



ANNUAL REVIEW

2021



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ABOUT US

Jacaranda Housing is a not for profit, registered community housing provider located in Yeerongpilly.

Jacaranda was formed by amalgamating four housing cooperatives in South-East Queensland and provides housing to people with the greatest need in the community.

Jacaranda is regulated under the National Regulatory System for Community Housing.

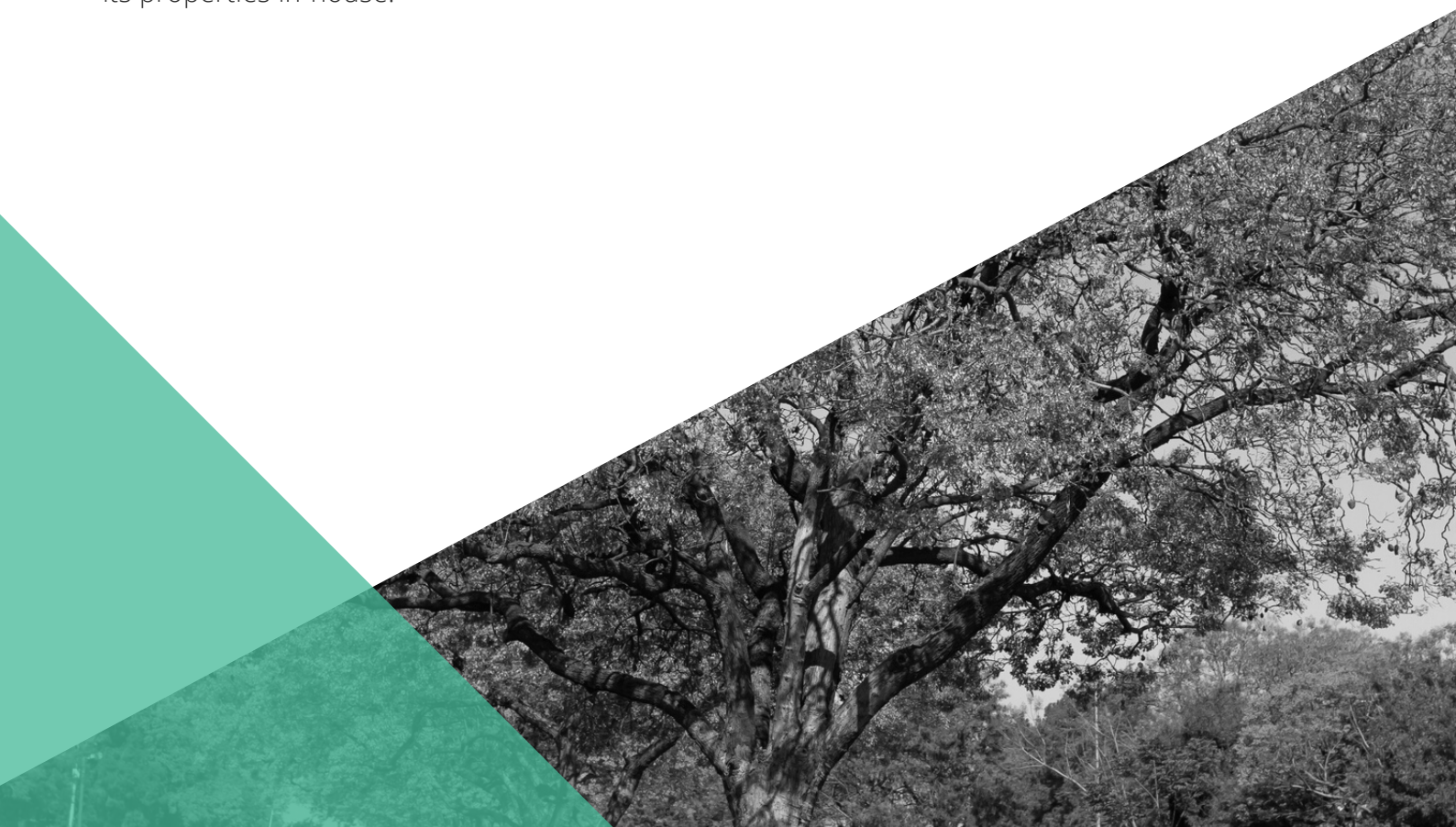
Jacaranda is governed by a professional, skilled Board of Directors who focus on financial viability, sustainability, and future growth. The Board employs an experienced Executive and their team to manage the organisation's day-to-day operations. Jacaranda Housing currently manages all of its properties in-house.

The Board of Directors appoints the following sub-committees to ensure strong corporate governance and strategic growth within the organisation;

- Audit and Risk Committee
- Governance and Remuneration Committee
- Constitutional Change Committee

Jacaranda Housing is currently underway in implementing its Better Homes for the Future Strategy.

This strategy will see the organisation refresh its portfolio and purchase better homes for existing tenants and people in need.



ADRIAN PISARSKI

Jacaranda Housing's primary objective is to provide subsidised housing to people in need.

Our mission as a Board is to extend that objective to as many people as possible. This means we must grow the number of dwellings we manage as custodians.

"We recognize that our dwellings are not just 'stock' or 'assets' - they are also home to the people who live in them. "

Like all community housing providers, we need to assess our homes and make decisions about their continued fitness for purpose from time to time. That's what our five-year plan, "Better Homes for the Future" is all about. I want to acknowledge the support of the Minister for Communities, Housing and Digital Economy, The Hon. Leeanne Enoch, and the Department, whose support in developing and implementing the plan is appreciated.

2020-21 was a challenging and rewarding year for Jacaranda Housing. As all members will know, Jacaranda faces significant financial challenges in becoming a modern sustainable community housing organisation. There has been criticism from some on our financial position. However, these arguments ignore the fact that financial timebombs had been set to go off and previous administrations had allowed housing to be sold off to cover operational costs.

We are custodians for many properties that are increasingly challenging to maintain, but the Board and organisation are determined to turn this around. We want to put Jacaranda on a positive footing, and most importantly, house more people in need.

We are delivering this by implementing the Better Homes for the Future strategy. We have decided to sell older, no longer fit-for-purpose properties and acquire better homes with lower maintenance requirements and higher amenity. The plan has now been approved by your Board, the Department, and Minister and is now being implemented. The first tranche of properties have been sold, and the acquisition of better properties has begun.

Despite this progress, it will take several years before we show the benefits of this path and return to positive cash flow. What we have done is slow the losses, so we become financially positive more quickly.

In doing this, we have taken on more staff to provide housing to more people in need and with better service for tenants. This is becoming apparent with progress within our Tenant Advisory Group and other aspects of Jacaranda's operations.

