



# COMPASS LEAVING CARE

2019-20  
ANNUAL REPORT



COMPASS

[compassleavingcare.org.au](http://compassleavingcare.org.au)





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COMPASS acknowledges Aboriginal people as the traditional custodians of the land on which we operate. We commit to working respectfully to honour their ongoing cultural and spiritual connections to this country.

Diversity and inclusivity are important to COMPASS and we are committed to ensuring our workplace and services reflect this. Everyone is welcome at COMPASS, regardless of race, religion, gender or sexuality.



Please note: Names in stories have been changed in the interest of protection and privacy. Models appear in our photographs to protect the identity of our clients. The photographs used within this report are a combination of purchased imagery and rightfully owned images of COMPASS.



# SECTION A

## COMPASS LEAVING CARE ANNUAL INVESTOR REPORT

### MESSAGE FROM DIRECTORS

We are pleased to present the Compass Leave Care Limited (Compass Leaving Care) 2019-20 Annual Report. This year's Annual Report incorporates the investor report for the COMPASS Social Impact Bond (SIB).

Now into its second year of operation, COMPASS has built on its first year of operation and continues to engage with and provide a positive impact on the lives of young people exiting care and entering the program.

Over the past year, the recruitment and participation of young people has remained on track. As of 30 June, more than 80 young people had signed up to COMPASS. We are on track to achieve the full intake of participants by October 2021.

A further milestone of the program was achieved in the past year when we reached our caseload of young people stratified as high – an outstanding achievement for the program within its first two years of operation.

During the course of 2019-20, COMPASS expanded its catchment areas to include Hume Moreland, Central Goldfields and Campaspe. This geographic expansion provided the opportunity for more young people to gain the support needed for a positive transition to independent living via the COMPASS program.

The competitive housing market has, at times, proved challenging for property acquisition, but our modelling suggests the coming 12 months will provide more favourable opportunities for acquiring suitable properties.

Along with the significant success over the last year, COMPASS has continued to deliver its services throughout the COVID-19 pandemic, with little disruption to service continuity or delivery. The response from our staff to the needs of the young people during the COVID-19 has been exceptional.

Staff have offered critical support to the COMPASS participants in the past few months, and have successfully modified practices to accommodate social distancing and reduce the risk of transmission among participants and staff.

COMPASS continues to go from strength to strength. On behalf of our Directors and Investors, we thank our committed teams for their care and support of COMPASS participants this year.

We also thank the Department of Health and Human Services staff for their assistance with referral flow and the engagement with young people.

Most importantly, we extend a special thanks to each of our 55 investors for their commitment to Compass Leaving Care and the young people participating in the COMPASS program.

We look forward to the coming year as we begin to map and analyse our outcomes and see the first of our young people exit the program.



**Paul McDonald**

Director, Compass Leaving Care Limited  
CEO, Anglicare Victoria



**Quinn Pawson**

Director, Compass Leaving Care Limited  
CEO, VincentCare Victoria



**“ I LOVE THIS HOUSE AND LIVING HERE, I FINALLY FEEL LIKE IT’S MY HOME... I HOPE I GET TO STAY HERE AFTER COMPASS ”**

This young person had not had a stable home for years while in out-of-home care (OoHC) She felt the Lead Tenant accommodation she stayed in for two years was her most stable home – until moving and settling into her COMPASS property. She now feels at home and is eager to take over the lease after her two years with COMPASS.



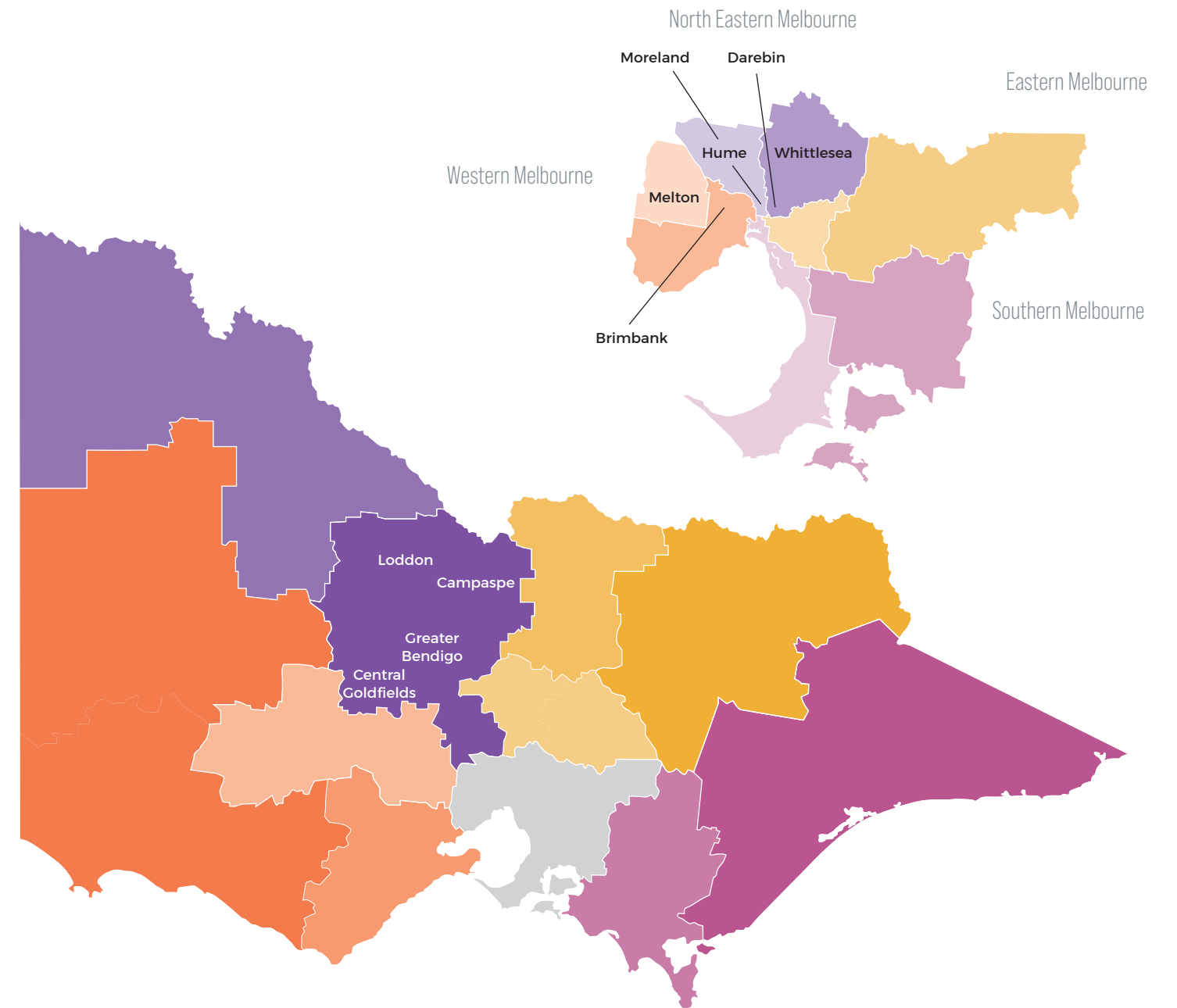
# OVERVIEW

COMPASS Social Impact Bond is a partnership between two of Victoria's leading social service providers – Anglicare Victoria and VincentCare – the Victorian Government, and more than 50 investors.

