary.



Financial Statements cont.

Directors' report

Salvation Army Housing

ACN 608 346 934

For the year ended 30 June 2021

3. Directors' Meetings

The Directors held 10 meetings during the year. The attendance was as follows:

Director	Board	Attended
Mark Christopher GRAY	10	9
Prof. Roslynne Elizabeth HANSEN	10	10
Jeffrey William DAVEY	10	9
Robert PRADOLIN	10	10
Jenny Irene BEGENT	10	10
Kelvin Leslie MERRETT	10	10

4. Principal activities

The Company's principal activity is to provide accommodation and support for low-income households on a not-for-profit basis, particularly for households in financial need or who have at the time specific physical, mental or social disabilities which impede their acquisition or successful use of private or public housing.

In addition, Salvation Army Housing manages the community housing operations of The Salvation Army in South Australia, Western Australia and Tasmania.



Financial Statements cont.

Directors' report

Salvation Army Housing

ACN 608 346 934

For the year ended 30 June 2021

5. Operating and financial review

A summary of revenues and expenses is set out below:

	2021	2020 (Restated*)
	\$	\$
Total Revenue	6,644,363	11,462,960
Total Expenses	(6,341,356)	(6,284,474)
Net Finance (expense)/income	(1,191,181)	(1,113,217)
Net surplus/(deficit) for the year ended 30 June	(888,174)	4,065,269

The net deficit for the 2021 financial year is \$888,173 compared to the 2020 surplus of \$4,065,269. 2020 results were buoyed by the donation of \$4.88m in Property.

Net cash from operating activities is \$1,260,458 compared to \$1,466,215 in the previous year.

In the opinion of the directors the Company is able to plan and manage its operational expenditures within the funds currently committed and accordingly the Company continues to operate as a going concern.

*The comparative information is restated on account of change in accounting policy as disclosed in Note 2(e).

6. 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.

7. Developments

The company will continue to carry on principal activities noted above. Next year, company is expecting to develop 6 townhouses in South Australia and will commence construction of 21 apartments in Tasmania for social housing.



Financial Statements cont.

Directors' report

Salvation Army Housing

ACN 608 346 934

For the year ended 30 June 2021

8. Indemnification and insurance of officers

Indemnification

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.

Insurance premiums

The officers are covered by insurance taken out by The Salvation Army Australia Territory under Section 199 of the Corporations Act 2001 (Cth).

9. Proceedings on behalf of Company

Nil

10. Environmental Regulations

The company is subject to environmental regulations under the law of the Commonwealth and of a State. However, the board believes that the Company has adequate systems in place for the management of its environmental requirements and is not aware of any breach of those environmental requirements as they apply to the Company.

11. Lead auditor's independence declaration

The Lead auditor's independence declaration is set out on page 57 and forms part of the directors' report for the financial year ended 30 June 2021.

This report is made in accordance with a resolution of the directors:



Director
Dated at Blackburn this 7 day of Nov 2021



Statement of Profit or Loss and Other Comprehensive Income

For the year ended 30 June 2021

		2021	2020 (Restated*)
	<i>note</i>	\$	\$
Revenue			
Government grants		245,889	290,478
Rental income		5,760,174	5,692,393
Donations	9	6,320	4,882,645
Other income		631,980	597,444
		6,644,363	11,462,960
Less: Operating expenses			
Property management expenses	10	(4,242,749)	(4,696,050)
Administration expenses		(1,327,413)	(832,694)
Depreciation Expense		(771,194)	(755,730)
		(6,341,356)	(6,284,474)
Interest income		24,566	88,127
Interest expense		(1,215,747)	(1,201,344)
Net finance income		(1,191,181)	(1,113,217)
Operating Surplus before income tax expense		(888,174)	4,065,269
Income tax expense		-	-
Profit for the year		(888,174)	4,065,269
Other comprehensive income		-	-
Total comprehensive income for the year before allocations		(888,174)	4,065,269

*The comparative information is restated on account of change in accounting policy as disclosed in Note 2(e).



Statement of Financial Position

As at 30 June 2021

Assets

Cash and cash equivalents

4 6,330,260 5,795,041 5,468,807

Trade and other receivables

109,365 380,251 303,913

Total current assets

6,439,625 6,175,292 5,772,720

Property, plant and equipment

5 79,267,164 80,030,560 75,846,312

Total non-current assets

79,267,164 80,030,560 75,846,312

Total assets

85,706,789 86,205,852 81,619,032



Statement of Financial Position cont.

As at 30 June 2021

		2021	2020 (Restated*)	2019 (Restated*)
	<i>note</i>	\$	\$	\$
Current Liabilities				
Trade and other payables		658,763	670,977	441,970
Employee benefits		155,051	154,851	205,861
Lease liability	6	889,656	903,422	868,282
Total current liabilities		1,703,470	1,729,250	1,516,113
Non-current Liabilities				
Employee benefits		46,623	39,085	31,915
Provisions	7	1,485,168	1,431,870	1,472,172
Lease liability	6	54,558,408	54,204,353	53,862,807
Total non-current liabilities		56,090,199	55,675,308	55,366,894
Total liabilities		57,793,669	57,404,558	56,883,007
Net assets				
		27,913,120	28,801,294	24,736,025
Equity				
Reserves	8	21,753,862	27,929,153	22,795,729
Retained earnings		6,159,259	872,141	1,940,296
Total equity		27,913,121	28,801,294	24,736,025

*The comparative information is restated on account of change in accounting policy as disclosed in Note 2(e).



Statement of Changes in Equity

For the year ended 30 June 2021

	Retained earnings	Reserves	Total Equity
	\$	\$	\$
Balance at beginning of year 1 July 2019*	1,940,296	22,795,729	24,736,025
Profit for the year*	4,065,269	-	4,065,269
Other comprehensive income for the year*	-	154,851	-
Total comprehensive income for the year*	4,065,269	-	4,065,269
Reserves acquired/(released)*	(5,133,425)	-	(5,133,425)
Allocation to/(from) capital funds*	-	5,133,425	5,133,425
Balance at beginning of year 1 July 2020*	872,141	27,929,154	28,801,294
Profit for the year	(888,174)	-	(888,174)
Other comprehensive income for the year	-	-	-
Total comprehensive income for the year	(888,174)	-	(888,174)
Reserves acquired/(released)	6,175,292	-	6,175,292
Allocation to/(from) capital funds	-	(6,175,292)	(6,175,292)
Balance at end of year 30 June	6,159,259	21,753,862	27,913,121

*The comparative information is restated on account of change in accounting policy as disclosed in Note 2(e).

Statement of Cash Flows

For the year ended 30 June 2021

	2021	2020
<i>note</i>	\$	\$
Cash flows from operating activities		
Cash receipts from government and clients	6,915,249	6,504,017
Cash paid to suppliers and employees	(5,497,192)	(5,116,595)
Interest paid	(3,982)	(9,336)
Net cash from operating activities	1,414,075	1,378,086
Cash flows from investing activities		
Interest received	24,566	88,126
Purchase of Property Plant and Equipment	-	(234,161)
Net cash (used in)/from investing activities	24,566	(146,035)
Cash flows from financing activities		
Repayment of lease liability	(903,422)	(905,817)
Net cash used in financing activities	(903,422)	(905,817)
Net increase in cash and cash equivalents	535,219	326,234
Cash and cash equivalents at 1 July	5,795,041	5,468,807
Cash and cash equivalents at 30 June	6,330,260	5,795,041

Notes to the Financial Statements

For the year ended 30 June 2021

1. Reporting entity

Salvation Army Housing is a company limited by guarantee domiciled in Australia. The address of the Company's registered office is 95 – 99 Railway Road, Blackburn, Victoria, 3130. The Company's principal activity is to provide accommodation and support for low-income households on a not-for-profit basis, particularly for households in financial need or who have at the time specific physical, mental or social disabilities which impede their acquisition or successful use of private or public housing.

In the opinion of the Directors, the Company is not publicly accountable nor a reporting entity. The financial statements of the Company have been drawn up as special purpose financial statements for distribution to the members and for the purpose of fulfilling the requirements of the Australian Charities and Not-for-profit Commission Act 2012.

2. Basis for preparation

(a) Statement of compliance

The special purpose financial report of Salvation Army Housing, has been prepared in accordance with the requirements of the Australian Charities and Not-for-profit Commission Act 2012 and the recognition, measurement and classification aspects of all applicable Australian Accounting Standards (AASBs) (including

Australian Interpretations) adopted by the Australian Accounting Standards Board (AASB).

This is the first set of Company's financial statements in which AASB15 Revenue from Contracts with Customers, AASB1058 Income of Not-for-Profit Entities and AASB16 Leases has been applied, Changes to significant accounting policies are described in Note 2 (e).

The special purpose financial report includes only the disclosure requirements of the following AASBs and those disclosures considered necessary by the directors to meet the needs of members:

AASB 101 Presentation of Financial Statements

AASB 107 Cash Flow Statements

AASB 108 Accounting Policies, Changes in Accounting Estimates and Errors

AASB 1048 Interpretation and Application of Standards

AASB 1054 Australian Additional Disclosures

The financial statements were approved by the Board of Directors on November 2021.

(b) Basis of measurement

The financial statements have been prepared on the historical cost basis, unless otherwise stated.

(c) Functional and presentation currency



Notes to the Financial Statements cont.

For the year ended 30 June 2021

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

(d) Use of Estimates and Judgements

The preparation of financial information requires management to make 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.

Judgements

Information about critical judgements in applying accounting policies that have the most significant effect on the amounts recognised in the financial statements is included in the following note:

- Note 3 (l) – leases: whether an arrangement contains a lease.

(e) Changes in significant accounting policies

The Salvation Army Housing has made a voluntary change to the accounting policy relating to Community Housing Properties. The new accounting policy was adopted for the year ended 30 June 2021 with effect from 1 July 2020 and has been applied retrospectively.

Previously, Community Housing Properties were treated as investment properties and were carried at fair value, however having reconsidered the purpose for which the properties were acquired and the current and anticipated use, The Salvation Army Housing considers the more appropriate accounting policy is to measure these properties at historical cost less accumulated depreciation.

The Salvation Army Housing is of the view that the change in policy will result in the financial report providing more relevant and no less reliable information because Community Housing Properties at cost less accumulated depreciation is aligned with the remaining classes of land and buildings held by The Salvation Army Housing, and the properties are not acquired for the primary purpose of generating capital growth or investment returns and therefore changes in fair value are considered to be of less relevance to users of the financial statements.

Properties where Salvation Army Housing owns or holds title, are recognised at cost, under Property, Plant and Equipment AASB116. Building component of the cost base is depreciated at a rate of 2% a year.

Impact on financial statements

The following tables summarise the impacts on the entity's financial statements.