It is a standard process for Boards, members, and organisations to look at its founding documents from time to time. Without changing the purpose or principles of our constitution, we will be considering changes to ensure we are compliant and up to date with the ACNC and other legislative requirements.

This process will be managed through a Constitutional Change committee, and no change can be implemented without your approval as members.

I am constantly impressed, but not surprised, by our Board's skills, intelligence, knowledge, and diligence.

We needed to meet mostly via Zoom over the past 18 months. We have also been meeting more often than constitutionally required to establish, and now monitor, the progress of the Better Homes strategy.

The Board is made up of volunteers with a range of expertise and experience. There is no payment to directors, but they all display professionalism and application that means members may have confidence in their integrity and purpose.

Together they make a formidable Board of Directors who I thank on your behalf.

I would also like to acknowledge the Jacaranda Housing team led by Lizz Bott. The year has been particularly demanding on Lizz, both professionally and personally. Jacaranda has its particular challenges, which Lizz meets with determination and professionalism. I work nationally with community housing providers and I know Lizz is highly regarded by her colleagues and competitors. Lizz is turning the organisation around and ensuring we collectively provide higher amenity and appropriate housing for more people who need it. She has the full support of the Board, and I trust she and the team also have yours.

In closing, I wish to thank all our members and tenants for your support and hope you can see and feel the benefits of the path on which we are now set.

Adrian Pisarski
Chairperson, Nov 2021



LIZZ BOTT

It's impossible to report on the year without considering the impact COVID-19 has had on us all. Ongoing restrictions and border closures have seen friends and family separated from one another, with immense stress placed on businesses, families, and vulnerable Queenslanders.

Jacaranda Housing has adapted to this new environment with flexibility and resilience. I'm proud that our small team has maintained a high standard of service delivery in the face of multiple snap lockdowns and shifting restrictions.

This period of uncertainty and change has also contributed to a surging housing market, which is now a national crisis. This crisis has impacted those least able to afford it. I am all too aware of the desperate need for housing in the community. Every day, my team and I receive calls from Queenslanders who cannot find a safe place to call home.

The escalating crisis has seen the Queensland State Government accelerate funding and reform to boost social and affordable housing options for those most in need.

"The Queensland Housing Investment Growth Initiative (QHIGI) will see over 6000 new homes for Queenslanders across 2021-25."

I'm pleased also to see a recognition by the government of the need to partner with the community housing sector to assist with this mission.

"In February, I was delighted to welcome the Queensland State Government's approval for our Better Homes for the Future Strategy."

Our strategy will see Jacaranda renew and grow its housing portfolio and become a financially sustainable organisation.

Most importantly, our strategy will enable Jacaranda to provide better housing for existing tenants and deliver more housing options for those in need.

Now, more than ever, it is vital for community housing providers to leverage every dollar and equity to ensure housing is available for people in need. I want to thank Minister Enoch and the Department for their support as we implement this critical strategy.

As CEO, I am incredibly proud of where the organisation is today, and I could not have led the organisation to this point without the support of our Board of Directors.

I want to acknowledge the entire Board and pay a special mention to our Chair, Mr. Adrian Pisarski.

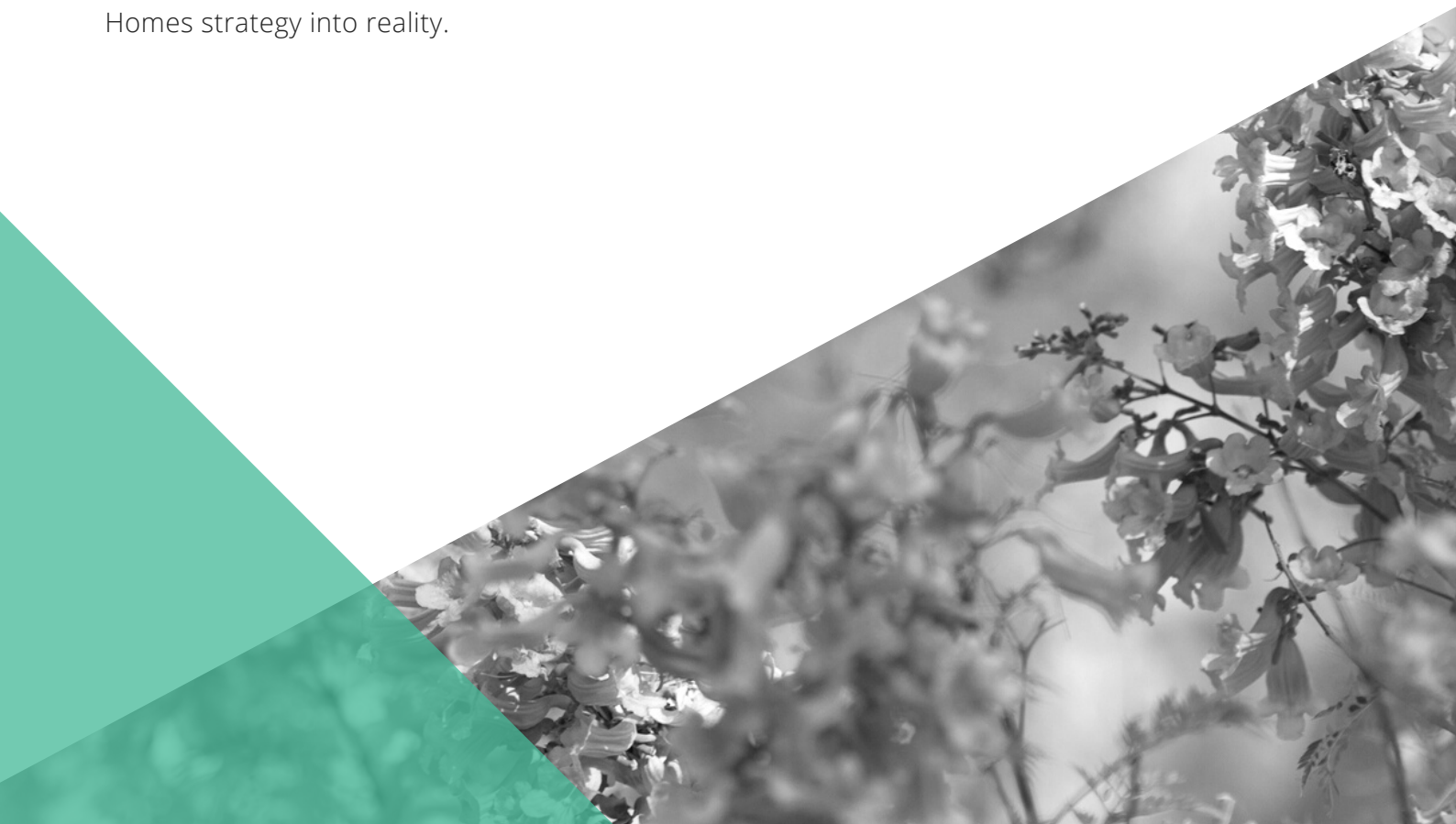
Adrian has provided exceptional leadership as we proceed with the challenges of day-to-day operations, implementing the Better Homes strategy, and maximising opportunities for further growth from the QHIGI.