The COMPASS Program supports young people leaving out-of-home care (OoHC) to set a positive direction during this critical time of change. Young people leaving out-of-home care have a much tougher time transitioning to adulthood than their peers. Out-of-home care ends at 18 years, or earlier in some cases. Left without support, young care leavers can struggle to find housing, work, and adjust to life on their own. As a result, they are less likely to complete Year 12, undertake further education or get a job.

COMPASS is unique. It provides comprehensive support for each participant to help them make a positive start to independent living. The COMPASS team works with participants as they build skills and provide access to specialist services such as mental health, alcohol and drug services. The program provides different levels of housing according to need. Some young people will continue to live with their foster or kinship carers, while others will live in COMPASS housing.

**“I was referred to COMPASS while living in foster care. COMPASS is a good program that has always been there for me. I always feel supported and know that if I reach out, they will be there for me. I didn’t need housing, but COMPASS has supported me living in foster care, providing me with a new bed and helping with rent. I like my key worker, he has helped me with education and applications for student placements.”** – Compass participant since July 2019



COMPASS catchment areas were initially of the Department of Health and Human Services areas of Western Melbourne, Brimbank Melton, North Eastern Melbourne (Darebin and Whittlesea LGAs), and Loddon (Greater Bendigo LGA)

During 2019-20 the COMPASS catchment areas were expanded to include the LGAs of Campaspe and Central Goldfields in Loddon, and all of Hume Moreland.

# 2019-20 ACHIEVEMENTS

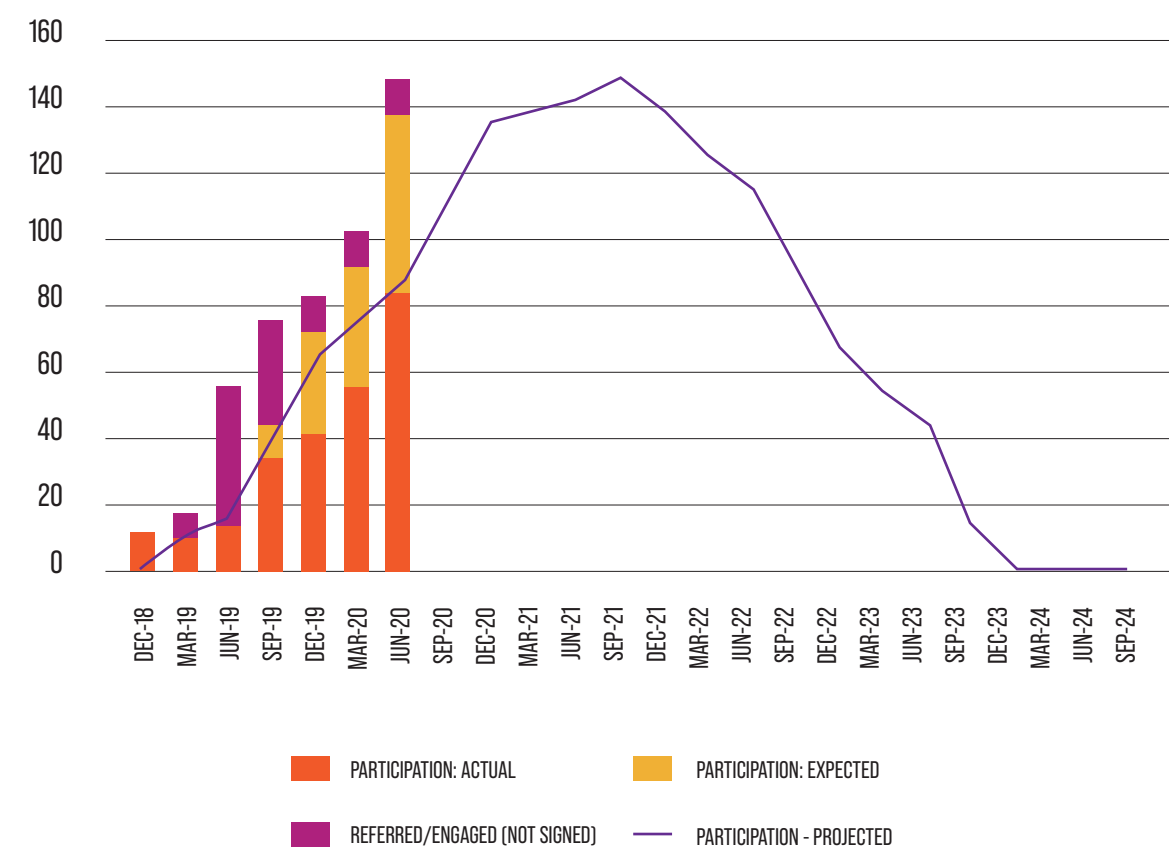
The positive impact of COMPASS during 2019-20 is evident in the stories and achievements of young people participating in the program.

- 
**87** YOUNG PEOPLE ARE CURRENTLY PARTICIPATING IN COMPASS
- 
**17** PARTICIPANTS ARE INDIGENOUS AUSTRALIANS
- 
**56** PARTICIPANTS ARE ENGAGING WITH COMMUNITY AND HEALTH SERVICES
- 
**62** PARTICIPANTS ARE ENGAGED IN EDUCATION, TRAINING AND/OR EMPLOYMENT

Participants engaged in education and training include those completing Year 12 or undertaking tertiary studies. Participants are enrolled in TAFE courses such as Community Services Cert III, Diploma of IT, Animal welfare Cert III, Child Care Cert III, Cert IV in Property Services, Advanced Diploma of Legal studies, Cert IV of Youth Work and Cert III Non-Emergency Patient transport. One young person is enrolled in a Bachelor of Criminology at LaTrobe University. Two young people have been awarded scholarships to support their studies.

Participants are employed in a broad range of full time or part-time jobs. These jobs include work in the hospitality industry, sales, telemarketing, labouring and construction. One participant had started an apprenticeship and another internship in the automotive industry.

**PROJECTED AND ACTUAL PARTICIPATION**  
(AS AT 30 JUNE 2020) (ADJUSTED FOR DELAYED COMMENCEMENT)







# GEORGIA'S STORY

Georgia was first referred to COMPASS, when she was self-placed in a kinship arrangement and had six months left on her statutory order.

Georgia's initial engagement with her COMPASS key worker was very positive, but when her out-of-home care placement was disrupted due to family violence, engaging with COMPASS to plan for her next step after leaving care became very difficult. It is not uncommon for young people who feel overwhelmed to retreat within themselves rather than actively reach out for support. Her COMPASS key worker continued to work closely with the care team, focussing on developing a comprehensive understanding of Georgia's unique strengths, interests and support needs. This relationship became the foundation for Georgia's decision to participate in the COMPASS program.

Initially, COMPASS focussing on supporting Georgia's existing plans, which were progressing well. Georgia was enrolled in TAFE, had a part time job and drove her own car. As a highly independent person with many strengths she only required minimal support and guidance from her key worker when she first joined the program. Georgia did not require COMPASS housing as she planned to stay with her kinship carer.

COMPASS is designed to provide support that is both tailored and flexible, so later, when her circumstances changed, COMPASS was able to step in and provide additional support. This included providing a safe, secure housing option when she needed it the most.

When Georgia was affected by family violence, her COMPASS key worker was there for her, providing intensive support and supporting her as she went through the process of reporting the incident to police. COMPASS also connected her with specialist family violence services to ensure a coordinated and holistic approach was in place to support her recovery.

Throughout her two years with the program, COMPASS will continue to support Georgia as her needs change, so that she has the stability and safety she needs to start once more working on her goals and make a positive start to her adult life.