Statement of Profit or Loss and Other Comprehensive Income

For the year ended 30 June 2020

	As Previously Reported	Adjustments	2020 Restated
	\$	\$	\$
Revenue			
Government grants	290,478	-	290,478
Rental income	5,692,393	-	5,692,393
Revaluation of investment property	782,653	(782,653)	-
Donations	4,882,645	-	4,882,645
Other income	597,444	-	597,444
	12,245,613	(782,653)	11,462,960
Less: Operating expenses			
Property management expenses	(4,693,715)	(2,335)	(4,696,050)
Administration expenses	(832,695)	-	(832,695)
Depreciation Expense	(38,554)	(717,176)	(755,730)
	(5,564,964)	(719,511)	(6,284,474)
Interest income	88,127	-	88,127
Interest expense	(1,317,666)	116,322	(1,201,344)
Net finance income	(1,229,539)	116,322	(1,113,217)
Operating Surplus before income tax expense	5,451,110	(1,385,842)	4,065,269
Income tax expense	-	-	-
Profit for the year	5,451,110	(1,385,842)	4,065,269
Other comprehensive income	-	-	-
Total comprehensive income for the year	5,451,110	(1,385,842)	4,065,269



Statement of Financial Position

For the year ended 30 June 2020

	As Previously Reported	Adjustments	2020 Restated
	\$	\$	\$
Assets			
Cash and cash equivalents	5,795,041	-	5,795,041
Trade and other receivables	380,251	-	380,251
Total current assets	6,175,292	-	6,175,292
Investment property	81,463,272	(81,463,272)	-
Property, plant and equipment	56,444	79,974,116	80,030,560
Total non-current assets	81,519,716	(1,489,156)	80,030,560
Total assets	87,695,008	(1,489,156)	86,205,852
Current Liabilities			
Trade and other payables	670,977	-	670,977
Employee benefits	154,851	-	154,851
Lease Liability	887,045	16,377	903,422
Total current liabilities	1,712,873	16,377	1,729,250
Employee benefits	39,085	-	39,085
Provisions	1,431,870	-	1,431,870
Lease Liability	54,324,045	(119,692)	54,204,353
Total non-current liabilities	55,795,000	(119,692)	55,675,308
Profit for the year	57,507,873	(103,315)	57,404,558
Net assets	30,187,135	(1,385,841)	28,801,294-



Statement of Financial Position cont.

For the year ended 30 June 2020

Equity

Reserves
Retained earnings
Total equity

As Previously Reported	Adjustments	2020 Restated
\$	\$	\$
27,929,153	-	27,929,153
2,257,982	(1,385,841)	872,141
30,187,135	(1,385,841)	28,801,294

Statement of Financial Position

For the year ended 30 June 2019

	As Previously Reported	Adjustments	2019 Restated
	\$	\$	\$
Assets			
Cash and cash equivalents	5,468,807	-	5,468,807
Trade and other receivables	303,913	-	303,913
Total current assets	5,772,720	-	5,772,720
Investment property	73,116,045	(73,116,045)	-
Property, plant and equipment	2,730,267	73,116,045	75,846,312
Total non-current assets	75,846,312	-	75,846,312
Total assets	81,619,032	-	81,619,032
Current Liabilities			
Trade and other payables	441,970	-	441,970
Employee benefits	205,861	-	205,861
Lease Liability	868,282	-	868,282
Total current liabilities	1,516,113	-	1,516,113
Employee benefits	31,915	-	31,915
Provisions	1,472,172	-	1,472,172
Lease Liability	53,862,807	-	53,862,807
Total non-current liabilities	55,366,894	-	55,366,894
Profit for the year	56,883,007	-	56,883,007
Net assets	24,736,025	-	24,736,025



Statement of Financial Position cont.

For the year ended 30 June 2019

Equity

Reserves
Retained earnings
Total equity

As Previously Reported	Adjustments	2019 Restated
\$	\$	\$
22,795,729	-	22,795,729
1,940,296	-	1,940,296
24,736,025	-	24,736,025



Notes to the Financial Statements cont.

For the year ended 30 June 2021

3. Significant accounting policies

The accounting policies set out below have been applied consistently to all periods presented in these financial statements.

(a) Income Tax Expense

Salvation Army Housing is appropriately endorsed by the Australia Tax Office and therefore income tax exempt.

(b) Revenue

(i) Rental Income

Revenue is recognised over time based on number of days property was leased.

(ii) Grant Income

Salvation Army Housing is supported by grants received from state and local governments. Grants received on the condition of specified services are delivered, or conditions are fulfilled are initially recognised as a liability called prepaid government funding and revenue is recognised as services are performed or conditions fulfilled. Revenue from grants, where there is a lack of enforceable rights and obligations and/or sufficiently specific performance obligations, is recognised when the organisation obtains control of the funds.

(iii) Donations

Where donation contains specific performance

obligations, the revenue is recognised over time as work is performed. As with Grant Income where there is a lack of enforceable rights and obligations and/or sufficiently specific performance obligations associated with the Donation. Revenue is when the company obtains control of the funds.

(c) Cash and cash equivalents

For cash flow statement presentation purposes, cash and cash equivalents represents cash held with reputable banking institutions and notional cash balances that includes any overdraft where the overdrafts are key part of normal cash management held at The Salvation Army Social Fund ('THQ') related to cash at bank.

(d) Receivables

Receivables are recognised initially at fair value and subsequently measured at amortised cost, less provision for doubtful debts. The majority of receivables are due for settlement in no more than 30 days.

Collectability of debtors is reviewed on an ongoing basis. A provision for doubtful receivables is established when there is objective evidence that the Company will not be able to collect all amounts due according to the original terms of receivables. The amount of the provision is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate. The

Notes to the Financial Statements cont.

For the year ended 30 June 2021

amount of the provision is recognised in the Statement of Comprehensive Income when they have been determined to be uncollectable. Cash flows relating to short-term receivables are not discounted if the effect of discounting is immaterial.

Impairment of receivables are recognised based on the expected losses from past default rates.

(e) Trade payables

These amounts represent liabilities for goods and services provided prior to the end of the financial year and which are unpaid. The amounts are unsecured and are usually paid under normal business terms.

(f) Property, plant and equipment

(i) Recognition and measurement

Items of property, plant and equipment are measured at cost less accumulated depreciation and accumulated impairment losses.

(ii) Depreciation

With the exception of freehold land, depreciation is charged to the Statement of Profit or Loss and Other Comprehensive Income on a straight-line basis over the estimated useful lives of each part of an item of property, plant and equipment. Land is not depreciated. Depreciation commences from the date of acquisition or, in respect of

constructed assets, from the time an asset is completed and ready for use.

The estimated useful lives for the current and comparative periods are as follows:

	2021	2020
Buildings	50 years	50 years
Plant and equipment	3 years	3 years

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

(g) Provisions

A provision is recognised if, as a result of a past event, Salvation Army Housing has a present legal or constructive obligation that can be estimated reliably, and it is probable that an overflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and risks specific to the liability.



Notes to the Financial Statements cont.

For the year ended 30 June 2021

[\(h\) Employee benefits](#)

(i) Wages and salaries and annual leave

Wages and salaries, including non-monetary benefits and annual leave expected to be settled within 12 months of the reporting date, are recognised as liabilities in respect of employees' services up to the reporting date and measured at the amounts expected to be paid when the liabilities are settled. The accrued wages are included in accruals and the annual leave is included in provisions.

(ii) Long service leave

A liability for long service leave is recognised and is measured as the present value of expected future payments to be made in respect of services provided by employees up to the balance date. In assessing expected future payments, consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using interest rates on corporate bond rates with terms to maturity that match, as closely as possible, the estimated future cash outflows.

[\(i\) Goods and services tax](#)

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Tax Office. In these circumstances the GST is recognised as part of

the cost of acquisition of the asset or as part of an item of the expense. Receivables and payables in the balance sheet are shown exclusive of GST.

[\(j\) Impairment](#)

The carrying amounts of assets and investments are reviewed at each balance sheet date to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated.

[\(k\) Finance income and finance costs](#)

Finance income comprises interest income on funds invested. Interest income is recognised as it accrues in profit or loss, using the effective interest method.

Finance costs comprise interest expense on borrowings recognised in the Statement of Profit or Loss and Other Comprehensive income using the effective interest method.

[\(l\) Leases](#)

(i) Determining whether an arrangement contains a lease

At inception of a contract, Salvation Army Housing assess whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess



Notes to the Financial Statements cont.

For the year ended 30 June 2021

whether a contract conveys the right to control the use of an identified asset, Salvation Army Housing use the definition of a lease in AASB 16 Leases along with the application guidance provided in the Standard.

(ii) Recognition

Lease Terms

Property leases that are not peppercorn arrangements typically have a maximum term of up to 10 years from commencement, including the first renewal option. Property leases normally include provisions for annual increases in rental payments to reflect changes in fixed percentage increases and/or changes in the consumer price index (CPI).

Motor vehicle, and software and hardware leases are typically for a maximum period of 5 years and are expected to run their full terms.

Right-of-use Assets

A right-of-use asset is recognised at the commencement date of a lease, which is the date on which the lessor makes the leased asset

available to the Combined Funds. The right-of-use asset is measured at cost, which comprises the initial present value amount of the lease

liability, adjusted for, as applicable, any lease payments made at or before the commencement date net of any

lease incentives received,

any initial direct costs incurred, and an estimate of costs expected to be incurred for dismantling and removing the underlying asset, and

restoring the site or asset.

Where Salvation Army Housing do not expect to obtain ownership of the leased asset at the end of the lease term, right-of-use assets are depreciated on a straight-line basis over the unexpired period of the lease or the estimated useful life of the asset, whichever is shorter. Where Salvation Army Housing expects to obtain ownership of the leased asset at the end of the lease term, the depreciation is recognised over its estimated useful life.

Right-of-use assets are subject to impairment. In addition, the right-of-use asset is periodically adjusted for any reassessments and modifications of the lease liability.

Lease Liabilities

A lease liability is recognised as the commencement date of a lease. The lease liability is initially recognised at the present value of the lease payments that are not paid at the commencement date and are to be made over the term of the lease, discounted using the interest rate implicit in the lease or, if that rate cannot readily be determined, Salvation Army Housing 's incremental



Notes to the Financial Statements cont.

For the year ended 30 June 2021

borrowing rate. Lease payments comprise of fixed payments (including any in-substance fixed payments), plus any variable lease payments that depend on an index or rate (initially measured using the index or rate as at the commencement date), less any lease incentives received, plus any amounts expected to be paid under residual value guarantees, plus the exercise price of a purchase option when the exercise of the option is reasonably certain to occur, plus and any anticipated termination penalties.

Salvation Army Housing have determined their incremental borrowing rates based on rates it would otherwise currently pay in respect to debt facilities for similar assets, adjusted to reflect the terms of the particular lease and the nature of the underlying leased asset.

Lease liabilities are measured at amortised cost using the effective interest method. The carrying amounts are remeasured if there is a change in one or more of the following: future lease payments arising from a change in an index or a rate used; residual guarantee; lease term; certainty of a purchase option and termination penalties. When a lease liability is remeasured, and adjustment is made to the corresponding right-of-use asset, and/or to income or expenditure if the carrying amount of the right-of-use asset is fully written down.

Variable lease payments are only included in the

measurement of the lease liability if they depend on an index or rate. In such cases, the initial measurement of the lease liability assumes the variable element will remain unchanged throughout the lease term. Other variable lease payments are expensed in the period to which they relate.

Extension and termination options are a feature of most of the property leases agreements that Salvation Army Housing are a lessee party to. All extension and termination options held are exercisable only by Salvation Army Housing and not by the respective lessor. In determining the lease term, management considers all facts and circumstances that create an economic incentive to exercise an extension and termination option. Extension options are only included in the lease term if the lease is reasonably certain to be extended. In most cases lease extension options are not included in the calculation of lease liabilities. The assessment is reviewed if a significant event or a significant change in circumstances occurs which affects this assessment and that is within the control of Salvation Army Housing as lessee.

When Salvation Army Housing renegotiates the contractual terms of a lease with the lessor, the accounting depends on the nature of the modification:

- if the renegotiation results in one or more additional assets being leased for an amount commensurate



Notes to the Financial Statements cont.

For the year ended 30 June 2021

with the standalone price for the additional rights-of-use obtained, the modification is accounted for as a separate lease in accordance with the above policy.