I also want to acknowledge our team for their hard work and dedication.

I pay particular note to Lynette Piotrkowski for her long-standing service to our organisation, and for all the additional hours and effort in helping us turn the Better Homes strategy into reality.

More than ever, I wish you and your families a safe and happy year ahead.

Lizz Bott
CEO, Nov 2021



BOARD OF DIRECTORS



Adrian Pisarski

Appointed 2019

Board Chair

Chair - Constitutional Change Committee



Pam Britton

Appointed 2017

Tenant Stakeholder Director

Member - Audit and Risk Committee

Member - Constitutional Change Committee

Member - Governance and Remuneration Committee



Sharon Elliot

Appointed 2018

Independent Director

Chair - Governance and Remuneration Committee

Member - Constitutional Change Committee



Frances Paterson-Fleider

Appointed 2020

Stakeholder Director



Dr Jacqui King

Appointed 2019

Independent Director

Chair - Audit and Risk Committee



Shane MacKenzie

Appointed 2020

Independent Director

Member - Audit and Risk Committee



Christopher Miers

Appointed 2019

Independent Director

Member - Governance and Remuneration Committee

BOARD OF DIRECTORS



Shane Mullins
Appointed 2018

Tenant Stakeholder Director
Member - Constitutional Change Committee



Andrew Quinn
Appointed 2020

Independent Director
Member - Governance and Remuneration Committee



Aaron Sorenson
Appointed 2019

Independent Director



Katherine Visini
Appointed 2017

Stakeholder Director
Member - Audit and Risk Committee



George Zukiwskyj
Appointed 2017

Tenant Stakeholder Director
Member - Audit and Risk Committee
Member - Constitutional Change Committee
Member - Governance and Remuneration Committee

OPERATIONAL TEAM



Lizz Bott
CEO



Lynette Piotrkowski
Finance Manager



Kelly Ali
Housing Officer



Scott McGregor
Special Projects Manager

JACARANDA TENANT ADVISORY GROUP

This year (as last year) has been marked by lockdowns due to COVID-19. This meant that several of our JTAG meetings had to be held via teleconference to ensure we were COVID-safe when working together.

Most meetings met quorum with JTAG members working with the Special Projects Officer at Jacaranda Housing to advance issues and questions raised.

JTAG remains committed to tenant issues as they relate to all tenants, and we are advancing the JTAG as a way to keep our housing organisation tenant-focused. As a tenant-focused committee, we are ensuring that any enquiries relating specifically to company membership be addressed to the Board of Jacaranda Housing.

JTAG members identified social isolation as a vital issue for many tenants during the pandemic and beyond. We agreed to focus on organising a tenant social event to begin addressing social isolation and focusing on tenants' connection to their community.

"The tenant BBQ in New Farm Park was a great success with good attendance."

This was despite a postponement due to COVID-19 lockdowns in July. Ongoing social engagement will be a major focus in 2022.

Future social events may include invitations to local support networks to attend to talk about supporting tenants living in their community.

An example is the many opportunities provided by New Farm Neighbourhood Centre. The first tenant social event saw some tenants bring along children or other family or carers. JTAG considers this as a positive way we can support tenants and their support networks. This event was an opportunity for us to talk to tenants about why JTAG is important, with several attendees expressing interest in nominating for JTAG in 2022.

Another focus in 2022 will be for JTAG committee members to attend training by QCOS around the new Human Rights Act for Queensland. This will mean that tenants are involved in Jacaranda Housing's endeavours to align with the Commission's values and that tenants are aware of the Commission's role.

We hope that tenants consider supporting the efforts of JTAG in keeping the focus on tenants, their strengths, challenges, and resilience. You can do this by attending one of our events and/or by joining the JTAG.

We look forward to 2022.

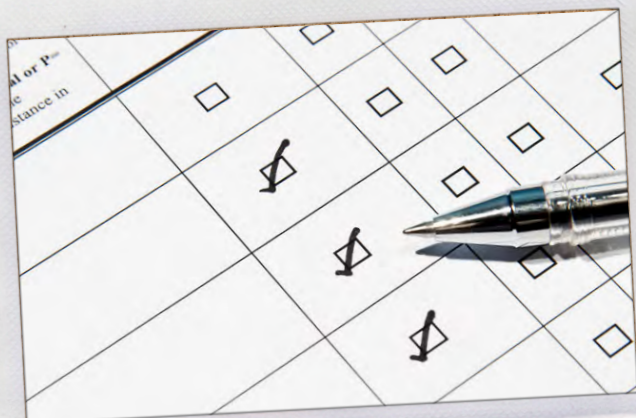




We welcomed our new Housing Officer, Kelly



We partnered with profit-for-purpose agency, Elevate, to achieve great sales results for our older properties



We conducted our tenant satisfaction survey



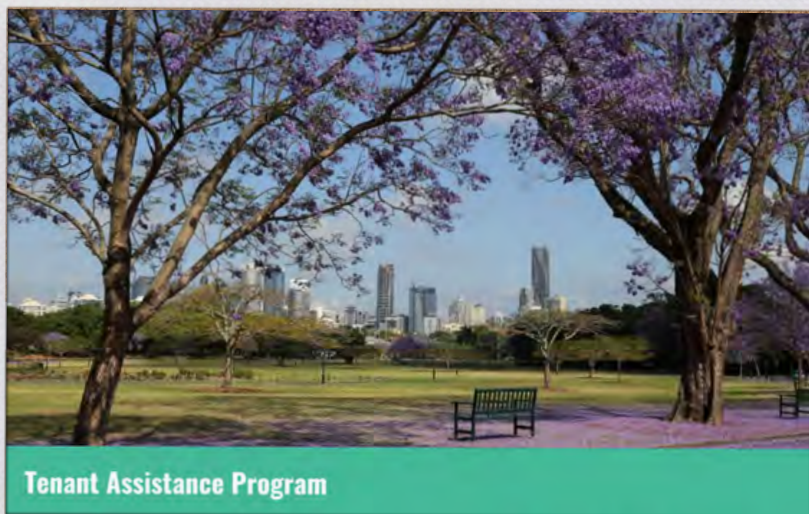
Our 2020 AGM saw the election of new Directors Shane, Frances and Andrew!