# DAVID'S STORY

“I have learnt to live with people who are different from me and how to talk to them respectfully. I never thought I would be going to open inspections and applying for rental houses. I have learnt so much in the past year and look forward to living independently and knowing that I have the support of my key worker.”

David has been a COMPASS participant since February 2019, and the first part of his journey with COMPASS was in the 2018-19 Annual Report. David was referred to COMPASS some months after leaving care. COMPASS met David when he was in a housing crisis and was moving between motels. David is currently in the process of exiting a COMPASS property and signing the lease of a private rental property with fellow COMPASS participants. David independently sourced the property, attended open inspections and followed through the application process.

David explains his personal experience:

“Having COMPASS has changed my life for the better. I was homeless, moving between motels, and had nothing but a TV and my dog Penelope. It wasn't always easy with COMPASS, I was angry and made threats to people who tried to help me. COMPASS seemed to always understand that my behaviour was a result of my trauma but at the same time held me accountable and taught me about the importance of respectful relationships.

Since then, I have been provided opportunities by COMPASS and felt supported by my key worker. COMPASS supported me to complete courses for Responsible Service of Alcohol, Responsible Service of Gambling and Responsible Service of Food, as well as a forklift and warehouse course.”







Pictured: Rhiannon McDonald

## VIEW FROM A COMPASS TEAM LEADER

I was appointed as the Team Leader of COMPASS for the Greater Bendigo Area. I started in April 2019 when COMPASS went live in our area. Prior to COMPASS I worked in Anglicare Victoria's Leaving Care Program for three years.

COMPASS is structured to support the life course and trajectory of young people transitioning from out-of-home care. By providing resources such as housing, the program offers young people the opportunity to stabilise out of crisis and begin to aspire towards the life they want to lead. These housing and support within our community allow young people to build new networks and connections outside of their usual neighbourhoods, and in turn, begin to explore and forge their own identity.

It can be both heart-warming and heart-breaking to hear some of the comments made by young people when we move them into their new home. When I was driving with a young person to a new home, we were talking about what kind of home they would like to create, and they said "a happy and peaceful one. After driving across town, the young person got out of the car and said, "Even the air is different here, and I feel like I can breathe better!"

Statements such as these have made an impact on me. I have heard many times from many clients that without COMPASS they would not have much hope. Before our help, they felt destined for jail, homelessness or even more dire circumstances. It highlights how we cannot fully measure or underestimate the value of what we might often take for granted, such as a roof over our head.

**“MY KEY WORKER HAS BEEN GREAT; THEY HAVE HELPED SO MUCH AND JUST GET THINGS DONE; YOU HAVE TO KEEP HIM!”**

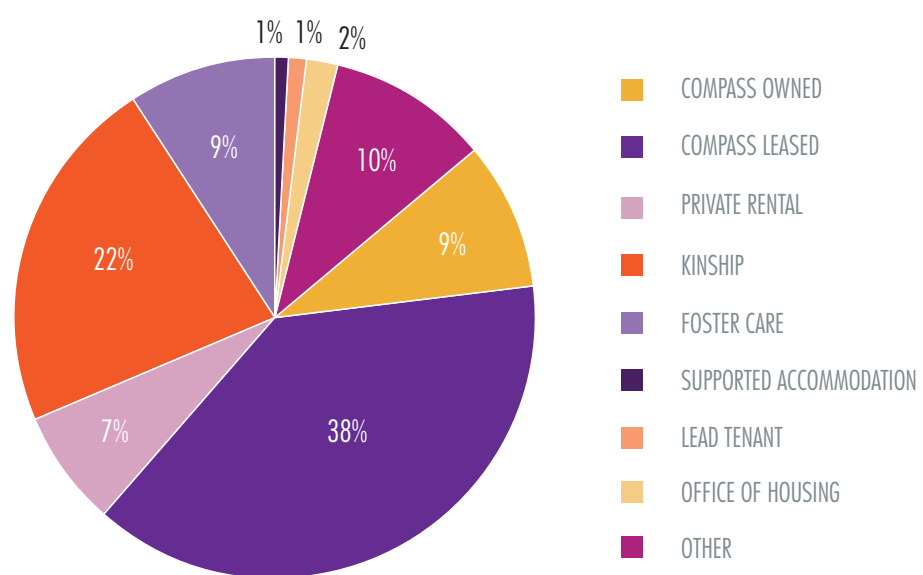
This young person is in a kinship arrangement and was supported by his key worker to remain in this arrangement. He and his uncle fed back to the Team Leader that their key worker completes all tasks set out and supports with goal planning.



# SECURE HOUSING

The ability to move from surviving to thriving is incredibly challenging, if not impossible, without secure housing. COMPASS housing gives participants an opportunity to stabilise. At the same time, they experience the realities of becoming an adult, familiarise themselves with their new community, link with therapeutic services, employment and training opportunities, reconnect with family and reach emotional and behavioural maturity. Participants living in COMPASS housing build the skill set needed to manage their own tenancy, in a supportive environment. Achieving a successful tenancy record, through COMPASS also gives them access to alternative housing options at program completion.

Participants in COMPASS have a wide range of housing arrangements. Nearly half of the participants (47%) live in COMPASS owned or leased properties. Twenty-two per cent of participants live with their kinship carers and nine per cent with their foster carers. The other housing arrangements include private rental, supported accommodation and leasing a Government-owned property managed by the Office of Housing.



“WOW, THIS IS AWESOME...IS THIS REALLY MY HOUSE?! I LOVE IT. I'M GOING TO DO BETTER”

This young person was excited and in awe when she first saw her COMPASS property. She excitedly ran around the house, picked her room and expressed how much she loved her new home. She felt that it was 'too good' for her. Our staff reassured her that she was deserving of this property – and of so much more. The young person stated she was motivated to do better in life and was thankful to COMPASS and her key worker.







## VIEW FROM PARTICIPANTS

### Emily was referred to COMPASS when she was living in residential care.

At that period of her life, Emily had developmental trauma leading to difficulties with trusting workers and with regulating her emotions. Emily's leaving care plan was to transition into a COMPASS property; however, Emily decided that she instead wanted to live with her mother. Emily's mother is a safe and caring parent who was very supportive of her daughter returning home.

Young people living in residential care are forced to live with three other young people who have their own unique and complex support needs and express a range of pain based behaviour. They are also exposed to young people entering then exiting their residential care home which is very disruptive. Therefore young people translating that experience to sharing with another young person in COMPASS housing coupled with the major transition from out-of-home care can be a very overwhelming experience for them.

Key workers understand this and always work within trauma informed and strength based framework. The COMPASS approach is to back young people with their decisions and to support them on their journey. Every decision is an opportunity for growth and learning.

Today Emily has a beautiful relationship with her mother, she has completely transformed her communication skills, has strategies to manage her emotions, has a job at IGA and has saved \$3,000 which she used to purchase a car.

Emily and her key worker are now working on her next goal which is to secure a private rental.

**Emily, COMPASS participant since August 2019.**



### “When I first met my key worker, I was living in an Anglicare Victoria residential care home. I had no secure plan for housing after I turned 18. When at Anglicare Victoria, I had everything done for me, meals prepared, washing done, house cleaned and transported everywhere.

I didn't have to pay for anything. I didn't understand that air conditioners or heaters cost money to run or that you had to pay for water – well I never thought about it anyway. I never had to think about paying rent. My key worker started to talk to me about this stuff before I turned 18.