- in all other cases where the renegotiations increase the scope of the lease, the lease liability is remeasured using the discount rate applicable on the modification date, with the right-of-use asset being adjusted by the same amount: and
- if the renegotiation results in a decrease in the scope of the lease, both the carrying amount of the lease liability and right-of-use asset are reduced by the same proportion to reflect the partial or full termination of the lease with any difference immediately recognised in income or expenditure. The lease liability is then further adjusted to ensure its carrying amount reflects the amount of the renegotiated payments over the renegotiated term, with the modified lease payments discounted at the rate applicable on the modification date. The right-of-use asset is adjusted by the same amount.

(iii) Lease exemptions and exceptions

Salvation Army Housing apply the practical expedient available under AASB 16 to exclude short-term and low value leases from recognition as right-of-use assets and lease liabilities in their financial statements. Short-term leases are those which have a lease term of 12 months

or less and do not provide Salvation Army Housing with an option to purchase the leased asset. Low value leases are those whereby the underlying asset is valued less than or equal to \$10,000 on an 'as new' basis as at the lease commencement date. Low value assets typically include computer equipment, items of office furniture and mobile phones.

AASB 16 provides the option to elect, on an asset class-by-asset class basis, not to separate payments in respect to non-lease components (such as outgoings) from lease component payments and measure the associated right-of-use asset and lease liability based on all of the payments under the agreement. Salvation Army Housing has not applied this practical expedient and therefore has excluded any material non-lease component payments from the measurement of its right-of-use assets and lease liabilities.

Salvation Army Housing have elected to apply incremental borrowing rates by class of asset. Classes include property, vehicles and software and hardware.

Peppercorn leases principally enable Salvation Army Housing to further its objectives where a 'peppercorn' amount is paid as consideration to a lessor. The AASB issued AASB 2018-8 Amendments to Australian Accounting Standards – Right-of-Use Assets of Not-for-Profit-Entities, which allows not-for-profit-entities to elect to measure 'peppercorn' or concessionary leases



Notes to the Financial Statements cont.

For the year ended 30 June 2021

at cost rather than fair value. Peppercorn leases are incorporated within the

'Property' class of right-of-use lease assets.

[\(m\) Business combinations](#)

Common control transactions

Transfers of interests in entities that are under the control of a common member are accounted for at the carrying value of the assets and liabilities acquired. Any difference between the consideration paid and the assets acquired are allocated in line with the nature of the equity balances acquired.

[\(n\) Capital Management](#)

The Company's policy is to maintain a strong capital base so as to maintain member and creditor confidence and to sustain future development of the organisation. The board of directors seeks to preserve sufficient capital, consisting of retained surpluses and reserves, to enable the Company to continue its various programs. The Company has no externally imposed capital requirements.

[\(o\) New standards and interpretations not yet adopted](#)

A number of new standards are effective for annual periods beginning after 1 July 2021 and earlier application is permitted; however, the

Company has not adopted the new or amended standards in preparing these financial statements.

The new standards are not expected to have an impact on the Company's financial statements. Salvation Army Housing remains a non-reporting Not-for-Profit entity preparing Special Purpose Financial Statements.



Notes to the Financial Statements cont.

For the year ended 30 June 2021

4. Cash and cash equivalents

	2021	2020
	\$	\$
Cash at bank	2,551,489	1,505,532
Notional cash balance held at The Salvation Army	(613,901)	(80,138)
Short-term deposits	4,392,672	4,369,647
	6,330,260	5,795,041

Notional cash balance represents the cash held at The Salvation Army owed to / on behalf of Salvation Army Housing by The Salvation Army Australia.

Reconciliation of cash flows from operating activities

	2021	2020
	\$	\$
<u>Cash flows from operating activities</u>		
(Loss) / Profit for the period	(888,174)	4,065,269
<u>Adjustments for:</u>		
Depreciation Expense	771,194	755,730
Non Cash Lease Interest	1,215,747	1,201,344
Adjustments for AASB 16	-	(95,090)
Property, Plant and Equipment - Written Off	-	264,949
Non cash capital grant	-	(4,882,645)
	1,098,767	1,309,558
Change in trade and other receivables	266,485	(76,338)
Change in trade and other payables	(12,214)	229,007
Change in provisions and employee benefits	61,037	(84,142)
Interest Paid	-	-
Net cash from operating activities	1,414,075	1,378,085



Notes to the Financial Statements cont.

For the year ended 30 June 2021

5. Property, plant and equipment

	2021	2020 - Restated*
	\$	\$
<u>Capital work in Progress</u>		
Balance at beginning of the year	-	2,712,757
Additions	-	234,161
Transfer to Other Property, Plant and Equipment	-	(2,946,918)
Balance at 30 June	-	-

Capital work in progress includes construction of properties in Tasmania as part of Project 9. Constructions of these dwellings finished during financial year 2020. No capital works commenced in Financial Year 2021.

	2021	2020 - Restated*
	\$	\$
<u>Other Property, plant and equipment</u>		
Balance at beginning of the year	80,030,560	73,133,555
Recognition of Right-of-Use Asset on application of AASB 16	-	77,488
Adjusted Balance at 1 July	80,030,560	73,211,043
Property, plant and equipment - Written Off	-	(264,949)
Transfer from Capital work in Progress	-	2,946,918
Additions	5,350	4,882,605
Disposal	(28,584)	-
Lease reassessment	31,033	10,672
Depreciation Expense	(771,194)	(755,730)
Additions	-	-
Balance at 30 June	79,267,164	80,030,560

Other Property, Plant and Equipment includes \$78,779,552 of properties which are subject to a Directors interest in terms of S107 of the Housing Act 1983. Salvation Army Housing cannot transfer, sell, lease, mortgage, charge or otherwise deal with land in which the Director has an interest under this Division unless the Director consents in writing to that transfer, sale, lease, mortgage, charge or other dealing.



Notes to the Financial Statements cont.

For the year ended 30 June 2021

6. Lease Liabilities

Lease Liabilities

	2021	2020
	\$	\$
Balance at beginning of the year	55,107,775	54,731,089
Additions upon application of AASB16	-	77,488
Additions	5,350	-
Disposal	-	-
Repayment of lease liability	(903,422)	(905,817)
Interest Expense	1,215,747	1,201,344
Balance at 30 June	55,448,064	55,107,775

Current

Lease liabilities	889,656	903,422
	889,656	903,422

Non-Current

Between one and five years	3,502,428	3,518,231
More than five years	51,055,980	50,686,122
	54,558,408	54,204,353

At inception of the arrangement, payments are split into lease payments and payments related to the other elements based on their relative fair values. The imputed finance costs on the liability were determined based on an interest rate of 3.25%. As at 30 June 2021, under AASB16, Property Plant and Equipment in the form of right of use assets within a carrying amount of \$71,386,466 were subject to a deed of statutory charge as a security for the lease.



Notes to the Financial Statements cont.

For the year ended 30 June 2021

7. Provisions

Maintenance Provision
Flooring provision

	2021	2020
	\$	\$
	1,338,315	1,338,315
	146,853	93,555
	1,485,168	1,431,870

8. Reserves

Reserves

	21,753,862	27,929,153
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9. Donations

Non- Cash Donations
Cash Donations

	2021	2020
	\$	\$
	-	4,882,605
	6,320	-
	6,320	4,882,605

Non-Cash Donations in the financial year ended 30 June 2020 include title transfer of 20 properties by Tas Housing under Stock Transfer program at no cost.

10. Property Management Expenses

Employee expenses
Repairs, Insurance, Council Rates and Taxes
Other property management expenses

	1,799,168	1,888,446
	2,111,999	2,391,528
	331,582	416,076
	4,242,749	4,696,050

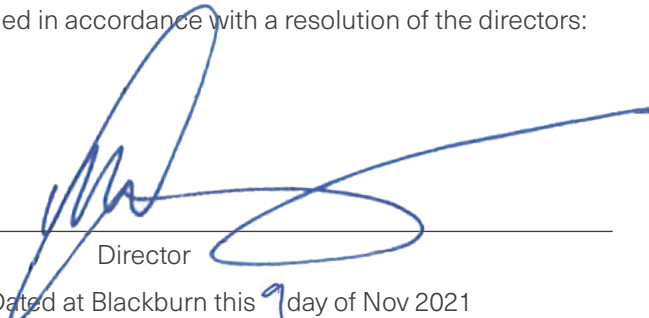
Directors' Declaration

For the year ended 30 June 2021

In the opinion of the directors of Salvation Army Housing:

- (a) the Company is not publicly accountable nor a reporting entity;
- (b) the financial statements and notes, set out on pages 25-51, are in accordance with the Australian Charities and Not-for-profits Commission Act 2012 including:
 - (i) giving a true and fair view of the financial position of the Company as at 30 June 2021 and of its performance, as represented by the results of its operations for the financial year ended on that date in accordance with the statement of compliance and basis of preparation described in Note 2; and
 - (ii) complying with Australian Accounting Standards (including the Australian Accounting Interpretations) to the extent described in Note 2, 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.

Signed in accordance with a resolution of the directors:



Director

Dated at Blackburn this 9 day of Nov 2021





Salvation Army

HOUSING

Financial Statement

2020 - 2021

**The Salvation Army
Community Housing Service**

ACN 152 257 728



Financial Statements

Directors' report

The Salvation Army Community Housing Service

ABN 47 152 257 728

For the year ended 30 June 2021

The directors present their report together with the financial report of The Salvation Army Community Housing Service ("the Company") for the year ended 30 June 2021 and the auditor's report thereon.

The Salvation Army Community Housing Service is a not-for-profit community housing provider established in July 2011. The sole member of the Company is The Salvation Army (NSW) Property Trust, which forms part of The Salvation Army Australia ("TSA").

Key regulation which affect The Salvation Army Community Housing Service is the Australian Charities and Not-for-profit Commissions Act 2012.

The Salvation Army Community Housing Service is a community housing provider which employs professional staff to assist the provision of affordable housing.

Directors

The directors in office at the date and during the financial year of this report are:

Name	Appointment Date	Resignation Date
Mark Christopher GRAY	6-Feb-19	N/A
Roslynne Elizabeth HANSEN	6-Feb-19	N/A
Jeffrey William DAVEY	4-Jul-18	N/A
Robert PRADOLIN	6-Feb-19	N/A
Jenny Irene BEGENT	2-Dec-18	N/A
Kelvin Leslie MERRETT	20-Feb-20	N/A

Company Secretary

Chris Karagiannis has continued to serve as Company Secretary.

Financial Statements cont.

Directors' report

The Salvation Army Community Housing Service

ABN 47 152 257 728

For the year ended 30 June 2021

Directors' Meetings

The Directors held seven meetings during the year. The attendance was as follows:

Director	Board	Attended
Mark Christopher GRAY	10	9
Prof. Roslynne Elizabeth HANSEN	10	10
Jeffrey William DAVEY	10	9
Robert PRADOLIN	10	10
Jenny Irene BEGENT	10	10
Kelvin Leslie MERRETT	10	10

Principal activities

The Company's principal activity is to provide accommodation and support for low-income households on a not-for-profit basis, particularly for households in financial need or who have at the time specific physical, mental or social disabilities which impede their acquisition or successful use of private or public housing.

Review of Operations

The net operating Surplus of the Company before allocation to reserves for the financial year is \$289,711 compared to 2020 surplus of \$221,452.

State of affairs

In the opinion of the directors, there were no significant changes in the state of affairs of the Company that occurred during the financial year under review not otherwise disclosed in the report or the financial statements.



Financial Statements cont.

Directors' report

The Salvation Army Community Housing Service

ABN 47 152 257 728

For the year ended 30 June 2021

Environmental regulations and performance

The company is subject to environmental regulations under the law of the Commonwealth and of a State. However, the board believes that the Company has adequate systems in place for the management of its environmental requirements and is not aware of any breach of those environmental requirements as they apply to the Company.