The Better Homes for the Future Strategy was approved by the Queensland State Government



*We welcomed Scott as our new
Special Projects Manager*



Tenant Assistance Program

We launched the Jacaranda Tenant Assistance Program (JTAP) offering short-term counselling for tenants

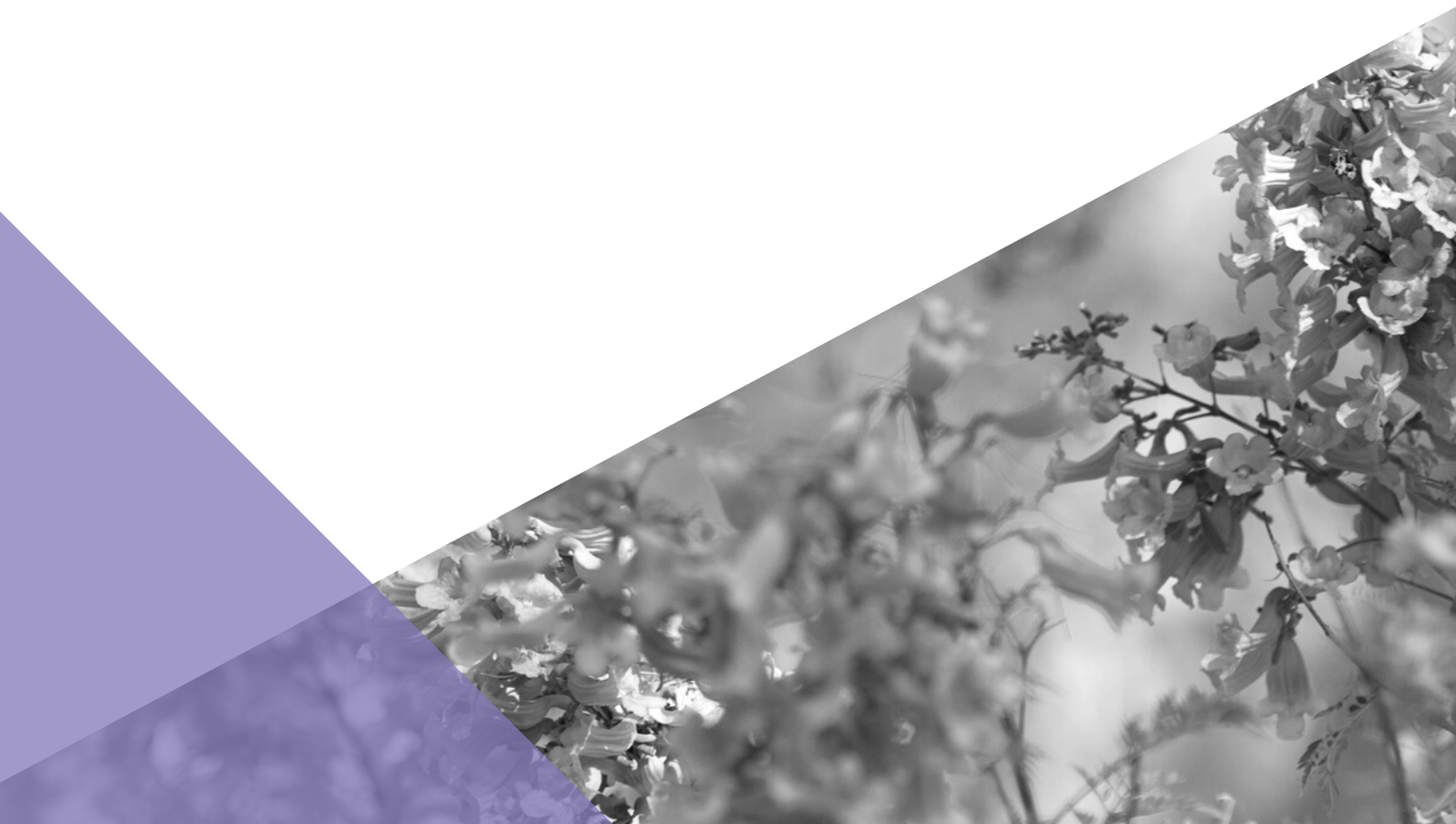


*We were selected by QCOSS to be a Human Rights
Champion for the housing and homelessness sector!*



*The Jacaranda Housing Tenant Advisory Group (JTAG)
hosted a BBQ for tenants at New Farm Park*

AUDITED FINANCIAL STATEMENTS 2020-2021



JACARANDA HOUSING
ABN 30 815 638 618
FOR THE YEAR ENDED 30 JUNE 2021

DIRECTORS' REPORT

MEETINGS ATTENDED BY DIRECTORS

NAME	MEETINGS ELIGIBLE TO ATTEND	NUMBER ATTENDED
Adrian Pisarski	6	6
Pamela Britton	6	6
Sharon Elliott	6	3
Dr Jacquelyn King	6	4
Shane MacKenzie	4	4
Christopher Miers	6	3
Shane Mullins	6	5
Frances Paterson-Fleider	6	6
Andrew Quinn	4	4
Aaron Sorensen	6	4
Katherine Visini	6	5
George Zukiwskyj	6	6
Josephine Ahern (resigned Sep 20)	1	1

Contribution on Winding Up

The company is incorporated under the Corporations Act 2001, registered with the ACNC and is a company limited by guarantee. If the company is wound up, the constitution states that each member is required to contribute an amount not exceeding \$5.00 towards meeting any outstanding's and obligations of the group.

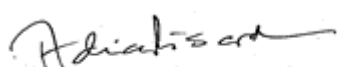
Matters subsequent to the end of the financial year

The impact of the Coronavirus (COVID-19) pandemic is ongoing and while it has been financially positive for the consolidated entity up to 30 June 2021, it is not practicable to estimate the potential impact, positive or negative, after the reporting date. The situation is rapidly developing and is dependent on measures imposed by the Australian Government and other countries, such as maintaining social distancing requirements, quarantine, travel restrictions and any economic stimulus that may be provided.

Independence declaration

The independence declaration is included on page 10 of the Financial Statements.

This directors' report is signed in accordance with a resolution of directors and is signed in accordance with Subsection 60.15(2) of The Australian Charities and Not-For-Profits Commission Regulation 2013.