When I turned 18, I still wasn't prepared for independent living. I struggled with paying bills and rent and ended up in some serious rental arrears of more than \$1,000. I would call my key worker up to 30 times a day demanding he fix everything, but he would say the same thing, “how do you think you could fix it” or, “what would you do if I didn't answer the phone”. I have now been in the program for approximately 15 months, and I'm proud to say I now believe I have the skills to manage my own life. My rent is up to date; I'm not behind at all. I hardly ever have to call my key worker anymore. I'm now in the process of finding my own private rental with my partner and I know I will get a good rental reference from COMPASS.”

**Sally, COMPASS participant since March 2019.**

Update: Sally secured a private rental and moved in July 2020.



# YOUR INVESTMENT

## KEY PARTIES

The successful implementation of the COMPASS service model depends, to some extent, on the strong partnerships established between Compass Leaving Care, the sub-contractors and the Victorian Government.

**Anglicare Victoria** is a member of Compass Leaving Care and as a sub-contractor is responsible for the delivery of services in line with the Compass service model, including:

- Accepting referrals and establishing initial rapport with the young person
- Engaging with young people as they move to participation in Compass
- Providing ongoing support to the participants so they make a successful transition to adulthood
- Brokering referrals to specialist support, such as, mental health, drug and alcohol, employment services.

**VincentCare Victoria** is a member of Compass Leaving Care and is the subcontractor responsible for the provision for Compass housing.

VincentCare's responsibilities include:

- Overseeing the purchase of properties
- Head leasing properties for Compass participants
- Tenancy and property management including rental collections, inspections, repairs and maintenance

**Department of Health and Human Services** manages the Compass SIB, on behalf of the Victorian Government. The Government Contract Manager is the key point of contact in the department and supports the ongoing implementation of the Compass Program. In particular, the Government Contract Manager:

- Oversee referrals to the program, including confirming eligibility.
- Provides quarterly and annual forecasts on expected eligible young people
- Facilitates the monitoring, scheduling, and delivery of performance outcome data.





# SECTION B

## GENERAL PURPOSE FINANCIAL REPORT

### DIRECTOR'S REPORT

The Directors present their report on Compass Leaving Care Limited (the Company or Compass Leaving Care) for the period ended 30 June 2020.

### GOVERNANCE STRUCTURE

Compass Leaving Care was established in 2018 as a Company limited by guarantee and special purpose entity to deliver the COMPASS Program and the COMPASS SIB, developed by Anglicare Victoria and VincentCare Victoria in partnership with the Victorian Government.

Anglicare Victoria and VincentCare Victoria are the sole members of the Company.

The Company's governance structure is supported through a Board of four Directors, two from Anglicare Victoria and two from VincentCare Victoria, including both CEOs and a board member from each organisation. The Directors are Paul Mc Donald, Quinn Pawson, Geoff Walsh and Brendan Foley.

The management team includes the COMPASS Executive Manager, the Chief Financial Officer from VincentCare Victoria and Operations Manager from Anglicare Victoria. The constitution of Compass Leaving Care outlines the dispute resolution process and includes escalation to Board level for unresolved matters.

The Company's key functions include:

- acting as the financial conduit between investors and the Victorian Government, including as the legal entity holding assets on behalf of investors (cash and property)
- sub-contracting program delivery to AV and VCV as service providers, per the Implementation Agreement with the Victorian Government
- statutory reporting with annual financial statements for independent auditing
- ongoing administration such as Noteholder communication and updates
- buying residential properties and entering into head-leasing arrangements with landlords.

### DIRECTORS OF COMPASS LEAVING CARE

PAUL MCDONALD

QUINN PAWSON

GEOFFREY WALSH

BRIAN TOOTH (resigned December 2019)

BRENDAN FOLEY (commenced December 2019)

### MANAGEMENT TEAM

BRIDGET WELLER

CATHERINE JAMES

DARREN SPOONER

STEPHANIE FENNELL

AMANDA STACEY

ANNA WEEDING

LAURA BONACCI

RHIANNON MCDONALD

CAROLINE MASSA

“THANK YOU, COMPASS, FOR YOUR HELP WITH MY INTERVIEW PREP; I WAS SO NERVOUS! I KNOW I JUST GOTTA BE MYSELF”

This young person went on to get the HoMie (Homelessness Of Melbourne Incorporated Enterprise) apprenticeship and was appreciative of her key worker and team leader for their support and encouragement.



## PRINCIPAL ACTIVITIES

The Company's principal activities are providing stable housing, caseworkers and access to specialised services tailored to young people aged 16.5 to 18.5 to prepare them for independent living.

## REVIEW OF OPERATIONS

In 2019-20 Compass Leaving Care consolidated processes, systems and partnerships that underpin operations through the life of the bond. Strong collaboration between project partners has been critical to this.

Supported by the Compass Leaving Care Executive Manager and members of the Executive of Anglicare Victoria and VincentCare Victoria, Compass Leaving Care's Directors, management team and operational staff meet regularly to oversee the implementation and monitor progress. Our committed and passionate service staff are working hard to make COMPASS participants experience seamless, personalised support, including help to secure stable housing.



**87 YOUNG PEOPLE  
PARTICIPATING IN COMPASS**



**71% OF PARTICIPANTS ARE  
ENGAGING IN EDUCATION  
AND TRAINING**



**17 PARTICIPANTS ARE  
INDIGENOUS AUSTRALIANS**



**PURCHASED  
6 PROPERTIES**



**56 PARTICIPANTS ARE  
LINKED WITH COMMUNITY  
AND HEALTH SERVICES**



**HEAD LEASING  
20 PROPERTIES**

## COVID-19

Compass Leaving Care and the services we deliver are considered essential activities by the Victoria Government. The impact of COVID-19 on Compass Leaving Care has been manageable and the health and wellbeing of participants and staff remains our highest priority. The young people participating in the Compass program continue to receive support from key workers. It is essentially business as usual, with modified practice to accommodate social distancing and reduce the risk of transmission among participants and staff. Compass continues to accept referral and is engaging with young people newly refers via phone and other apps.

The financial statements reflect the impacts of the COVID19 pandemic since its emergence and growing significance in the final quarter. Financially, Compass has experienced a reduction in some investment returns over the final quarter but these declines are not currently material to the Company or the overall investment proposition.

## NET RESULT

The company's financial statements reflect a breakeven result, after accounting for a fair value adjustment to the value of loan notes of \$1.58 M.

The Company's Statement of Cash Flows for the year to 30 June 2020 showed an inflow of \$71 M from investors balanced by outflows of \$4.47 M from investing and \$2.63 M from operating activities.

The balance sheet reflects no change in equity, and a cumulative reduction of the carrying value of on loan notes of \$2.66M.

The adjustments to loan note value in the P&L and balance sheet reflect the current stage of development of the business and are expected to reverse over the life of the full programme in line with the business plan.

The Company has made no assessment of the level of likely outcome payments receivable on the basis that these have not been measured and are uncertain. First measurements will take place in April 2021.

## DIVIDENDS

The Company is precluded from paying dividends by its constitution. The Company is a company limited by guarantee, and no Director holds an interest in the Company or is entitled to any options in the Company.

## CHANGES IN THE STATE OF AFFAIRS

There were no significant changes in the state of affairs of Compass Leaving Care this year.

Matters subsequent to the end of the financial period

No matter or circumstance has arisen since 30 June 2020 that has significantly affected, or may significantly affect:

- the consolidated operations in future financial years
- the results of those operations in future financial years
- the consolidated state of affairs in future financial years.