Events subsequent to balance date

No matters or circumstances have arisen since 30 June 2021 which have significantly affected, or will adversely affect the results of the Company in subsequent financial years.

Likely developments

In the opinion of the directors, there are no likely changes in the operations of the Company which will adversely affect the results of the Company in subsequent financial years.

Insurance of Officers

The Company has insured the directors for any potential claims arising from their work as directors of the Company. The directors have not included the details of the nature of the liabilities covered or the amount of the premium paid in respect of the directors' liability and legal expenses' insurance contracts, as such disclosure is prohibited under the terms of the contract.

Members/Winding Up

Each person who is a Member, and each person who was a Member during the year ending on the day of the commencement of the winding up of the Company, undertakes to contribute to the property of the Company for:

- payment of debt and liabilities of the Company
- payment of the costs, charges and expenses of the winding up; and
- any adjustment of the rights of the contributories among Members

If the Company is wound up, the liability of the members is limited to the nominal amount that they have guaranteed.



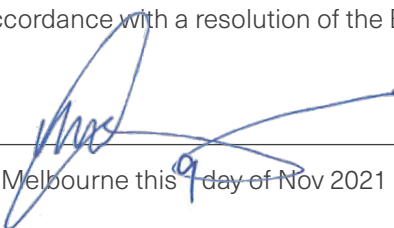
Auditor's Independence Declaration

As at 30 June 2021

Auditor's independence declaration

The auditor's independence declaration is set out on page 57 and forms part of the Directors' report for the period ended 30 June 2021.

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



Dated at Melbourne this 9 day of Nov 2021



Statement of Comprehensive Income

For the year ended 30 June 2021

		2021	2020
	<i>note</i>	\$	\$
Revenue			
Tenant income		1,879,003	1,712,333
Management Fees		15,297	15,112
Government Funding		808,843	126,880
Donations		2,500	1,224
Interest Income		4,226	-
Other income		91,091	44,000
Total revenue		2,800,960	1,899,549
Expenses			
Interest		11,403	23,139
Depreciation		4,188	16,803
Motor vehicles		12,397	29,536
Professional fees		19,300	11,641
Property maintenance		1,200,591	524,947
Employees salaries & oncosts	3	475,718	451,495
Travel		8,214	21,285
Telecommunication		20,369	20,847
Administration		103,375	77,250
Other property costs		650,810	467,341
Bad Debts		4,884	33,813
Total expenses		2,511,249	1,678,097
Surplus / (Deficit) for the year		289,711	221,452

The above statement of comprehensive income should be read in conjunction with the accompanying notes on pages 63-74.

Statement of Financial Position

As at 30 June 2021

		2021	2020
	<i>note</i>	\$	\$
Current Assets			
Cash and cash equivalents	4	5,017,935	122,306
Trade and other receivables	5	919,200	245,061
Total current assets		5,937,136	367,367
Non-current Assets			
Property, plant and equipment	6	10,957	12,626
Total non-current assets		10,957	12,626
Total assets		5,948,092	379,993

The above statement of comprehensive income should be read in conjunction with the accompanying notes on pages 63-74.



Statement of Financial Position cont.

As at 30 June 2021

		2021	2020
	<i>note</i>	\$	\$
Current Liabilities			
Trade and other payables		87,592	-
Related Party Payables		5,119,898	-
Provisions		56,866	54,474
Other liabilities	7	79,511	45,395
Lease Liabilities		6,027	706
Total current liabilities		5,349,894	100,575
Non-current Liabilities			
Lease Liabilities		7,128	11,497
Provisions		33,439	-
Total non-current liabilities		40,567	11,497
Total liabilities		5,390,461	112,072
Net assets		557,632	267,921
Equity			
Accumulated Surplus		556,023	267,498
Reserves		423	872,141
Total equity		557,632	267,921

The above statement of comprehensive income should be read in conjunction with the accompanying notes on pages 63-74.



Statement of Changes in Equity

As at 30 June 2021

Balance at 1 July 2019
Surplus / (Deficit) for the year
Allocation To / From Reserves
Balance at 1 July 2020
Surplus / (Deficit) for the year
Allocation To / From Reserves
Balance at 30 June 2021

Retained Earnings	Reserves	Total Equity
\$	\$	\$
46,469	-	46,469
221,452	-	221,452
(423)	423	-
267,498	423	267,921
289,711	-	289,711
(1,186)	1,186	-
556,023	1,609	557,632

The above statement of comprehensive income should be read in conjunction with the accompanying notes on pages 63-74.

Statement of Cash Flows

For the year ended 30 June 2021

	2021	2020
	\$	\$
Cash flows from operating activities		
Cash receipts from government and clients	2,122,595	1,768,456
Cash paid to suppliers and employees	(2,333,105)	(3,043,158)
Interest paid	(11,403)	(22,580)
Net cash from operating activities	(221,913)	(1,297,282)
Investing activities		
Interest received	4,226	13,968
Property, Plant & Equipment	(2,519)	-
Net cash (used in)/from investing activities	1,707	13,968
Cash flows from financing activities		
Intercompany Receipts	5,119,898	-
Repayment of lease liability	(4,063)	(17,784)
Net cash used in financing activities	5,115,835	(17,784)
Net increase in cash and cash equivalents	4,895,629	(1,301,098)
Cash and cash equivalents at 1 July	122,306	1,423,404
Cash and cash equivalents at 30 June	5,017,935	122,306

The above statement of comprehensive income should be read in conjunction with the accompanying notes on pages 63-74.



Notes to the Financial Statements

For the year ended 30 June 2021

1. General information and statement of compliance

The Salvation Army Community Housing Service was incorporated on 22 November 2012 and is a company limited by guarantee. The address of the Company's registered office is 261 - 265 Chalmers St, Redfern, NSW 2016.

The company is a charitable institution primarily involved in providing accommodation and support for low-income households particularly for households in financial need or who have at the time specific physical, mental or social disabilities which impede their acquisition or successful use of private or public housing.

The financial report includes the financial statements and notes of The Salvation Army Community Housing Service.

In the opinion of the Directors, the Company is not publicly accountable nor a reporting entity. The financial statements of the Company have been drawn up as special purpose financial statements for distribution to the members and for the purpose of fulfilling the requirements of the Australian Charities and Not-for-profit Commission Act 2012.

The financial statements for the year ended 30 June 2021 were approved and authorised for issue by the Directors on 2021.

2. Summary of accounting policies

(a) Overall considerations

The financial statements have been prepared using the measurement bases specified by Australian Accounting Standards for each type of asset, liability, income and expense. The measurement bases are more fully described in the accounting policies below.

The special purpose financial report includes only the disclosure requirements of the following AASBs and those disclosures considered necessary by the directors to meet the needs of members:

AASB 101 Presentation of Financial Statements

AASB 107 Cash Flow Statements

AASB 108 Accounting Policies, Changes in Accounting Estimates and Errors

AASB 1048 Interpretation and Application of Standards

AASB 1054 Australian Additional Disclosures

(b) Revenue recognition

Revenue comprises rental income, tenant contributions, management fees, Housing NSW income and interest income.

Revenue is measured by reference to the fair value of consideration received or receivable by the Company



Notes to the Financial Statements cont.

For the year ended 30 June 2021

for services provided, excluding goods and services tax (GST) payable to the Australian Taxation Office.

Revenue is recognised when the amount of revenue can be measured reliably, collection is probable, the costs incurred or to be incurred can be measured reliably, and when the criteria for each of the Company's different activities have been met. Details of the activity-specific recognition criteria are described below.

(i) Rental Income

Rental income is recognized in profit or loss on a straight – line basis over the term of the lease.

(ii) Tenant Contributions

Tenant Contributions are recognized as revenue when received for services provided.

(iii) Management Fees

Management fees are recognised as revenue when received for services provided to third parties.

(iv) Housing NSW Income

The Salvation Army Community Housing Service is supported by grants received from the NSW government. Grants received on the on the condition that specified services are delivered or conditions are fulfilled. Such grants are initially recognised as a liability and revenue is recongised as services are performed or conditions

fulfilled. Revenue from grants, where there is a lack of enforceable rights and obligations and/or sufficiently specific performance obligations, is recognized when the organization obtains control of the funds.

(v) Interest Income

Interest income is recognised on an accrual basis using the effective interest method.

(vi) Grant Income

Salvation Army Community Housing Service is supported by grants received from state and local governments. Grants received on the condition of specified services are delivered, or conditions are fulfilled. Such grants are initially recognised as a liability called prepaid government funding and revenue is recognised as services are performed or conditions fulfilled. Revenue from grants, where there is a lack of enforceable rights and obligations and/or sufficiently specific performance obligations, is recognised when the organisation obtains control of the funds.

(vii) Donations, bequests and other grants

Grants such as donations, bequests and legacies and funding agreements which are not enforceable and do not contain sufficiently specific performance obligations are recognised at their fair value when the asset is received. These assets are generally cash, but may be property which has been donated or sold to the Salvation Army Community



Notes to the Financial Statements cont.

For the year ended 30 June 2021

Housing Service at significantly below its fair value.

Once the asset has been recognised, the Salvation Army Community Housing Service recognises any related liability amounts. Income is then recognised for any difference between the recorded asset and liability.

(viii) Volunteer services

No amounts are included in the financial report for services donated by volunteers.

(c) Operating expenses

Operating expenses are recognised in profit or loss upon utilisation of the service or at the date of their origin.

(d) Income tax

No provision for income tax has been raised as the Company is exempt from income tax under Div. 50 of the Income Tax Assessment Act 1997.

(e) Financial instruments

Classification and measurement of financial assets and financial liabilities

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as measured at Fair Value through profit and loss (FVTPL):

- it is held within a business model whose objective is to hold assets to collect contractual cash flows; and

- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

All financial assets not classified as measured at amortised cost or Fair Value through other comprehensive income (FVTOCI) are measured at FVTPL. On initial recognition, the Salvation Army Community Housing Service may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or at FVTOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise. The following accounting policies apply to the subsequent measurement of financial assets held by the company:

Financial assets at amortised cost

These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.

Financial assets at FVTPL

These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognised in profit or loss.

The company does not have any debt or equity

Notes to the Financial Statements cont.

For the year ended 30 June 2021

investments at FVTOCI.

Measurement categories of financial assets

Cash and cash equivalents, trade and other receivables, and loans and receivables are now classified at amortised cost.

Modifications of financial assets and financial liabilities:

If the terms of a financial asset are modified, the Salvation Army Community Housing Service evaluates whether the cash flows of the modified asset are substantially different. If the cash flows are substantially different, the contractual rights to cash flows from the original financial asset are deemed to have expired. The original financial asset is derecognised and a new financial asset is recognised at fair value.

If the cash flows of the modified asset are not substantially different, the Salvation Army Community Housing Service recalculates the gross carrying amount of the financial asset and recognises the derecognition as a modification gain or loss in profit or loss. If such a modification is carried out because of financial difficulties of the borrower, the gain or loss is presented together with impairment losses.

Financial liabilities

The Salvation Army Community Housing Service

classifies non-derivative financial liabilities into the other financial liabilities category. These include Trade and other payables.

The Salvation Army Community Housing Service derecognises a financial liability when its contractual obligations are discharged or cancelled, or expire. The Salvation Army Community Housing Service also derecognises a financial liability when its terms are modified and the cash flows of the modified liability are modified and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognised at fair value.

On derecognition of a financial liability, the difference between the carrying amount extinguished and the consideration paid

(including any non-cash assets transferred or liabilities assumed) is recognised in profit or loss.

Financial liabilities are initially recognised when the Salvation Army Community Housing Service becomes party to the contractual provisions of the instrument. A financial liability is initially measured at fair value plus transaction costs that are directly attributable to its issue.