Director
 27th day of October 2021

Auditors Independence Declaration Under Section 60-40 of the
Australian Charities and Not-For-Profits Commission Act 2012 to the
Directors of Jacaranda Housing

In accordance with the requirements of Section 60-40 of the *Australian Charities and Not-for-Profits Commission Act 2012*, I am pleased to provide the following declaration of independence to the directors of Jacaranda Housing. As lead auditor for the audit of the financial report of Jacaranda Housing for the year ended 30 June 2021, I declare that, to the best of my knowledge and belief, during the year ended 30 June 2021 there have been no contraventions of:

- (a) the auditor independence requirements as set out in the *Australian Charities and Not-for-Profits Commission Act 2012* in relation to the audit, and
- (b) any applicable Code of Professional Conduct in relation to the audit.



Anthony Bryen
Registered Auditor (No 306025)
Haywards Chartered Accountants
Level 1 / 488 Lutwyche Road
LUTWYCHE QLD 4030

Dated this 28th day of October 2021

JACARANDA HOUSING
STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2021

	<u>Note</u>	<u>2021</u>	<u>2020</u>
Revenue	3	884,463	930,389
Other Income	3	506,884	170,118
Employee benefits expense		(387,798)	(307,766)
Depreciation and amortisation expense		(226,283)	(179,436)
Insurance		(49,386)	(43,337)
Motor vehicle and Travel expenses		(1,692)	(3,961)
Staff training and development expenses		(1,074)	(1,152)
Audit, legal and consultancy fees		(72,490)	(100,312)
Client support services expense		(439,534)	(493,229)
Other operating costs		(54,623)	(74,612)
		<hr/>	<hr/>
Current year surplus before income tax		158,468	(103,297)
Income tax expense		-	-
		<hr/>	<hr/>
Net current year surplus		158,468	(103,297)
		<hr/>	<hr/>
Other comprehensive income		-	-
		<hr/>	<hr/>
Total comprehensive income for the year		\$158,468	(\$103,297)
		<hr/>	<hr/>
Total comprehensive income attributable to members of the entity		\$158,468	(\$103,297)
		<hr/>	<hr/>

The accompanying notes form part of these financial statements.

JACARANDA HOUSING
STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2021

	<u>Note</u>	<u>2021</u>	<u>2020</u>
ASSETS			
Current Assets			
Cash at Bank	4	2,563,203	651,347
Receivables & Prepayments	5	45,534	20,951
Total Current Assets		2,608,737	672,298
Non-Current Assets			
Property, plant and equipment	6	34,326,095	37,819,534
Right of use assets	7	47,406	-
Total Non-Current Assets		34,373,501	37,819,534
TOTAL ASSETS		\$36,982,238	\$38,491,832
LIABILITIES			
Current Liabilities			
Creditors & Accruals	8	88,950	78,026
Lease Liability		27,147	-
Employee Provisions	9	31,369	24,545
Total Current Liabilities		147,466	102,571
Non-Current Liabilities			
Borrowings - Registered Mortgage Interest Free		20,095,815	21,935,683
Lease liabilities		21,879	-
Employee Provisions	9	17,489	-
Total Non-Current Liabilities		20,135,183	21,935,683
TOTAL LIABILITIES		20,282,648	22,038,254
NET ASSETS		\$16,699,590	\$16,453,578
MEMBERS FUNDS			
Retained Surplus		16,699,590	16,453,578
TOTAL MEMBERS FUNDS		\$16,699,590	\$16,453,578

The accompanying notes form part of these financial statements.

JACARANDA HOUSING
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2021

	<u>Retained Surplus</u>	<u>Revaluation Surplus</u>	<u>Total</u>
Balance at 1 July 2019	\$2,380,319	\$14,119,931	\$16,500,250
Comprehensive Income			
Surplus for the year attributable to members of the entity	\$(103,297)	-	\$(103,297)
Revaluation in Property	-	\$94,560	\$94,560
Revalue in Borrowings	-	\$(37,935)	\$(37,935)
Total comprehensive income attributable to members of the entity	\$(103,297)	\$56,625	\$(46,672)
Balance at 30 June 2020	\$2,277,022	\$14,176,556	\$16,453,578
Balance at 1 July 2020	\$2,277,022	\$14,176,556	\$16,453,578
Comprehensive Income			
Surplus/(Deficit) for the year attributable to members of the entity	\$158,468	-	\$158,468
Revalue in Borrowings	-	\$87,544	\$87,544
Total comprehensive income attributable to members of the entity	\$158,468	\$87,544	\$246,012
Balance at 30 June 2021	\$2,435,489	\$14,264,100	\$16,699,590

The accompanying notes form part of these financial statements.

JACARANDA HOUSING
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2021

	<u>NOTE</u>	<u>2021</u>	<u>2020</u>
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts		938,994	978,442
Interest Received		791	823
Payments to Employees and Administration		(976,576)	(1,036,531)
Interest and other costs of finance		-	(3,248)
Net cash provided by (used in) operating activities	10	<u>\$(36,791)</u>	<u>\$(60,514)</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Payment for purchase of plant & equipment		(6,987)	(3,186)
Proceeds from disposal of land and buildings		3,300,000	1,260,000
Net cash provided by (used in) investing activities		<u>\$3,293,013</u>	<u>\$1,256,814</u>
CASH FLOWS FROM FINANCING ACTIVITIES			
Repayments of Lease Liabilities		(26,046)	-
Repayment of Borrowings		(1,318,320)	(797,017)
Net Cash provided by (used in) financing activities		<u>\$(1,344,366)</u>	<u>\$(797,017)</u>
Net increase (decrease) in cash held		1,911,856	399,283
Cash at beginning of the financial year		651,347	252,064
Cash at end of the financial year		<u>\$2,563,203</u>	<u>\$651,347</u>

The accompanying notes form part of these financial statements.

JACARANDA HOUSING
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2021

The financial statements cover Jacaranda Housing as an individual entity, incorporated and domiciled in Australia. Jacaranda Housing is a company limited by guarantee.

The financial report includes the financial statements and notes of Jacaranda Housing.

The financial statements were authorised for issue on 20th October 2021 by the directors of the Entity.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The directors have prepared the financial statements on the basis that the Entity is a non-reporting entity because there are no users dependent on general purpose financial statements. These financial statements are therefore special purpose financial statements that have been prepared in order to meet the requirements of the *Australian Charities and Not-for-profits Commission Act 2012*. The Entity is a not-for-profit entity for financial reporting purposes under Australian Accounting Standards.

The financial statements have been prepared in accordance with the mandatory Australian Accounting Standards applicable to entities reporting under the *Australian Charities and Not-for-profits Commission Act 2012* and the significant accounting policies disclosed below, which the directors have determined are appropriate to meet the needs of members. Such accounting policies are consistent with those of previous periods unless stated otherwise.