## FUTURE DEVELOPMENTS

Any information regarding possible developments in the operations of Compass Leaving Care in future financial years that may result in unreasonable prejudice to the Company has not been disclosed in this report.

## ENVIRONMENTAL REGULATIONS

The Company's operations are not subject to any significant environmental regulations under either Commonwealth or state legislation. The Board believes that the Company has adequate systems in place for managing its environmental requirements and is not aware of any breach of those as they apply to the Company.

## INSURANCE OF OFFICERS

The Department of Health and Human Services pays a professional indemnity insurance premium to an insurer on behalf of the member organisations, Anglicare Victoria and VincentCare Victoria.

The liabilities insured are legal costs that may be incurred in defending civil or criminal proceedings brought against Anglicare Victoria and VincentCare Victoria officers.

The Company has not otherwise, during or since the end of the financial period, except to the extent permitted by law, indemnified or agreed to indemnify an officer or auditor of the Company or of any related body corporate against a liability incurred as such an officer or auditor.

## PROCEEDINGS ON BEHALF OF THE COMPANY

No person has applied to the Court under section 237 of the Corporations Act 2001 (Corporations Act) for leave to bring proceedings on behalf of the Company, or to intervene in any proceedings to which the Company is a party, for the purpose of taking responsibility on behalf of the Company for all or part of those proceedings.

No proceedings have been brought or intervened in on behalf of the Company with leave of the Court under section 237 of the Corporations Act.

## DIRECTORS' BENEFITS

During or since the end of the financial period, no Director has received or become entitled to a benefit as a result of a contract made by the Company with the Director, a firm of which a Director is a member or entity in which a Director has a substantial financial interest.

DIRECTOR	ELIGIBLE	ATTENDED	COMMENT
Paul McDonald	9	9	COMMENCED 06/02/18
Quinn Pawson	9	8	COMMENCED 11/12/18
Geoffrey Walsh	9	9	COMMENCED 06/02/18
Brian Tooth	4	4	COMMENCED 11/12/18 - RESIGNED 05/12/19
Brendan Foley	5	4	COMMENCED 5/12/19

## AUDITOR'S INDEPENDENCE DECLARATION

The Board of the Company appointed PricewaterhouseCoopers as auditors for the period ended 30 June 2020 in accordance with the Australian Charities and Not-for-profits Commission Act 2012 (ACNC Act).

A copy of the auditor's independence declaration as required under the ACNC Act is included on page 36.

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

Paul McDonald

Joint Chairman

Date: 24 September 2020

Quinn Pawson

Joint Chairman

Date: 24 September 2020






# FINANCIAL STATEMENTS

## STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE PERIOD ENDED 30 JUNE 2020

	NOTE	2020 \$	2019 \$
<b>REVENUE</b>			
Government standing charges	3 (a)	1,051,656	814,093
Rental income	3(b)	59,408	4,745
Other income	3(c)	1,581,940	1,078,253
Investment income	3(d)	26,779	–
<b>TOTAL REVENUE</b>		<b>2,719,784</b>	<b>1,897,091</b>
<b>EXPENSES</b>			
Subcontracted services	4(a)	1,839,204	1,053,996
Interest (note coupons)	4(b)	498,362	276,414
Property costs	4(c)	314,361	41,618
Other operating expenses	4(d)	33,170	35,000
Other non-operational expenses	4(e)	34,687	490,063
		2,719,784	1,897,091
<b>NET SURPLUS</b>		<b>–</b>	<b>–</b>
Other comprehensive income			
<b>TOTAL COMPREHENSIVE SURPLUS FOR THE PERIOD</b>		<b>–</b>	<b>–</b>
Surplus is attributable to:			
Owners of the organisation		–	–

The accompanying notes form part of these financial statements.

## STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2020

	NOTE	2020 \$	2019 \$
<b>CURRENT ASSETS</b>			
Cash and cash equivalents	5	3,963,308	3,959,811
Trade and other receivables	6	114,166	160,201
Other assets	7	3,520,310	10,158
<b>TOTAL CURRENT ASSETS</b>		<b>7,597,784</b>	<b>4,130,170</b>
<b>NON-CURRENT ASSETS</b>			
Trade and other receivables	8	1,871,350	814,093
Investment properties	9	2,206,464	1,239,091
Other assets	10	24,560	4,302
<b>TOTAL NON-CURRENT ASSETS</b>		<b>4,102,373</b>	<b>2,057,486</b>
<b>TOTAL ASSETS</b>		<b>11,700,157</b>	<b>6,187,656</b>
<b>CURRENT LIABILITIES</b>			
Trade and other payables	11	160,351	165,909
<b>TOTAL CURRENT LIABILITIES</b>		<b>160,351</b>	<b>165,909</b>
<b>NON-CURRENT LIABILITIES</b>			
Loan notes issued to investors	12(a)	14,200,000	7,100,000
Decrease in amounts due to investors	12(b)	(2,660,194)	(1,078,253)
<b>TOTAL NON-CURRENT LIABILITIES</b>		<b>11,539,806</b>	<b>6,021,747</b>
<b>TOTAL LIABILITIES</b>		<b>11,700,157</b>	<b>6,187,656</b>
<b>NET ASSETS</b>		<b>–</b>	<b>–</b>
<b>EQUITY</b>			
Contributed equity		–	–
Accumulated funds		–	–
<b>TOTAL EQUITY</b>		<b>–</b>	<b>–</b>

The accompanying notes form part of these financial statements.



**STATEMENT OF CHANGES IN EQUITY**  
FOR THE PERIOD ENDED 30 JUNE 2020

	CONTRIBUTED EQUITY	ACCUMULATED FUNDS	TOTAL
	\$	\$	\$
<b>BALANCE AT 30 JUNE 2019</b>			
Surplus/(Deficit) for the period	-	-	-
Other Comprehensive Income for the period	-	-	-
Total Comprehensive Income for the period	-	-	-
<b>BALANCE AT 30 JUNE 2020</b>	<b>-</b>	<b>-</b>	<b>-</b>

The accompanying notes form part of these financial statements.

**STATEMENT OF CASH FLOWS**  
AS AT 30 JUNE 2020

	NOTE	2020 \$	2019 \$
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>			
Receipts from operating activities		82,851	2,374
Payments to suppliers		(2,213,620)	(1,750,967)
Payment of note coupon		(498,362)	(152,504)
<b>NET CASH USED IN OPERATING ACTIVITIES</b>	<b>14</b>	<b>(2,629,130)</b>	<b>(1,901,098)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>			
Payments for property		(967,373)	(1,239,091)
Term Deposits	7	(3,500,000)	-
<b>NET CASH USED IN INVESTING ACTIVITIES</b>		<b>(4,467,373)</b>	<b>(1,239,091)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES:</b>			
Note proceeds		7,100,000	7,100,000
<b>NET CASH PROVIDED BY FINANCING ACTIVITIES</b>		<b>7,100,000</b>	<b>7,100,000</b>
Net increase in cash and cash equivalents		3,497	3,959,811
Cash and cash equivalents at the beginning of the financial period		3,959,811	-
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE FINANCIAL PERIOD</b>	<b>5</b>	<b>3,963,308</b>	<b>3,959,811</b>

The accompanying notes form part of these financial statements.



## NOTE 1 GENERAL INFORMATION

Compass Leaving Care Limited (The Company) is a company limited by guarantee. The Company is an entity jointly controlled and managed by Anglicare Victoria and VincentCare Victoria.