[\(f\) Plant & equipment](#)

Plant & equipment are initially recognised at acquisition cost, including any costs directly attributable to bringing



Notes to the Financial Statements cont.

For the year ended 30 June 2021

the assets to the location and condition necessary for it to be capable of operating in the manner intended by the Company's management.

Plant and equipment are subsequently measured using the cost model, cost less subsequent depreciation and impairment losses.

Depreciation is recognised on a straight-line basis to write down the cost less estimated residual value of plant and equipment. The following useful lives are applied:

- Buildings: 25 years

Material residual value estimates and estimates of useful lives are updated as required, but at least annually.

Gains or losses arising on the disposal of plant and equipment are determined as the difference between the disposal proceeds and the carrying amount of the assets and are recognised in the statement of comprehensive income within other income or other expenses

(g) Employee benefits

Short term employee benefits such as annual leave that are expected to be wholly settled within 12 months of the reporting date, are recognised as current liabilities in respect of employees' services up to the reporting date and measured on an undiscounted basis and expensed as the related service is provided.

The Salvation Army Community Housing Service

provides post-employment benefits through defined contribution plans.

(h) Deferred income

The Salvation Army Community Housing Service recognises revenue upon delivery of services to tenants. Payments received in advance from tenants for services occurring in future periods are recorded as deferred income and are recognised as revenue when the services have been provided.

(i) Goods and services tax

Revenues, expenses and assets are recognised net of the amounts of goods and services tax (GST), except where the amount of GST incurred is not recoverable from the Australian Tax Office. In these circumstances, the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense.

Cash Flows are included in the statement of cash flows on a gross basis.

(j) Resident bonds

The Salvation Army Community Housing Service collects bonds from tenants on an instalment basis which are to be paid to the Bond Authority in the relevant state. The bonds are recognised as a liability until such time as the bond has been received in full and forwarded to the relevant Bond Authority or the tenant vacates the



Notes to the Financial Statements cont.

For the year ended 30 June 2021

premises and the bond is returned to the tenant less any outstanding rent or expenses.

(k) Volunteer workers

No monetary value has been attributed to the valuable services provided by the many volunteer workers.

(l) Significant management judgement in applying accounting policies

When preparing the financial statements, management undertakes a number of judgements, estimates and assumptions about the recognition and measurement of assets, liabilities, income and expenses.

Estimation uncertainty

Information about estimates and assumptions that have the most significant effect on recognition and measurement of assets, liabilities, income and expenses is provided below. Actual results may differ from these estimates.

Useful lives of depreciable assets

Management reviews its estimate of the useful lives of depreciable assets at each reporting date, based on the expected utility of the assets. Uncertainties in these estimates relate to technical obsolescence that may change the utility of certain IT equipment.

Long service leave

The liability for long service leave is recognised and

measured at the present value of the estimated cash flows to be made in respect of all employees at the reporting date. In determining the present value of the liability, estimates of attrition rates and pay increases through promotion and inflation have been taken into account.

(m) Leases

(i) Determining whether an arrangement contains a lease

At inception of a contract, Salvation Army Community Housing Service assess whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, Salvation Army Community Housing Service use the definition of a lease in AASB 16 Leases along with the application guidance provided in the Standard.

AASB 16 provides the option to elect, on an asset class-by-asset class basis, not to separate payments in respect to non-lease components (such as outgoings) from lease component payments and measure the associated right-of-use asset and lease liability based on all of the payments under the agreement. Salvation Army Community Housing Service has not applied this practical expedient and therefore has excluded any material non-lease component payments from the

Notes to the Financial Statements cont.

For the year ended 30 June 2021

measurement of its right-of-use assets and lease liabilities.

(ii) Recognition

Lease Terms

Property leases that are not peppercorn arrangements typically have a maximum term of up to 10 years from commencement, including the first renewal option. Property leases normally include provisions for annual increases in rental payments to reflect changes in fixed percentage increases and/or changes in the consumer price index (CPI).

Motor vehicle, and software and hardware leases are typically for a maximum period of 5 years and are expected to run their full terms.

Right-of-Use Assets

A right-of-use asset is recognised at the commencement date of a lease, which is the date on which the lessor makes the leased asset available to the Combined Funds. The right-of-use asset is measured at cost, which comprises the initial present value amount of the lease liability, adjusted for, as applicable, any lease payments made at or before the commencement date net of any lease incentives received, any initial direct costs incurred, and an estimate of costs expected to be incurred for dismantling and removing the underlying asset, and restoring the site or asset.

Where Salvation Army Community Housing Service do not expect to obtain ownership of the leased asset at the end of the lease term, right-of-use assets are depreciated on a straight-line basis over the unexpired period of the lease or the estimated useful life of the asset, whichever is shorter. Where Salvation Army Community Housing Service expects to obtain ownership of the leased asset at the end of the lease term, the depreciation is recognised over its estimated useful life.

Right-of-use assets are subject to impairment. In addition, the right-of-use asset is periodically adjusted for any reassessments.

Lease liabilities

A lease liability is recognised as the commencement date of a lease. The lease liability is initially recognised at the present value of the lease payments that are not paid at the commencement date and are to be made over the term of the lease, discounted using the interest rate implicit in the lease or, if that rate cannot readily be determined, Salvation Army Community Housing Service's incremental borrowing rate. Lease payments comprise of fixed payments (including any in-substance fixed payments), plus any variable lease payments that depend on an index or rate (initially measured using the index or rate as at the commencement date), less any lease incentives received, plus any amounts expected to be paid under residual value guarantees, plus the



Notes to the Financial Statements cont.

For the year ended 30 June 2021

exercise price of a purchase option when the exercise of the option is reasonably certain to occur, plus and any anticipated termination penalties.

Salvation Army Community Housing Service have determined their incremental borrowing rates based on rates it would otherwise currently pay in respect to debt facilities for similar assets, adjusted to reflect the terms of the particular lease and the nature of the underlying leased asset.

Lease liabilities are measured at amortised cost using the effective interest method. The carrying amounts are remeasured if there is a change in one or more of the following: future lease payments arising from a change in an index or a rate used; residual guarantee; lease term; certainty of a purchase option and termination penalties. When a lease liability is remeasured, and adjustment is made to the corresponding right-of-use asset, and/or to income or expenditure if the carrying amount of the right-of-use asset is fully written down.

Variable lease payments are only included in the measurement of the lease liability if they depend on an index or rate. In such cases, the initial measurement of the lease liability assumes the variable element will remain unchanged throughout the lease term. Other variable lease payments are expensed in the period to which they relate.

Extension and termination options are a feature of most of the property leases agreements that Salvation Army

Community Housing Service are a lessee party to. All extension and termination options held are exercisable only by Salvation Army Community Housing Service and not by the respective lessor. In determining the lease term, management considers all facts and circumstances that create an economic incentive to exercise an extension and termination option. Extension options are only included in the lease term if the lease is reasonably certain to be extended. In most cases lease extension options are not included in the calculation of lease liabilities. The assessment is reviewed if a significant event or a significant change in circumstances occurs which affects this assessment and that is within the control of Salvation Army Community Housing Service as lessee.

When Salvation Army Community Housing Service renegotiates the contractual terms of a lease with the lessor, the accounting depends on the nature of the modification:

- If the renegotiation results in one or more additional assets being leased for an amount commensurate with the standalone price for the additional rights-of-use obtained, the modification is accounted for as a separate lease in accordance with the above policy
- Did not recognise right-of-use assets and liabilities for leases for which the lease term ends within 12 months of the date of initial application;



Notes to the Financial Statements cont.

For the year ended 30 June 2021

- Did not recognise right-of-use assets and liabilities for leases of low value assets (e.g. IT equipment); and
- Excluded initial direct costs from the measurement of the right-of-use asset at the date of initial application.

(iii) Lease exemptions and exceptions

Salvation Army Community Housing Service apply the practical expedient available under AASB 16 to exclude short-term and low value leases from recognition as right-of-use assets and lease liabilities in their financial statements. Short-term leases are those which have a lease term of 12 months or less and do not provide Salvation Army Community Housing Service with an option to purchase the leased asset. Low value leases are those whereby the underlying asset is valued less than or equal to \$10,000 on an 'as new' basis as at the lease commencement date. Low value assets typically include computer equipment, items of office furniture and mobile phones.

AASB 16 provides the option to elect, on an asset class-by-asset class basis, not to separate payments in respect to non-lease components (such as outgoings) from lease component payments and measure the associated right-of-use asset and lease liability based on all of the payments under the agreement. Salvation Army Community Housing Service has not applied this practical expedient and therefore has excluded any material non-

lease component payments from the measurement of its right-of-use assets and lease liabilities.

Salvation Army Community Housing Service have elected to apply incremental borrowing rates by class of asset. Classes include property, vehicles and software and hardware.

Peppercorn leases principally enable Salvation Army Community Housing Service to further its objectives where a 'peppercorn' amount is paid as consideration to a lessor. The AASB issued AASB 2018-8 Amendments to Australian Accounting Standards – Right-of-Use Assets of Not-for-Profit-Entities, which allows not-for-profit-entities to elect to measure 'peppercorn' or concessionary leases at cost rather than fair value. Peppercorn leases are incorporated within the 'Property' class of right-of-use lease assets.

(n) New standards and interpretations not yet adopted

A number of new standards are effective for annual periods beginning after 1 July 2021 and earlier application is permitted; however, the Company has not adopted the new or amended standards in preparing these financial statements.

The new standards are not expected to have an impact on the Company's financial statements. Salvation Army Community Housing Service remains a non-reporting Not-for-Profit entity preparing Special Purpose Financial Statements.



Notes to the Financial Statements cont.

For the year ended 30 June 2021

3. Employee benefits

	2021	2020
	\$	\$
Salaries and wages	421,328	379,969
Superannuation - defined contribution plans	34,202	33,348
Other employment costs	20,189	38,178
Balance at 30 June	475,718	451,495

4. Cash & cash equivalents

Cash at bank	5,230,521	3,085,844
Notional cash balance held at The Salvation Army	(212,586)	(2,963,538)
	5,017,935	122,306

Notional Cash is a floating balance held with The Salvation Army which is an integral part of Cash funding and therefore nets with cash balances

5. Trade and other receivables

Trade receivables	92,898	104,546
Less : Provision for Doubtful Debts	(55,150)	(59,265)
Net Trade Receivables	37,748	45,281
Other receivables	881,453	199,780
	919,200	245,061



Notes to the Financial Statements cont.

For the year ended 30 June 2021

6. Property, Plant & equipment

Gross carrying amount	
Balance at beginning of the year	
Additions	
Disposals and Terminations	
Reassessments and Modifications	
Balance at 30 June	

Depreciation and impairment

Balance at 1 July	
Depreciation	
Disposals and Terminations	
Reassessments and Modifications	
Balance at 30 June	

Carrying amount 30 June

	2021	2020
	\$	\$
	39,533	10,104
	14,876	-
	(5,105)	-
	(34,428)	29,429
Balance at 30 June	14,876	39,533
	(26,907)	(10,104)
	(4,188)	(16,803)
	5,105	-
	22,071	-
Balance at 30 June	(3,919)	(26,907)
	10,957	12,626

Notes to the Financial Statements cont.

For the year ended 30 June 2021

7. Other liabilities

Accrued Expenses
Unclaimed Monies
Deposit Held

	2021	2020
	\$	\$
Accrued Expenses	12,374	38,114
Unclaimed Monies	6,470	7,231
Deposit Held	60,668	50
	79,511	45,395

8. Contingent Liabilities

There are no contingent liabilities that have been incurred by The Company in relation to 2021 or 2020.

9. Commitments

The Company does not have any material capital or other expenditure commitments at the reporting date which had been contracted for at that date but not recognised as liabilities.