The financial statements have been prepared in accordance with the mandatory Australian Accounting Standards applicable to entities reporting under the *Australian Charities and Not-for-profits Commission Act 2012*, the basis of accounting specified by all Australian Accounting Standards and Interpretations, and the disclosure requirements of Accounting Standards AASB 101: *Presentation of Financial Statements*, AASB 107: *Cash Flow Statements*, AASB 108: *Accounting Policies, Changes in Accounting Estimates and Errors*, AASB 1031: *Materiality* and AASB 1054: *Australian Additional Disclosures*.

The financial statements, except for the cash flow information, have been prepared on an accrual basis and are based on historical costs unless otherwise stated in the notes. Material accounting policies adopted in the preparation of these financial statements are presented below and have been consistently applied unless stated otherwise. The amounts presented in the financial statements have been rounded to the nearest dollar.

(a) Revenue and Other Income

Revenue is measured at the fair value of the consideration received or receivable after taking into account any trade discounts and volume rebates allowed. For this purpose, deferred consideration is not discounted to present values when recognising revenue.

Operating Grants, Donations and Bequests

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

When both these conditions are satisfied, the Entity:

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

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

JACARANDA HOUSING
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2021

1. SUMMARY **OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)**

(a) Revenue and Other Income **(cont'd)**

Capital Grant

When the entity receives a capital grant, it recognises a liability for the excess of the initial carrying amount of the financial asset received over any related amounts (being contributions by owners, lease liability, financial instruments, provisions, revenue or contract liability arising from a contract with a customer) recognised under other Australian Accounting Standards.

The entity recognises income in profit or loss when or as the entity satisfies its obligations under the terms of the grant.

Interest Income

Interest income is recognised using the effective interest method.

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

(b) Property, Plant and Equipment

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

Freehold property

Freehold land and buildings are shown at their fair value based on periodic valuations by external independent valuers, less subsequent depreciation for buildings.

In periods when the freehold land and buildings are not subject to an independent valuation, the directors conduct directors' valuations to ensure the carrying amount for the land and buildings is not materially different to the fair value.

Increases in the carrying amount arising on revaluation of land and buildings are recognised in other comprehensive income and accumulated in the revaluation surplus in equity. Revaluation decreases that offset previous increases of the same class of assets shall be recognised in other comprehensive income under the heading of revaluation surplus. All other decreases are recognised in profit or loss.

Any accumulated depreciation at the date of the revaluation is eliminated against the gross carrying amount of the asset and the net amount is restated to the revalued amount of the asset.

Freehold land and buildings that have been contributed at no cost, or for nominal cost, are initially recognised and measured at the fair value of the asset at the date it is acquired.

Depreciation is calculated and is brought to account over the estimated economic lives of all fixed assets commencing from the time the asset is held ready for use.

The depreciation rates used are as follows:

Class of Fixed Asset	Depreciation Rate
Buildings	2%
Plant and equipment	25%

JACARANDA HOUSING
ABN 30 815 638 618
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2021

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES **(cont'd)**

(c) Impairment of Assets

At the end of each reporting period, the entity reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have been impaired. If such an indication exists, an impairment test is carried out on the asset by comparing the recoverable amount of the asset, being the higher of the asset's fair value less costs of disposal and value in use, to the asset's carrying amount. Any excess of the asset's carrying amount over to recoverable amount is recognized in the income and expenditure statement.

(d) Provisions

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

(e) Cash and cash equivalents

Cash and cash equivalents include cash on hand, deposits held at call with banks and other short-term highly liquid investments with original maturities of three months or less.

(f) Leases

The Entity as lessee

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

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

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

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

JACARANDA HOUSING
ABN 30 815 638 618
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2021

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES **(cont'd)**

(f) **Leases (cont'd)**

The Entity as lessee (cont'd)

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

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

Concessionary Leases

For leases that have significantly below-market terms and conditions principally to enable the Entity to further its objectives (commonly known as peppercorn/concessionary leases), the Entity has adopted the temporary relief under AASB 2018-8.

(g) Accounts Receivable and Other Debtors

Accounts receivable and other debtors include amounts due from members as well as amounts receivable from donors. Receivables expected to be collected within 12 months of the end of the reporting period are classified as current assets. All other receivables are classified as non-current assets.

(h) Fair Value Measurement

When an asset or liability, financial or non-financial, is measured at fair value for recognition or disclosure purposes, the fair value is based on the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date; and assumes that the transaction will take place either: in the principal market; or in the absence of a principal market, in the most advantageous market.

Fair value is measured using the assumptions that market participants would use when pricing the asset or liability, assuming they act in their economic best interests. For non-financial assets, the fair value measurement is based on its highest and best use. Valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, are used, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

(i) Goods and Services Tax (GST)

Revenues, expenses and assets are recognized net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Taxation Office (ATO). Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the ATO is included with other receivables or payables in the assets and liabilities statement.

JACARANDA HOUSING
ABN 30 815 638 618
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2021

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

(j) Comparative Figures

Comparative figures, where necessary, have been reclassified in order to comply with the presentation adopted in the figures reported for the current financial year.

(k) Economic Dependence

Jacaranda Housing is dependent on government support to operate. As at the date of the report the committee has no reason to believe the government will not continue to support the organisation.

(l) Significant Management Judgement in Applying Accounting Policies

The Board evaluate estimates and judgements incorporated into the financial statements based on historical knowledge and best available current information. Estimates assume reasonable expectation of future events and are based on current trends and economic data, obtained both externally and within the organisation.

(m) Income Tax

No provision for income tax has been raised as the organisation is exempt from income tax under Section 50.5 of the Income Tax Assessment Act 1997 (Cth).

(n) Employee Provisions

Short-term Employee Benefits

Short-term employee benefits are benefits, other than termination benefits, that are expected to be settled wholly within twelve (12) months after the end of the period in which the employees render the related service. Examples of such benefits include wages and salaries, non-monetary benefits and accumulating personal leave. Short-term employee benefits are measured at the undiscounted amounts expected to be paid when the liabilities are settled.

Other Long-term Employee Benefits

The Corporation's liabilities for annual leave and long service leave are included in other long-term benefits as they are not expected to be settled wholly within twelve (12) months after the end of the period in which the employees render the related service. They are measured at the present value of the expected future payments to be made to employees. The expected future payments incorporate anticipated future wage and salary levels, experience of employee departures and periods of service, and are discounted at rates determined by reference to market yields at the end of the reporting period on high quality corporate bonds that have maturity dates that approximate the timing of the estimated future cash outflows.

Any re-measurements arising from experience adjustments and changes in assumptions are recognised in profit or loss in the periods in which the changes occur.

The Corporations obligations for long-term employee benefits are presented as non-current provisions in its statement of financial position, except where the association does not have an unconditional right to defer settlement for at least 12 months after the end of the reporting period, in which case the obligations are presented as current provisions.