The Company has been established to provide a standalone legal entity, through which Anglicare Victoria and VincentCare Victoria are able to deliver the COMPASS Program on a joint venture basis.

The Company issues Social Impact Bond Loan Notes to raise funding from investors to fund the COMPASS Program. Anglicare Victoria and VincentCare Victoria are subcontracted to provide staff and services to the Program. The services help participants in the program to transition out of out-of-home care should be resulting in improved social outcomes for young people, as well as significant avoided costs for the State of Victoria. The State will make a series of performance linked outcome payments to the Company which will be passed on to investors.

Compass Leaving Care Limited was first registered with the Australian Securities and Investment Commission on 6 February 2018.

Compass Leaving Care Limited was first registered with the Australian Charities and Not-for-profits Commission on 21 March 2018.

The COMPASS Program was launched 16 October 2018.

The financial statements have been prepared for the period 01 July 2019 to 30 June 2020.

## NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

This note provides a list of the significant accounting policies adopted in the preparation of these consolidated financial statements to the extent they have not been disclosed in the specific notes below. These policies have been consistently applied to all the years presented, unless otherwise stated.

### (a) Basis of preparation

These general purpose financial statements have been prepared in accordance with Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board and the Australian Charities and Not-for-profits Commission Act 2012. Compass Leaving Care Limited is a not-for-profit entity for the purpose of preparing the financial statements.

### (i) Compliance with Australian Accounting Standards - Reduced Disclosure Requirements

The financial statements of Compass Leaving Care Limited comply with Australian Accounting Standards – Reduced Disclosure Requirements as issued by the Australian Accounting Standards Board (AASB).

### (ii) Historical cost convention

The financial statements have been prepared on a historical costs basis, unless otherwise noted.

### (iii) Going concern

The financial statements have been prepared on the going concern basis, which assumes continuity of normal business activities and the realisation of assets and the settlement of liabilities in the ordinary course of business.

### (iv) New and amended standards adopted by the Company

New and revised Australian Accounting Standards

The Group has applied the following new and revised Australian Accounting Standards, Interpretations and amendments that have been issued and are effective for the year under review:

### Standard/amendment

### Effective for annual reporting periods beginning on or after

AASB 15 Revenue from Contracts with Customers	1 January 2019
AASB 1058 Income of Not-for-Profit Entities	1 January 2019
AASB 16 Leases	1 January 2019

AASB 2016 Amendments to Australian Accounting Standards - Australian Implementation Guidance for Not-for-Profit Entities	1 January 2019
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AASB 2018-8 Amendments to Australian Accounting Standards - Right-of-Use Assets of Not-for-Profit Entities	1 January 2019
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### (b) Revenue recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. The following specific recognition criteria must also be met before revenue is recognised:

#### (i) Government revenue

Government standing charge

An aggregate amount of \$6.2 million payable by the State of Victoria over 8 instalments between 1 October 2020 and 30 September 2022. Revenue from Government standing charge is accrued in accordance with the 'Accrued but unpaid Standing Charge Payment Look-up Table' in the Implementation Agreement between the State Government and the Company.

Government performance payments

Noteholders will receive annual Outcome Payments from the State of Victoria based on the performance of the Program, from 12 months following the first participants' completion of the Program (expected to be 1 April 2022) until 1 April 2026. The State will pay the Outcome Payments to the Company which will be passed on to Noteholders. The value of these payments will vary periodically, based on the performance of the Program and the number of participants being tested against each Outcome Measurement Date.

At each Measurement Date, participants will attract a payment based on their cohort's improvement relative to the Control Group. These payments have been calculated according to the relative weightings of the performance measures and the number of measurement points, as follows:

- Housing Outcome Measure (60%, 2 measurement points per Participant)
- Health Outcome Measure (20%, 2 measurement points per Participant)
- Justice Outcome Measure (20%, 1 measurement point per Participant)

These payments will accrue quarterly, based on the timing of the intake of participants into the Program, but will be paid to Noteholders on an annual basis. The payment made at the Outcome Payment Date will consist of the aggregate of four preceding Outcome Payments accrued at each Outcome Measurement Date prior to the Outcome Payment Date (but, to avoid doubt, excluding the Outcome Payment for the Outcome Measurement Date that falls on the Outcome Payment Date).

There were no performance payments received during the period ended 30 June 2020.



### (ii) Rental income

Participants of the program contribute to property rental costs. Rental income is recognised on a straight line basis over the contractual fixed lease term. Amounts unrecovered or considered unrecoverable are written off to the Profit and loss account on an arising basis.

### (c) Income tax

The Company is exempt under the provisions of the Income Tax Assessment Act 1997, and as such is not subject to income taxes at this time. Accordingly, no income tax has been provided for the Company in these financial statements.

### (d) Leases

The company is both lessee and lessor. Properties are leased from landlords and sub-leased to programme participants under leases that are substantially Residential Tenancies Act agreements. The programme allows for escalation of rents from heavily subsidised to unsubsidised over a period of 24 months, the period of time for which Compass commits to providing a stable housing and support to programme participants. Compass acquires no options to extend or rights to purchase properties at the end of their lease or period of occupation.

#### The Company as lessee

The company has applied AASB16 to its leases, the overwhelming majority of which are Residential Tenancies Act tenancies of 12 months or less duration and fall outside the scope of the standard. The small minority of leases which extend over periods exceeding 12 months have been assessed as required under AASB16 and a judgement made that their omission from the balance sheet at 30 June 2020 does not materially misstate the financial position of the company.

#### The Company as lessor

Rental income from leases with program participants is recognised as rental income in profit or loss as described in Note 2(b)(ii). Programme participants lease properties under fixed term contracts of 12 months or less duration, governed by the Residential Tenancies Act. Participants acquire no options to extend their lease, nor a right to acquire the property whether on expiry of the lease, period of occupation, or participation in the programme.

### (e) Cash and cash equivalents

For the purpose of presentation in the statement of cash flows, cash and cash equivalents includes deposits held at call with financial institutions.

### (f) Trade and other receivables

Trade receivables and other receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method. Refer to Note 6 for further information about the Company's accounting for other receivables.

### (g) Loan notes

The Company issued Social Impact Bond (SIB) Loan Notes to raise \$14.2 million in funding from investors to fund the COMPASS Program.

Loan Notes issued to investors are treated as a financial liability at fair value through profit or loss (FVTPL).

The liability amount due to investors will vary over the period of the Program. Each year the Company estimates the minimum liability due to investors at balance date which will change as a result the following:

- program costs incurred;
- note coupons paid and accrued;
- outcome payments from the State of Victoria based on the performance of the Program and the number of Participants being tested against each Outcome Measurement Date;
- Government standing charge accrued;
- changes in fair value of investment properties.

Full repayment or partial repayment of loan notes issued is dependent on the performance of the Program, net proceeds on sale of investment properties and/or if there is an early termination event.

There may be certain circumstances in which either the Company or the State may wish to wind up the Program early. Provisions in the Implementation Agreement allow for this, providing both parties with the right to terminate the Program under a variety of scenarios.

Investors will receive a full repayment of principal invested if the Program is:

- terminated by the State for convenience;
- terminated by the Company for cause;
- impacted by changes in taxes, law or policy;
- impacted by an intervening event.

Investors will receive partial payment of principal invested if the Program:

- is terminated by the State for cause;
- underperforms in housing outcome measure and one other outcome measure.

The variation of the liability amount due to investors is the change in fair value and is recognised in profit or loss.

Loan notes issued to investors and the decrease in amounts due to investors are disclosed in Note 12.