10. Events subsequent to balance date

There has not arisen in the interval between the end of the financial year and the date of this financial 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 the operations or the state of the company in future financial years.

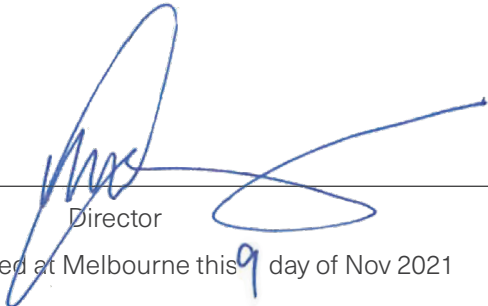
Directors' Declaration

For the year ended 30 June 2021

In the opinion of the directors of The Salvation Army Community Housing Service:

- (a) the Company is not publicly accountable nor a reporting entity;
- (b) the financial statements and notes, set out on pages 63 to 74 are in accordance with the Australian Charities and Not-for-profits Commission Act 2012 including:
 - (i) giving a true and fair view of the financial position of the Company as at 30 June 2021 and of its performance, as represented by the results of its operations for the financial year ended on that date in accordance with the statement of compliance and basis of preparation described in Note 2; and
 - (ii) complying with Australian Accounting Standards (including the Australian Accounting Interpretations) to the extent described in Note 2, 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:



Director
Dated at Melbourne this 9 day of Nov 2021





Salvation Army

HOUSING

Financial Statement

2020 - 2021

Salvation Army Housing (Victoria)

ACN 113 724 651



Financial Statements

Directors' report

Salvation Army Housing (Victoria)

ACN 133 724 651

For the year ended 30 June 2021

The directors present their report together with the financial report of Salvation Army Housing (Victoria) ("the Company") for the financial period ended 30 June 2021 and the auditor's report thereon.

1. Directors

The directors of the Company at any time during or since the end of the financial period are:

Name	Appointment Date	Resignation Date
Mark Christopher GRAY	21-Sep-15	N/A
Roslynne Elizabeth HANSEN	25-Nov-15	N/A
Jeffrey William DAVEY	28-Jun-18	N/A
Robert PRADOLIN	23-Aug-18	N/A
Jenny Irene BEGENT	7-Dec-18	N/A
Kelvin Leslie MERRETT	6-Feb-20	N/A

2. Company Secretary

Christos Karagiannis continues to serve as Company Secretary.

Financial Statements cont.

Directors' report

Salvation Army Housing (Victoria)

ACN 133 724 651

For the year ended 30 June 2021

3. Directors' Meetings

The Directors held 10 meetings during the year. The attendance was as follows:

Director	Board	Attended
Mark Christopher GRAY	10	9
Prof. Roslynne Elizabeth HANSEN	10	10
Jeffrey William DAVEY	10	9
Robert PRADOLIN	10	10
Jenny Irene BEGENT	10	10
Kelvin Leslie MERRETT	10	10

4. Principal activities

The company was incorporated on 15 October 2008 in order to become a registered housing provider under Part VIII of the Housing Act (Vic) 1983. The company was registered as a housing provider on 29 September 2009 and commenced operations on 1 October 2009, with the transfer of service agreements previously held by The Salvation Army (Victoria) Property Trust.

The company's principal activity is to provide accommodation and support for low-income households on a not-for-profit basis, particularly for households in financial need or who have at the time specific physical, mental or social disabilities which impede their acquisition or successful use of private or public housing.¹ Though SAHV manages property, SAHV also has own properties for rent, all in all to provide social housing.



Financial Statements cont.

Directors' report

Salvation Army Housing (Victoria)

ACN 133 724 651

For the year ended 30 June 2021

5. Operating and financial review

A summary of revenues and expenses is set out below:

	2021	2020 (Restated*)
	\$	\$
Total Revenue	14,042,167	10,737,543
Total Expenses	(7,580,275)	(6,872,546)
Net Finance Income	36,085	55,174
Net surplus for the year ended 30 June	6,497,977	3,920,171

*The comparative information is restated on account of change in accounting policy as disclosed in Note 2(e).

The net surplus for the 2021 financial year is \$6,497,977 compared to the 2020 surplus of \$3,920,171. 2021 includes a large Capital Grant for the construction project in Grovedale.

In the opinion of the directors the Company is able to plan and manage its operational expenditures within the funds currently committed and accordingly the Company continues to operate as a going concern.

6. 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.

7. Developments

The company has secured State funding of developments in Hance St, Yarraville (10 units) and Munro St, Ascotvale (3 Units).



Financial Statements cont.

Directors' report

Salvation Army Housing (Victoria)

ACN 133 724 651

For the year ended 30 June 2021

8. Indemnification and insurance of officers

Indemnification

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.

Insurance premiums

The officers are covered by insurance taken out by The Salvation Army Australia Territory under Section 199 of the Corporations Act 2001 (Cth).

9. Proceedings on behalf of the Company

Nil.

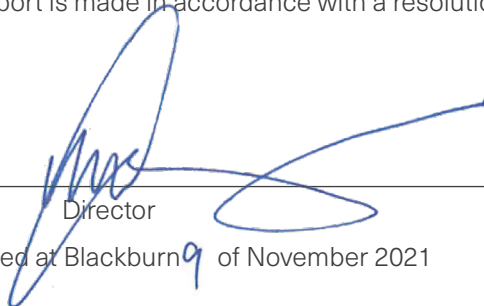
10. Environmental Regulations

The company is subject to environmental regulations under the law of the Commonwealth and of a State. However, the board believes that the Company has adequate systems in place for the management of its environmental requirements and is not aware of any breach of those environmental requirements as they apply to the Company.

11. Lead auditor's independence declaration

The Lead auditor's independence declaration is set out on page 57 and forms part of the directors' report for the financial year ended 30 June 2021.

This report is made in accordance with a resolution of the directors:



Director

Dated at Blackburn 9 of November 2021



Statement of Profit or Loss and Other Comprehensive Income

For the year ended 30 June 2021

		2021	2020 (Restated*)
	<i>note</i>	\$	\$
Government funding		6,146,801	5,542,308
Government Capital Grant		4,548,548	2,857,886
Other income	4	3,346,818	2,337,349
Property management expenses	6	(6,333,396)	(6,015,588)
Administrative expenses		(1,084,959)	(613,105)
Depreciation		(161,920)	(243,853)
Results from operating activities		6,461,892	3,864,997
Finance income		46,716	119,906
Finance costs		(10,631)	(64,732)
Net finance income		36,085	55,174
Profit before income tax		6,497,977	3,920,171
Income tax expense		-	-
Profit for the period		6,497,977	3,920,171

The notes on pages 86 to 103 are an integral part of these financial statements.

*The comparative information is restated on account of change in accounting policy as disclosed in Note 2(e).

Statement of Financial Position

As at 30 June 2021

		<i>note</i>		
		2021	2020 (Restated*)	2019 (Restated*)
		\$	\$	\$
Assets				
Cash and cash equivalents	5	10,609,786	5,779,284	6,241,105
Trade and other receivables		241,498	207,934	142,917
Total current assets		10,851,284	5,987,218	6,384,022
Property, plant and equipment	7	16,700,273	15,138,264	10,248,573
Total non-current assets		16,700,273	15,138,264	10,248,573
Total assets		27,551,557	21,125,482	16,632,595
Liabilities				
Trade and other payables		1,246,472	1,195,570	766,316
Employee benefits		305,774	339,574	295,990
Loans and borrowings	8	570,997	644,264	550,000
Total current liabilities		2,123,243	2,179,408	1,612,306
Long term employee benefits		5,410	15,900	26,157
Loans and borrowings	8	3,382,622	3,387,869	3,372,000
Total non-current liabilities		3,388,032	3,403,769	3,398,157
Total liabilities		5,511,275	5,583,177	5,010,463
Net assets		22,040,282	15,542,305	11,622,133



Statement of Financial Position cont.

As at 30 June 2021

Equity

Retained earnings

Reserves

Total equity

	2021	2020 (Restated*)	2019 (Restated*)
	\$	\$	\$
Retained earnings	8,751,803	6,338,009	4,712,602
Reserves	13,288,479	9,204,296	6,909,531
Total equity	22,040,282	15,542,305	11,622,133

The notes on pages 86 to 103 are an integral part of these financial statements.

*The comparative information is restated on account of change in accounting policy as disclosed in Note 2(e).

Statement of Changes in Equity

For the year ended 30 June 2021

	Retained earnings	Reserves	Total Equity
	\$	\$	\$
Balance at beginning of year 1 July 2019*	4,712,602	6,909,531	11,622,134
Profit for the year*	3,920,171	-	3,920,171
Other comprehensive income for the year*	-	-	-
Total comprehensive income for the year*	3,920,171	-	3,920,171
Reserves acquired/(released)*	(2,294,765)	-	(2,294,765)
Allocation to/(from) capital funds*	-	2,294,765	2,294,765
Balance at beginning of year 1 July 2020*	6,338,009	9,204,296	15,542,305
Profit for the year	6,497,977	-	6,497,977
Other comprehensive income for the year	-	-	-
Total comprehensive income for the year	6,497,977	-	6,497,977
Reserves acquired/(released)	(4,084,183)	-	(4,084,183)
Allocation to/(from) capital funds	-	4,084,183	4,084,183
Balance at end of year 30 June	8,751,803	13,288,479	22,040,282

The notes on pages 86 to 103 are an integral part of these financial statements.

*The comparative information is restated on account of change in accounting policy as disclosed in Note 2(e).



Statement of Cash Flows

For the year ended 30 June 2021

	2021	2020
<i>note</i>	\$	\$
Cash flows from operating activities		
Cash receipts from government and clients	14,008,604	13,782,299
Cash paid to suppliers and employees	(7,411,745)	(8,762,865)
Cash from operations	6,596,860	5,019,434
Interest paid	(10,631)	(55,670)
Net cash from operating activities	6,586,228	4,963,764
Cash flows from investing activities		
Interest received	46,716	119,906
Purchase of Property Plant and Equipment	(1,723,929)	(5,422,268)
Net cash (used in)/from investing activities	(1,677,213)	(5,302,362)
Cash flows from financing activities		
Repayment of lease liability	(78,514)	(123,223)
Net cash used in financing activities	(78,514)	(123,223)
Net increase in cash and cash equivalents	4,830,502	(461,821)
Cash and cash equivalents at 1 July	5,779,284	6,241,105
Cash and cash equivalents at 30 June	10,609,786	5,779,284

The notes on pages 86 to 103 are an integral part of these financial statements.

Notes to the Financial Statements

For the year ended 30 June 2021

1. Reporting entity

Salvation Army Housing (Victoria) is a company limited by guarantee domiciled in Australia. The address of the Company's registered office is 95 – 99 Railway Road, Blackburn, Victoria 3130. The Company's principal activity is to provide accommodation and support for low-income households on a not-for-profit basis, particularly for households in financial need or who have at the time specific physical, mental or social disabilities which impede their acquisition or successful use of private or public housing.

2. Basis of preparation

(a) Statement of compliance

The special purpose financial report includes only the disclosure requirements of the following AASBs and those disclosures considered necessary by the directors to meet the needs of members:

AASB 101 Presentation of Financial Statements

AASB 107 Cash Flow Statements

AASB 108 Accounting Policies, Changes in Accounting Estimates and Errors

AASB 1048 Interpretation of Standards

AASB 1054 Australian Additional Disclosures

The financial statements were approved by the Board of

Directors on 9 day of November 2021.