JACARANDA HOUSING
ABN 30 815 638 618
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2021

1. SUMMARY OF **SIGNIFICANT ACCOUNTING POLICIES (cont'd)**

(o) New and amended accounting policies

Australian Accounting Standards and Interpretations that have recently been issued or amended but are not yet mandatory, have not been early adopted by the company for the annual reporting period ended 30 June 2021. The company has not yet assessed the impact of these new or amended Accounting Standards and Interpretations.

2. CRITICAL ACCOUNTING JUDGEMENTS

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts in the financial statements. Management continually evaluates its judgements and estimates in relation to assets, liabilities, contingent liabilities, revenue and expenses. Management bases its judgements, estimates and assumptions on historical experience and on other various factors, including expectations of future events, management believes to be reasonable under the circumstances. The resulting accounting judgements and estimates will seldom equal the related actual results. The judgements, estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities (refer to the respective notes) within the next financial year are discussed below.

Estimation of useful lives of assets

The corporation determines the estimated useful lives and related depreciation and amortisation charges for its property, plant and equipment and finite life intangible assets. The useful lives could change significantly as a result of technical innovations or some other event. The depreciation and amortisation charge will increase where the useful lives are less than previously estimated lives, or technically obsolete or non-strategic assets that have been abandoned or sold will be written off or written down.

Coronavirus (COVID-19) pandemic

Judgement has been exercised in considering the impacts that the Coronavirus (COVID-19) pandemic has had, or may have, on the organisation based on known information. This consideration extends to the nature of the services offered, staffing and geographic regions in which the organisation operates. Other than as addressed in specific notes, there does not currently appear to be either any significant impact upon the financial statements or any significant uncertainties with respect to events or conditions which may impact the organisation unfavourably as at the reporting date or subsequently as a result of the Coronavirus (COVID-19) pandemic.

Employee benefits provision

As discussed in note 1, the liability for employee benefits expected to be settled more than 12 months from the reporting date are recognised and measured at the present value of the estimated future 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.

JACARANDA HOUSING
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2021

	<u>2021</u>	<u>2020</u>
3. REVENUE AND OTHER INCOME		
Grants	18,621	48,194
Interest	791	823
Rent Received	865,051	881,372
	<hr/>	<hr/>
TOTAL REVENUE	\$884,463	\$930,389
	<hr/>	<hr/>
OTHER INCOME		
ATO Co-Vid Assistance Payments	71,389	44,999
Membership Fees	491	373
Sundry Income	1,000	-
Reduction of Dept of Housing Mortgage	89,681	124,746
Gain on Sale of Fixed Assets	344,323	-
	<hr/>	<hr/>
TOTAL OTHER INCOME	\$506,884	\$170,118
	<hr/>	<hr/>
TOTAL REVENUE AND OTHER INCOME	\$1,391,347	\$1,100,507
	<hr/>	<hr/>
4. CASH AT BANK		
Working Account	54,524	520,278
Savings Account	127,748	127,566
Donations Account	3,497	3,497
Better Homes Strategy Holding Account	2,377,433	6
	<hr/>	<hr/>
	\$2,563,203	\$651,347
	<hr/>	<hr/>
5. RECEIVABLES & PREPAYMENTS		
Receivables	766	1,148
Other Receivables	27,933	12,053
GST Receivables	16,834	7,750
	<hr/>	<hr/>
	\$45,534	\$20,951
	<hr/>	<hr/>

JACARANDA HOUSING
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2021

	<u>2021</u>	<u>2020</u>
6. PROPERTY, PLANT AND EQUIPMENT		
Freehold Land at fair value and cost	24,380,000	27,050,000
	24,380,000	27,050,000
Building at fair value and cost	10,600,000	11,230,000
Less Accumulated Depreciation	(663,987)	(465,655)
	9,936,013	10,764,345
Plant and Equipment	14,940	7,953
Less Accumulated Depreciation	(4,857)	(2,764)
	10,083	5,189
	<u>\$34,326,095</u>	<u>\$37,819,534</u>

MOVEMENTS IN CARRYING AMOUNTS

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

	Land	Buildings	<u>Plant and Equipment</u>	<u>TOTAL</u>
Carrying Amount as at 1 July 2020	\$27,050,000	\$10,764,345	\$5,189	\$37,819,534
Additions at Cost	-	-	\$6,987	\$6,987
Disposals	\$(2,670,000)	\$(630,000)	-	\$(3,300,000)
Revaluations	-	-	-	-
Depreciation Expense	-	\$198,332	\$2,093	\$200,425
Carrying Amount at the End of the Year	<u>\$24,380,000</u>	<u>\$9,936,013</u>	<u>\$10,083</u>	<u>\$34,326,095</u>

JACARANDA HOUSING
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2021

6. PROPERTY, PLANT AND EQUIPMENT (cont'd)

Properties held under mortgage from The State of Queensland through the Department of Housing and Public Works (the State) were transferred to the Jacaranda Housing for zero cash consideration under a Capital Assistance Agreement with the Department of Housing and Public Works.

The registered mortgage agreements state "debt means all money which now or in the future is owing (actually or contingently) by the provider (Jacaranda Housing) to the State under the agreement, or this Mortgage and includes any loss or damage suffered by the State as a result of the arrangement under the agreement, and this Mortgage. It also includes interest, costs, fees, duties, taxes and any other amount that the Provider (Jacaranda Housing) is obliged to reimburse or pay to the State at any time under this Mortgage or otherwise".

7. RIGHT-OF-USE ASSET

The Company has a lease on the Main office. The lease has a term of three years with a 1 x 3 year option.

i) AASB 16 related amounts recognised in the Balance Sheet:

	<u>2021</u>	<u>2020</u>
RIGHT-OF-USE ASSETS		
Leased Buildings	77,574	-
Accumulated Depreciation	30,168	-
	<hr/>	<hr/>
TOTAL RIGHT-OF-USE ASSETS	<u>\$47,406</u>	<u>\$ -</u>

ii) AASB 16 related amounts recognised in the Statement of Profit or Loss:

Depreciation Charge related to Right-Of-Use Assets	25,858	-
Interest Expense on Lease Liabilities	1,807	-

8. CREDITORS AND ACCRUALS

Creditors and Accruals	37,930	23,794
Rent in Advance	35,441	42,224
PAYG Withholding	6,999	5,694
Superannuation Payable	8,579	6,314
	<hr/>	<hr/>
	<u>\$88,950</u>	<u>\$78,026</u>

9. EMPLOYEE PROVISIONS

Current

Provision for Employee Benefits: Annual Leave	31,369	24,545
	<hr/>	<hr/>
	<u>\$31,369</u>	<u>\$24,545</u>