#### (h) Investment properties

Investment properties are held by the Company to house participants of the Program and to earn rental income and/or gain capital appreciation.

All of the Company's property interests are accounted for as investment properties and are measured using the fair value model. All investment properties are measured initially at cost. Subsequent to initial recognition, all investment properties are measured at fair value. Investment properties will be valued based on directors' valuations on an annual basis. The Company expects to perform independent valuations on all properties every three years.

Gains or losses arising from changes in the fair value of investment property are included in profit or loss in the period in which they arise. An investment property is derecognised upon disposal or when the investment property is permanently withdrawn from use and no future economic benefits are expected from the disposal. Any gain or loss arising on derecognition of the property (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in profit or loss in the period in which the property is derecognised.

#### (i) Trade and other payables

Trade and other payables represent unpaid liabilities for goods received by and services provided to the Company prior to the end of the financial year. The amounts are unsecured and are normally settled within 30 days.

#### (j) Goods and services tax

Revenues, expenses and assets are recognised net of the amount of associated GST, unless the GST incurred is not recoverable from the taxation authority. In this case it is recognised as part of the cost of acquisition of the asset or as part of the expense. 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 taxation authority is included with other receivables or payables in the balance sheet.

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to the taxation authority, are presented as operating cash flows.

## NOTES TO THE FINANCIAL STATEMENTS

AS AT 30 JUNE 2020

	2020	2019
	\$	\$
<b>NOTE 3 REVENUE AND OTHER INCOME</b>		
<b>REVENUE</b>		
<b>(A) GOVERNMENT GRANTS</b>		
Accrued but unpaid Government standing charge	1,051,656	814,093
	<b>1,051,656</b>	<b>814,093</b>
<b>(B) CLIENT CONTRIBUTIONS</b>		
Client contributions - Accommodation	59,408	4,745
	<b>59,408</b>	<b>4,745</b>
<b>OTHER INCOME</b>		
<b>(C) OTHER INCOME</b>		
Decrease in amount due to investors	1,581,940	1,078,253
	<b>1,581,940</b>	<b>1,078,253</b>
<b>(D) INVESTMENT INCOME</b>		
Investment Income	26,779	-
	<b>26,779</b>	<b>-</b>
<b>TOTAL REVENUE AND OTHER INCOME</b>	<b>2,719,784</b>	<b>1,897,091</b>

These notes form part of the financial statements.



**NOTES TO THE FINANCIAL STATEMENTS**  
AS AT 30 JUNE 2020

	2020	2019
	\$	\$
<b>NOTE 4 EXPENSES</b>		
<b>(A) SUBCONTRACTED SERVICES</b>		
Service fees	1,839,204	1,053,996
	<b>1,839,204</b>	<b>1,053,996</b>
<b>(B) INTEREST EXPENSE</b>		
Interest [notes coupon] (i)	498,362	276,414
	<b>498,362</b>	<b>276,414</b>
<p>(i) Note coupons relate to interest paid and accrued to loan noteholders at the fixed rate of 3.50% per annum of the total aggregate issue amount of \$14.2 million (see Note 12). Note coupons are paid half-yearly, from 31 March 2019 until commencement of the Outcome Payments (expected to be 1 April 2022).</p>		
<b>(C) PROPERTY COSTS</b>		
Lease expense	231,470	28,351
Other premises costs	82,890	13,267
	<b>314,361</b>	<b>41,618</b>
<b>(D) OTHER OPERATING COSTS</b>		
Audit fees	30,800	35,000
Other Operating Expenses	2,373	-
	<b>33,170</b>	<b>35,000</b>
<b>(E) OTHER NON-OPERATIONAL EXPENSES</b>		
Establishment costs	-	431,000
Transaction costs	34,687	59,063
	<b>34,687</b>	<b>490,063</b>
<b>TOTAL EXPENSES</b>	<b>2,719,784</b>	<b>1,897,091</b>

These notes form part of the financial statements.

**NOTES TO THE FINANCIAL STATEMENTS**  
AS AT 30 JUNE 2020

	2020	2019
	\$	\$
<b>NOTE 5 CASH AND CASH EQUIVALENTS CURRENT</b>		
Cash at bank	1,063,308	3,959,811
Term Deposits	2,900,000	-
	<b>3,963,308</b>	<b>3,959,811</b>
<p>Term deposits included in cash and cash equivalents mature within 3 months of the balance sheet date.</p>		
<b>NOTE 6 TRADE AND OTHER RECEIVABLES CURRENT</b>		
Trade receivables (i)	107	2,372
GST receivable	114,059	157,830
<b>TOTAL RECEIVABLES</b>	<b>114,166</b>	<b>160,201</b>
<p>(i) Trade receivables are amounts due from customers for services performed in the ordinary course of business and are generally due for settlement within 30 days and therefore are classified as current. Trade receivables are recognised initially at the amount of consideration that is unconditional unless they contain significant financing components, when they are recognised at fair value.</p>		
<b>NOTE 7 OTHER ASSETS CURRENT</b>		
Prepayments	20,310	10,158
Term Deposits	3,500,000	-
	<b>3,520,310</b>	<b>10,158</b>

These notes form part of the financial statements.

## NOTES TO THE FINANCIAL STATEMENTS

AS AT 30 JUNE 2020

	2020	2019
	\$	\$
<b>NOTE 8 TRADE AND OTHER RECEIVABLES NON-CURRENT</b>		
Other receivables (i)	1,871,350	814,093
	<b>1,871,350</b>	<b>814,093</b>

(i) Other receivables are amounts due from the State of Victoria for accrued but unpaid Government standing charge. The standing charge is an aggregate amount of \$6.2 million payable by the State over 8 instalments between 1 October 2020 and 30 September 2022. The standing charge is accrued in accordance with the 'Accrued but unpaid Standing Charge Payment Look-up Table' in the Implementation Agreement between the State Government and the Company. These standing charge payments will be due for settlement in more than 12 months from reporting date.

In determining the recoverability of non-current other receivables, the Company believes there is no credit provision required as credit risk is limited. In August 2017, Standard and Poor's and Moody's Investor Services reaffirmed the State of Victoria's triple-A credit rating.

### NOTE 9 INVESTMENT PROPERTIES

FAIR VALUE	2020	2019
At 01 July 2019	1,239,091	-
Additions	967,373	1,239,091
At 30 June 2020	<b>2,206,464</b>	<b>1,239,091</b>

The Company purchased three residential properties during the period.

*Basis of Valuation at 30 June 2020.*

Company policy is to hold properties initially at cost, and subsequently to obtain external valuations every third year (Note 2(h)). All current properties have been held for less than three years.

In recognition of the impact of COVID-19 on the Australian and Victorian State economies, and to guide their judgement on the value of investment properties, the Directors commissioned independent valuations from Charter Keck Cramer on the four oldest properties in the portfolio, all acquired prior to the onset of the pandemic. Charter Keck Cramer provide detailed valuation services and advice on all properties prior to purchase and are therefore familiar with the properties under review. The four independent valuations were conducted in June 2020 on the basis of desktop analysis of sales of like properties in the same locality.

In each case the external valuation noted significant valuation uncertainty but confirmed that the dwellings concerned had maintained their value when compared to original purchase price, and the additional capitalised costs of acquisition did not result in a materially higher carrying value.

Two properties in the portfolio which settled in March and June have been valued by the Directors. In accordance with policy, these properties have been capitalised at cost.

These notes form part of the financial statements.