The special purpose financial report of Salvation Army Housing (Victoria) has been prepared in accordance with the requirements of the Australian Charities and Not-for-profit Commission Act 2012 and the recognition, measurement and classification aspects of all applicable Australian Accounting Standards (AASBs) (including Australian Interpretations) adopted by the Australian Accounting Standards Board (AASB).

(b) Basis of measurement

The financial statements have been prepared on the historical cost basis.

(c) Functional and presentation currency

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

(d) Use of Estimates and Judgements

The preparation of financial information requires management to make 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 on-going basis. Revisions to accounting estimates are recognised prospectively.



Notes to the Financial Statements cont.

For the year ended 30 June 2021

Information about critical judgements in applying accounting policies that have the most significant effect on the amounts recognised in the financial statements is included in the following note:

- Note 3m - Leases: Whether an arrangement contains a lease.

[\(e\) Changes in Significant Accounting Policies](#)

Owned and leased community housing properties

Salvation Army Housing (Victoria) has made a voluntary change to the accounting policy relating to Community Housing properties. The new accounting policy was adopted for the year ended 30 June 2021 with effect from 1 July 2020 and has been applied retrospectively.

Previously, Community Housing properties were treated as investment properties and were carried at fair value, however having reconsidered the purpose for which the properties were acquired and the current and anticipated use, Salvation Army Housing (Victoria) considers the more appropriate accounting policy is to measure these properties at historical cost less accumulated depreciation.

Salvation Army Housing (Victoria) is of the view that the change in policy will result in the financial report providing more relevant and no less reliable information because Community Housing properties at cost less accumulated depreciation is aligned with the remaining

classes of land and buildings held by Salvation Army Housing (Victoria), and the properties are not acquired for the primary purpose of generating capital growth or investment returns and therefore changes in fair value are considered to be of less relevance to users of the financial statements.

Properties where Salvation Army Housing owns or holds title, are recognised at cost, under Property, Plant and Equipment AASB116. Building component of the cost base is depreciated at a rate of 2% a year.

Impact on financial statements

The following tables summarise the impacts on the entity's financial statements



Statement of Profit or Loss and Other Comprehensive Income

For the year ended 30 June 2020

	As Previously Reported	Adjustments	2020 Restated
	\$	\$	\$
Government funding	5,542,308	-	5,542,308
Revaluation of property	159,574	(159,574)	-
Government Capital Grant	2,857,886	-	2,857,886
Other income	2,337,349	-	2,337,349
Property management expenses	(5,502,570)	(513,018)	(6,015,588)
Administrative expenses	(613,105)	-	(613,105)
Depreciation	(113,644)	(130,209)	(243,853)
Results from operating activities	4,667,798	(802,801)	3,864,997
Finance income	119,906	-	19,906
Finance costs	(64,732)	-	(64,732)
Net finance income	55,174	-	55,174
Profit before income tax	4,722,972	(802,801)	3,920,171
Income tax expense	-	-	-
Profit for the period	4,722,972	(802,801)	3,920,171
Other comprehensive income			
Total comprehensive income for the year	4,722,972	(802,801)	3,920,171

The notes on pages 86 to 103 are an integral part of these financial statements.

*The comparative information is restated on account of change in accounting policy as disclosed in Note 2(e).

Statement of Financial Position

For the year ended 30 June 2020

	As Previously Reported	Adjustments	2020 Restated
	\$	\$	\$
Assets			
Cash and cash equivalents	5,779,284	-	5,779,284
Trade and other receivables	207,936	(2)	207,934
Total current assets	5,987,220	(2)	5,987,218
Investment property	21,642,575	(21,642,575)	-
Property, plant and equipment	5,766,484	9,371,780	15,138,264
Total non-current assets	27,409,059	(12,270,795)	15,138,264
Total assets	33,396,279	(12,270,797)	21,125,482
Liabilities			
Trade and other payables	1,195,570	-	1,195,570
Employee benefits	339,574	-	339,574
Loans and borrowings	644,264	-	644,264
Total current liabilities	2,179,408	-	2,179,408
Long term employee benefits	15,900	-	15,900
Loans and borrowings	3,387,869	-	3,387,869
Total non-current liabilities	3,403,769	-	3,403,769
Total liabilities	5,583,177	-	5,583,177
Net assets	27,813,102	(12,270,797)	15,542,305



Statement of Financial Position cont.

For the year ended 30 June 2020

Equity

Retained earnings

Reserves

Total equity

	As Previously Reported	Adjustments	2020 Restated
	\$	\$	\$
Retained earnings	6,667,210	(329,201)	6,338,009
Reserves	21,145,892	(11,941,596)	9,204,296
Total equity	27,813,102	(12,270,797)	15,542,305

Statement of Financial Position

For the year ended 30 June 2019

	As Previously Reported	Adjustments	2019 Restated
	\$	\$	\$
Assets			
Cash and cash equivalents	6,241,105	-	6,241,105
Trade and other receivables	142,920	(3)	142,917
Total current assets	6,384,025	(3)	6,384,022
Investment property	21,483,001	(21,483,001)	-
Property, plant and equipment	233,567	10,015,006	10,248,573
Total non-current assets	21,716,568	(11,467,995)	10,248,573
Total assets	28,100,593	(11,467,998)	16,632,595
Liabilities			
Trade and other payables	766,316	-	766,316
Employee benefits	295,990	-	295,990
Loans and borrowings	550,000	-	550,000
Total current liabilities	1,612,306	-	1,612,306
Long term employee benefits	26,157	-	26,157
Loans and borrowings	3,372,000	-	3,372,000
Total non-current liabilities	3,398,157	-	3,398,157
Total liabilities	5,010,463	-	5,010,463
Net assets	23,090,130	(11,467,998)	11,622,133



Statement of Financial Position cont.

For the year ended 30 June 2019

Equity

Retained earnings

Reserves

Total equity

	As Previously Reported	Adjustments	2019 Restated
	\$	\$	\$
Retained earnings	4,911,595	(198,993)	4,712,602
Reserves	18,178,535	(11,269,004)	6,909,531
Total equity	23,090,130	(11,467,997)	11,622,133

Notes to the Financial Statements cont.

For the year ended 30 June 2021

3. Significant accounting policies

(a) Income Tax Expense

Salvation Army Housing (Victoria) is appropriately endorsed by the Australia Tax Office and is therefore income tax exempt.

(b) Revenue

(i) Rental Income

Revenue is recognised over time based on number of days property was leased.

(ii) Grant Income

Salvation Army Housing (Victoria) is supported by grants received from state and local governments. Grants received on the condition of specified services are delivered, or conditions are fulfilled are initially recognised as a liability called prepaid government funding and revenue is recognised as services are performed or conditions fulfilled. Revenue from grants, where there is a lack of enforceable rights and obligations and/or sufficiently specific performance obligations, is recognised when the organisation obtains control of the funds.

(c) Cash and cash equivalents

For cash flow statement presentation purposes, cash and cash equivalents represents cash held with reputable

banking institutions and notional cash balances that includes any overdraft where the overdrafts are key part of normal cash management held at The Salvation Army Social Fund ('THQ') related to cash at bank.

(d) Receivables

Receivables are recognised initially at fair value and subsequently measured at amortised cost, less provision for doubtful debts. The majority of receivables are due for settlement in no more than 30 days.

Collectability of debtors is reviewed on an ongoing basis. A provision for doubtful receivables is established when there is objective evidence that the Company will not be able to collect all amounts due according to the original terms of receivables. The amount of the provision is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate. The amount of the provision is recognised in the Statement of Profit or Loss and Other Comprehensive Income when they have been determined to be uncollectable. Cash flows relating to short-term receivables are not discounted if the effect of discounting is immaterial.

(e) Trade Payables

These amounts represent liabilities for goods and services provided prior to the end of the financial year and which are unpaid. The amounts are unsecured and



Notes to the Financial Statements cont.

For the year ended 30 June 2021

are usually paid under normal business terms.

[\(f\) Employee Benefits](#)

(i) Wages and salaries and annual leave

Wages and salaries, including non-monetary benefits and annual leave expected to be settled within 12 months of the reporting date, are recognised as liabilities in respect of employees' services up to the reporting date and measured at the amounts expected to be paid when the liabilities are settled. The accrued wages are included in accruals and the annual leave is included in provisions.

(ii) Long service leave

A liability for long service leave is recognised and is measured as the present value of expected future payments to be made in respect of services provided by employees up to the balance date. In assessing expected future payments, consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using interest rates on corporate bond rates with terms to maturity that match, as closely as possible, the estimated future cash outflows.

[\(g\) Goods and services tax](#)

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST

incurred is not recoverable from the Australian Tax Office. In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense. Receivables and payables in the balance sheet are shown inclusive of GST.

[\(h\) Impairment](#)

The carrying amounts of assets and investments are reviewed at each balance sheet date to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated.

[\(j\) Finance income and finance costs](#)

Finance income comprises interest income on funds invested. Interest income is recognised as it accrues in profit or loss, using the effective interest method.

Finance costs comprise interest expense on borrowings recognised in the Statement of Profit or Loss and Other Comprehensive income using the effective interest method.

[\(k\) Service Concession Arrangements](#)

AASB Interpretation 12 Service Concession Arrangements applies to arrangements where government transfers public infrastructure to non-government organisations subject to the following conditions:



Notes to the Financial Statements cont.

For the year ended 30 June 2021

a) the government controls and regulates what services the non-government organisation must provide with the infrastructure, to whom it must provide them, and at what price; and

b) the government retains residual ownership of the infrastructure.

The above conditions are deemed to have been satisfied through the requirements of the contracts currently in place which prescribe how the community houses are to be used, the eligible tenants that are entitled to tenant them, and what rents can be charged. The arrangements also require Community Housing Organisations to return long term vacant property to government under the Funding Agreement.

Infrastructure within the scope of the Interpretation should not be recognised as property, plant and equipment of the operator, irrespective of the extent to which the operator bears the risks and rewards incidental to ownership and regardless of which party has legal title to it during the term of the arrangement, since the asset is "controlled" by the government.

(l) Capital Management

The Company's policy is to maintain a strong capital base so as to maintain member and creditor confidence and to sustain future development of the organisation. The board of directors seeks to preserve sufficient

capital, consisting of retained surpluses and reserves, to enable the Company to continue to its various programs. The Company has no externally imposed capital requirements.

(m) Leases

(i) Determining whether an arrangement contains a lease

At inception of a contract, Salvation Army Housing (Victoria) assess whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, Salvation Army Housing (Victoria) use the definition of a lease in AASB 16 Leases along with the application guidance provided in the Standard.

(ii) Recognition

Lease Terms

Property leases that are not peppercorn arrangements typically have a maximum term of up to 10 years from commencement, including the first renewal option. Property leases normally include provisions for annual increases in rental payments to reflect changes in fixed percentage increases and/or changes in the consumer price index (CPI).



Notes to the Financial Statements cont.

For the year ended 30 June 2021

Motor vehicle, and software and hardware leases are typically for a maximum period of 5 years and are expected to run their full terms.

Right-of-Use Assets

A right-of-use asset is recognised at the commencement date of a lease, which is the date on which the lessor makes the leased asset available to the Combined Funds. The right-of-use asset is measured at cost, which comprises the initial present value amount of the lease liability, adjusted for, as applicable, any lease payments made at or before the commencement date net of any lease incentives received, any initial direct costs incurred, and an estimate of costs expected to be incurred for dismantling and removing the underlying asset, and restoring the site or asset.

Where Salvation Army Housing (Victoria) do not expect to obtain ownership of the leased asset at the end of the lease term, right-of-use assets are depreciated on a straight-line basis over the unexpired period of the lease or the estimated useful life of the asset, whichever is shorter. Where Salvation Army Housing (Victoria) expects to obtain ownership of the leased asset at the end of the lease term, the depreciation is recognised over its estimated useful life.