Non-Current

Provision for Employee Benefits: Long Service Leave	\$17,489	-
	<hr/>	<hr/>

JACARANDA HOUSING
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2021

	<u>2021</u>	<u>2020</u>
10. RECONCILIATION OF NET CASH PROVIDED BY OPERATING ACTIVITIES TO OPERATING SURPLUS		
Operating Profit	158,468	(103,297)
Depreciation	226,283	179,436
Right of Use Asset Interest	1,807	-
Change in Asset Revaluation Reserve		(30,441)
Profit on Sale of Fixed Assets	(344,323)	-
Reduction in Dept of Housing Mortgage Lease Liability Payments	(89,681)	(124,745)
Changes in Assets and Liabilities		
(Increase)/Decrease in Receivables & Prepayments	(24,581)	(4,068)
Increase/(Decrease) in Creditors and Accruals	10,924	14,535
Increase/(Decrease) in Employee Entitlements	24,313	8,066
Net Cash Provided by Operating Activities	<u>\$(36,791)</u>	<u>\$(60,514)</u>

11. CONTINGENT LIABILITIES AND ASSETS

Under the Capital Assistance Agreement, the Provider (Jacaranda Housing) "indemnifies and will keep indemnified the State and its officers, employees and agents (the 'Indemnified Persons') from and against all loss, damage, costs or expense (including legal costs) arising from any claim, action, suit, demand or proceeding that may be made or brought by any person against the Indemnified Persons in consequence of or arising in any way out of the Provider:

- (a) carrying out its obligations under the Agreement; or
- (b) failing to observe or perform any of the Provider's obligations in the Agreement,

but the Provider's liability to provide indemnity under this clause will be reduced proportionally to the extent that an act or omission of the Indemnified Persons contributed to the loss, damage, cost or expenses."

The National Regulatory System Community Housing (NRSCH) Program requires all restricted funds including surplus program funds identified by the Department of Housing and Public Works in its annual CHAFAR return to be disclosed in the annual audited financial report. For the year ended 30 June 2021 Jacaranda Housing derived a Deficit in Community Housing Program Restricted Funds of \$(227,560) (2020: Deficit \$(173,720)), with total accumulated deficits as at the 30 June 2021 for the Community Housing Program Restricted Funds being \$(899,875) (2020: \$(672,315)).

As the program is in an accumulated deficit position on 30 June 2021, there are no restricted funds (2020: nil restricted funds).

There are no other known contingent liabilities or assets as of 30 June 2021 and 30 June 2020.

12. INCREMENTAL CHANGE DEPARTMENT OF HOUSING MORTGAGE

Under the terms of the Capital Funding Agreements, the Department of Housing and Public Works (the department) has a percentage interest in each property representing State's (State of Queensland) share of the market value of each property in the event of sale or serious mismanagement by the Provider (Jacaranda Housing). The Departments percentage interest in the properties is revalued annually.

JACARANDA HOUSING
ABN 30 815 638 618
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2021

13. RELATED PARTY TRANSACTIONS

Transactions with related parties

There were no transactions with related parties during the current and previous financial year.

Receivable from and payable to related parties

There were no trade receivables from or trade payables to related parties at the current and previous reporting date.

Loans to/from related parties

There were no loans to or from related parties at the current and previous reporting date.

14. EVENTS AFTER THE REPORTING PERIOD

The impact of the Coronavirus (COVID-19) pandemic is ongoing and while it has been financially positive for the corporation up to 30 June 2021, it is not practicable to estimate the potential impact, positive or negative, after the reporting date. The situation is rapidly developing and is dependent on measures imposed by the Australian Government and other countries, such as maintaining social distancing requirements, quarantine, travel restrictions and any economic stimulus that may be provided.

No other matter or circumstance has arisen since 30 June that has significantly affected, or may significantly affect the corporation's operations, the results of those operations, or the corporation's state of affairs in future financial years.

15. MEMBERS GUARANTEE

The Company is limited by guarantee. If the Company is wound up, each member is required to contribute a maximum of five dollars towards meeting any outstanding obligations of the Company.

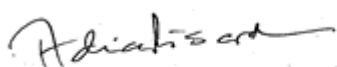
JACARANDA HOUSING
ABN 30 815 638 618

DIRECTORS' DECLARATION

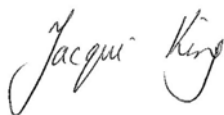
In the opinion of the Directors of Jacaranda Housing:

- (a) the financial statements and notes as set out on pages 11 to 25 comply with Australian Accounting Standards and give a true and fair view of the financial position of the Company as at 30 June 2021 and of its performance for the year ended on that date, and
- (e) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the Board and is signed in accordance with subsection 60.15(2) of the *Australian Charities and Not-for-profits Commission Regulation 2013*.



DIRECTOR



DIRECTOR

Dated this 27th day of October 2021

INDEPENDENT **REVIEWER'S** REPORT TO THE MEMBERS OF
JACARANDA HOUSING
ABN 30 815 638 618

Report on the audit of the financial report

Opinion

We have audited the financial report of Jacaranda Housing, which comprises the statement of financial position as at 30 June 2021, the statement of profit & loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information, and the Directors' declaration.

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

- (a) giving a true and fair view of the Company's financial position as at 30 June 2021 and of its performance for the year then ended, and
- (b) complying with Australian Accounting Standards to the extent described in Note 2, and Division 60 of the *Australian Charities and Not-for-profits Commission Regulation 2013*.

Basis for opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial report* section of our report. We are independent of the Company in accordance with the Auditor Independence Requirements of the ACNC Act and ethical requirements of the Accounting Professional and Ethical Standards Board's APES110: *Code of Ethics for Professional Accountants* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

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

Emphasis of matter – Basis of accounting

We draw attention to Note 2 to the financial report, which describes the basis of accounting. The financial report has been prepared to assist the Company to meet the requirements of the *Australian Charities and Not-for-profits Commission Act 2012*. As a result, the financial report may not be suitable for another purpose. Our opinion is not modified in respect of this matter.

Responsibility of the Director's for the financial report

The Directors are responsible for the preparation and fair presentation of the financial report in accordance with the financial reporting requirements of the ACNC Act, and for such internal control as the Directors determine is necessary to enable the preparation and fair presentation of a financial report that is free from material misstatement, whether due to fraud or error.

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

Auditor's responsibility for the audit of the financial report

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

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

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

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



Anthony Bryen
Registered Auditor (No 306025)
Haywards Chartered Accountants
Level 1 / 488 Lutwyche Road
LUTWYCHE QLD 4030

Dated this 28th day of October 2021