Right-of-use assets are subject to impairment. In addition, the right-of-use asset is periodically adjusted for any reassessments and modifications of the lease liability.

Lease liabilities

A lease liability is recognised as the commencement date of a lease. The lease liability is initially recognised at the present value of the lease payments that are not paid at the commencement date and are to be made over the term of the lease, discounted using the interest rate implicit in the lease or, if that rate cannot readily be determined, Salvation Army Housing (Victoria)'s incremental borrowing rate. Lease payments comprise of fixed payments (including any in-substance fixed payments), plus any variable lease payments that depend on an index or rate (initially measured using the index or rate as at the commencement date), less any lease incentives received, plus any amounts expected to be paid under residual value guarantees, plus the exercise price of a purchase option when the exercise of the option is reasonably certain to occur, plus and any anticipated termination penalties.

Salvation Army Housing (Victoria) have determined their incremental borrowing rates based on rates it would otherwise currently pay in respect to debt facilities for similar assets, adjusted to reflect the terms of the particular lease and the nature of the underlying leased asset.

Lease liabilities are measured at amortised cost using the effective interest method. The carrying amounts are remeasured if there is a change in one or more of the



Notes to the Financial Statements cont.

For the year ended 30 June 2021

following: future lease payments arising from a change in an index or a rate used; residual guarantee; lease term; certainty of a purchase option and termination penalties. When a lease liability is remeasured, and adjustment is made to the corresponding right-of-use asset, and/or to income or expenditure if the carrying amount of the right-of-use asset is fully written down.

Variable lease payments are only included in the measurement of the lease liability if they depend on an index or rate. In such cases, the initial measurement of the lease liability assumes the variable element will remain unchanged throughout the lease term. Other variable lease payments are expensed in the period to which they relate.

Extension and termination options are a feature of most of the property leases agreements that Salvation Army Housing (Victoria) are a lessee party to. All extension and termination options held are exercisable only by Salvation Army Housing (Victoria) and not by the respective lessor. In determining the lease term, management considers all facts and circumstances that create an economic incentive to exercise an extension and termination option. Extension options are only included in the lease term if the lease is reasonably certain to be extended. In most cases lease extension options are not included in the calculation of lease liabilities. The assessment is reviewed if a significant event or a significant change in circumstances occurs which affects this assessment

and that is within the control of Salvation Army Housing (Victoria) as lessee.

When Salvation Army Housing (Victoria) renegotiates the contractual terms of a lease with the lessor, the accounting depends on the nature of the modification:

- if the renegotiation results in one or more additional assets being leased for an amount commensurate with the standalone price for the additional rights-of-use obtained, the modification is accounted for as a separate lease in accordance with the above policy.
- in all other cases where the renegotiations increase the scope of the lease, the lease liability is remeasured using the discount rate applicable on the modification date, with the right-of-use asset being adjusted by the same amount: and
- if the renegotiation results in a decrease in the scope of the lease, both the carrying amount of the lease liability and right-of-use asset are reduced by the same proportion to reflect the partial or full termination of the lease with any difference immediately recognised in income or expenditure. The lease liability is then further adjusted to ensure its carrying amount reflects the amount of the renegotiated payments over the renegotiated term, with the modified lease payments discounted at the rate applicable on the modification date. The right-of-use asset is adjusted by the same amount.



Notes to the Financial Statements cont.

For the year ended 30 June 2021

(iii) Lease exemptions and exceptions

Salvation Army Housing (Victoria) apply the practical expedient available under AASB 16 to exclude short-term and low value leases from recognition as right-of-use assets and lease liabilities in their financial statements. Short-term leases are those which have a lease term of 12 months or less and do not provide Salvation Army Housing (Victoria) with an option to purchase the leased asset. Low value leases are those whereby the underlying asset is valued less than or equal to \$10,000 on an 'as new' basis as at the lease commencement date. Low value assets typically include computer equipment, items of office furniture and mobile phones.

AASB 16 provides the option to elect, on an asset class-by-asset class basis, not to separate payments in respect to non-lease components (such as outgoings) from lease component payments and measure the associated right-of-use asset and lease liability based on all of the payments under the agreement. Salvation Army Housing (Victoria) has not applied this practical expedient and therefore has excluded any material non-lease component payments from the measurement of its

Salvation Army Housing (Victoria) have elected to apply incremental borrowing rates by class of asset. Classes include property, vehicles and software and hardware.

Peppercorn leases principally enable Salvation Army Housing (Victoria) to further its objectives where a

'peppercorn' amount is paid as consideration to a lessor. The AASB issued AASB 2018-8 Amendments to Australian Accounting Standards – Right-of-Use Assets of Not-for-Profit-Entities, which allows not-for-profit-entities to elect to measure

'peppercorn' or concessionary leases at cost rather than fair value. Peppercorn leases are incorporated within the 'Property' class of right-of-use lease assets.

(n) New standards and interpretations not yet adopted

A number of new standards are effective for annual periods beginning after 1 July 2019 and earlier application is permitted; however, the Company has not adopted the new or amended standards in preparing these financial statements.

The new standards are not expected to have an impact on the Company's financial statements. Salvation Army Housing (Victoria) remains a non-reporting Not-for-Profit entity preparing Special Purpose Financial Statements.

As the Company applies all the recognition and measurement requirements of all Australian Accounting Standards, there will be no impact on the amounts recognised in the financial statements.



Notes to the Financial Statements cont.

For the year ended 30 June 2021

4. Other Income

	2021	2020
	\$	\$
Rent Income	2,274,112	1,472,355
Other (Donations, Admin Cost Recoveries etc)	1,072,706	864,994
	3,346,818	2,337,349

5. Cash & cash equivalents

Cash held in rent clearing account	-	420,404
Cash at bank	2,080,968	1,797,244
Petty cash	1,419	1,419
Term deposits	8,505,433	4,000,000
Security deposit	5,833	5,833
Notional cash balance held at The Salvation Army	16,132	(445,616)
	10,609,786	5,779,284

Notional cash balance represents the cash owed to Salvation Army Housing (Victoria) by The Salvation Army Australia Territory



Notes to the Financial Statements cont.

For the year ended 30 June 2021

Cash flows from operating activities

	2021	2020
	\$	\$
Profit for the period	6,497,977	3,920,171
<u>Adjustments for:</u>		
Depreciation – Other Plant and Equipment	161,920	243,853
Loss on Sale of Asset	-	513,018
Finance income	(46,716)	(119,906)
	6,613,181	4,557,136
Change in trade and other receivables	(33,564)	(65,017)
Change in trade and other payables	50,901	438,317
Change in provisions and employee benefits	(44,292)	33,327
Net cash from operating activities	6,586,226	4,963,763

6. Property Management expenses

	2021	2020
	\$	\$
Employee expenses	3,080,190	2,930,741
Repairs, Insurance, Council Rates and Taxes	1,361,531	2,123,566
Loss on disposal of assets	-	513,018
Other Property management expenses	1,891,675	448,263
	6,333,396	6,015,588



Notes to the Financial Statements cont.

For the year ended 30 June 2021

7. Property, Plant and Equipment

Capital work in Progress

Balance at beginning of the year
Additions

Balance at 30 June

Property, plant and equipment

Balance at beginning of the year
Recognition of Right of Use Asset on application of AASB16

Adjusted Balance at 1 July 2019

Adjustment and Reclassification

Additions

Disposals

Depreciation

Balance at 30 June

Leased Assets

Balance at beginning of the year
Recognition of Right of Use Asset on application of AASB16

Adjusted Balance at 1 July 2019

Adjustment and Reclassification

Additions

Disposals

Depreciation

Balance at 30 June

Total Property, Plant and Equipment

	2021 \$	2020 - Restated* \$
Balance at beginning of the year	5,655,835	233,567
Additions	1,770,038	5,422,268
Balance at 30 June	7,425,873	5,655,835
Balance at beginning of the year	9,365,414	10,015,006
Recognition of Right of Use Asset on application of AASB16	-	-
Adjusted Balance at 1 July 2019	9,365,414	10,015,006
Adjustment and Reclassification	-	-
Additions	-	-
Disposals	-	(513,018)
Depreciation	(161,920)	(136,574)
Balance at 30 June	9,203,494	9,365,414
Balance at beginning of the year	117,015	0
Recognition of Right of Use Asset on application of AASB16	-	224,293
Adjusted Balance at 1 July 2019	117,015	224,293
Adjustment and Reclassification	(52,063)	0
Additions	24,935	0
Disposals	(18,981)	0
Depreciation	0	(107,278)
Balance at 30 June	70,906	117,015
Total Property, Plant and Equipment	16,700,273	15,138,264



Notes to the Financial Statements cont.

For the year ended 30 June 2021

Restricted properties:

Property, Plant and Equipment includes \$8,263,524 of restricted properties. The restricted properties are subject to a Directors interest in terms of S107 of the Housing Act 1983. Salvation Army Housing (Victoria) cannot transfer, sell, lease, mortgage, charge or otherwise deal with land in which the Director has an interest under this Division unless the Director consents in writing to that transfer, sale, lease, mortgage, charge or other dealing.

*The comparative information is restated on account of change in accounting policy as disclosed in Note 2(e).



Notes to the Financial Statements cont.

For the year ended 30 June 2021

8. Loans and Borrowings

Current Liabilities

The Salvation Army
Lease Liability
Other

Total

Non-current Liabilities

Director of Housing - Rapid Housing
Long Term Liability
Lease Liability

Total

	2021	2020
	\$	\$
The Salvation Army	550,000	550,000-
Lease Liability	20,997	94,264
Other	-	-
Total	570,997	644,264
Director of Housing - Rapid Housing Long Term Liability	3,372,000	3,372,000
Lease Liability	10,622	15,869
Total	3,382,622	3,387,869

The Director of Housing - Rapid Housing Long Term Liability provided a funding during Financial Year 2019 for the purchase of properties. Salvation Army (Victoria) has determined that the arrangement is reciprocal in nature and has therefore treated funds received as a financial liability. Salvation Army Housing (Victoria) will be required to repay amounts to the Director of Housing should the agreement end.

The current loan payable to the Salvation Army is interest-free and was provided to assist Salvation Army Housing (Victoria) to purchase properties under the Rapid Housing Homelessness initiative. The loan has no fixed terms of repayment.

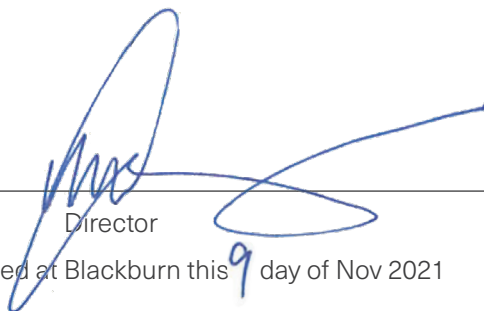
Directors' Declaration

For the year ended 30 June 2021

In the opinion of the directors of Salvation Army Housing (Victoria):

- (a) the Company is not publicly accountable nor a reporting entity;
- (b) the financial statements and notes, set out on pages 86 to 103, are in accordance with the Australian Charities and Not-for-profits Commission Act 2012 and the *Housing Act 1983*, including:
 - (i) giving a true and fair view of the financial position of the Company as at 30 June 20 and of its performance, as represented by the results of its operations for the financial year ended on that date in accordance with the statement of compliance and basis of preparation described in Note 2; and
 - (ii) complying with Australian Accounting Standards (including the Australian Accounting Interpretations) to the extent described in Note 2, and the Australian Charities and Not-for-profits Commission Regulation 2013; and
- (b) 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:



Director

Dated at Blackburn this 9 day of Nov 2021

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Salvation Army
HOUSING