## NOTES TO THE FINANCIAL STATEMENTS

AS AT 30 JUNE 2020

	2020	2019
	\$	\$
<b>NOTE 9 (CONT) INVESTMENT PROPERTIES</b>		

In consultation with valuers performing the valuation, the valuation reports are reviewed for reasonableness and consistency with what is being experienced in the market by the Management. The valuation process to finalise the values included in the financial report has been reviewed by the Board of Directors. Valuation processes and fair value changes are approved annually by the Board in line with the Company's reporting dates. At the balance sheet date the Directors have determined that there is insufficient evidence to justify a material impairment to the investment portfolio, which will nevertheless be kept under review.

Indicatively, the effect of a fall of 5% in property values would result in a reduction of \$110,300 in the carrying value of the portfolio and a corresponding fair value adjustment to the value of loan notes.

### NOTE 10 OTHER ASSETS

Recoverable rental bonds (i)	24,560	4,302
	<b>24,560</b>	<b>4,302</b>

### NOTE 11 TRADE AND OTHER PAYABLES CURRENT

Trade payables	24,968	4,824
Accrued expenses (i)	135,383	161,085
	<b>160,351</b>	<b>165,909</b>

Trade payables are unsecured and are usually paid within 30 days of recognition. The carrying amounts of trade and other payables are considered to be the same as their fair values, due to their short-term nature.

### NOTE 12 LOAN NOTES ISSUED TO INVESTORS

Disclosed in the financial statements as:

Loan notes issued to investors (a)	14,200,000	7,100,000
Decrease in amounts due to investors (b)	(2,660,194)	(1,078,253)
<b>Total fair value of loan notes issued to investors</b>	<b>11,539,806</b>	<b>6,021,747</b>

#### (A) Loan notes issued to investors

Loan notes issued to investors	14,200,000	7,100,000
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These notes form part of the financial statements.



## NOTES TO THE FINANCIAL STATEMENTS

AS AT 30 JUNE 2020

	2020	2019
	\$	\$
<b>NOTE 12 (CONT) LOAN NOTES ISSUED TO INVESTORS</b>		
The Company issued Social Impact Bond (SIB) Loan Notes to raise \$14.2 million in funding from investors to fund the COMPASS Program. The Loan Notes were fully subscribed in October 2018. As at 30 June 2020, the Company had received 100% of the total aggregate issued amount (2019: 50%) (see Note 13(b)).		
Loan notes issued are treated as financial liability at fair value through profit or loss (FVTPL).		
The liability amount due to loan noteholders will vary over the period of the Program as explained in Note 2(g).		
Changes in fair value on these loan notes are recognised in profit or loss. The net decrease in amount due to investors is disclosed in Note 3 and Note 12(b) below.		
<b>(B) Change in amounts due to investors</b>		
Decrease in fair value of loan notes issued	2,660,194	1,078,254
As at 30 June 2020, the change in fair value of loan notes issued represents costs incurred to date less the accrued Government standing charge. The change in fair value of loan notes issued has been recognised in profit or loss as a decrease in amount due to investors (see Note 3).		

### NOTE 13 COMMITMENTS

#### (A) Non-cancellable operating leases

Commitments for minimum lease payments in relation to non-operating cancellable operating leases are payable as follows:

	2020	2019
Within one year	220,893	39,744
	<b>220,893</b>	<b>39,744</b>

The company enters into head lease agreements for residential properties as part of its commitment to provide stable housing to programme participants. All leases are governed by the Residential Tenancies Act. The overwhelming majority of head leases are for terms of 12 months or less and fall outside the scope of AASB16 Leases, as described in Note 2. Lease commitments disclosed above represent the amounts payable over the remaining non-cancellable term of leases which have not become periodic leases (i.e., on month to month terms).

#### (B) Loan notes committed but not yet receivable

	2020	2019
Within one year	-	7,100,000

The Company issued Social Impact Bond (SIB) Loan Notes, to raise \$14.2 million in funding from investors to fund the COMPASS Program. The Loan Notes were fully subscribed in October 2018. On December 16 2019 Compass received \$71M in proceeds from the settlement of outstanding commitments from investors, being 50% of the aggregate total investment (see note 12(a))

These notes form part of the financial statements.

## NOTES TO THE FINANCIAL STATEMENTS

AS AT 30 JUNE 2020

	2020	2019
	\$	\$
<b>NOTE 14 CASH FLOW INFORMATION</b>		
Reconciliation of surplus to net cash flows from operating activities		
Net surplus for the period	-	-
Adjustments for change in fair value of loan notes	(1,581,940)	(1,078,253)
Changes in operating assets and liabilities		
Increase in trade and other receivables	(1,031,479)	(978,596)
Increase in prepayments	(10,152)	(10,158)
Increase in payables and other liabilities	(5,558)	165,909
<b>NET CASH FLOWS USED IN OPERATING ACTIVITIES</b>	<b>(2,629,130)</b>	<b>(1,901,098)</b>

	2020		2019	
<b>NOTE 15 FINANCIAL INSTRUMENTS</b>				
FAIR VALUES	CARRYING AMOUNT	FAIR VALUE	CARRYING AMOUNT	FAIR VALUE
	\$	\$	\$	\$
<b>FINANCIAL ASSETS</b>				
Cash	3,963,308	3,963,308	3,959,811	3,959,811
Trade and other receivables	1,985,516	1,985,516	974,294	974,294
	<b>5,948,824</b>	<b>5,948,824</b>	<b>4,934,105</b>	<b>4,934,105</b>
<b>FINANCIAL LIABILITIES</b>				
Trade and other payables	(160,351)	(160,351)	(165,909)	(165,909)
Loan notes issued to investors	(11,539,806)	(11,539,806)	(6,021,747)	(6,021,747)
	<b>(11,700,157)</b>	<b>(11,700,157)</b>	<b>(6,187,656)</b>	<b>(6,187,656)</b>

The fair values of financial assets and financial liabilities with standard terms and conditions and traded on active liquid markets are determined with reference to quoted market prices.

The fair values of other financial assets and financial liabilities are determined in accordance with generally accepted pricing models based on discounted cash flow analysis.

These notes form part of the financial statements.

## NOTES TO THE FINANCIAL STATEMENTS

AS AT 30 JUNE 2020

### NOTE 16 RELATED PARTY DISCLOSURES

Transactions between related parties are on normal commercial terms and conditions no more favourable than those available to other parties unless otherwise stated.

Anglicare Victoria and VincentCare Victoria are both registered members of Compass Leaving Care Limited and loan noteholders of the Company's SIB Loan Notes. Both Anglicare Victoria and VincentCare Victoria have subscribed for 22,525 notes each.

Geoffrey Walsh, one of the Directors of the Company, has an interest in Acuity Super Pty Ltd, a loan noteholder with a subscription of 500 of the Company's SIB Loan Notes.

The loan notes have been issued to Anglicare Victoria, VincentCare Victoria and Acuity Super Pty Ltd on the same basis as the other notes in accordance with the terms and conditions contained in the Information Memorandum, Loan Note Deed Poll and Loan Note Subscription Agreement.

The Company entered into the following agreements with Anglicare Victoria and VincentCare Victoria to deliver the COMPASS Program:

- Services Subcontract Agreement with Anglicare Victoria for the delivery of support, coordination, administration and oversight services;
- Services Subcontract Agreement with VincentCare Victoria for the delivery of financial management and housing services;
- Interface Agreement with Compass Leaving Care Limited and Anglicare Victoria.

The general provisions of the services subcontracts follow the form of the Implementation Agreement. The services subcontracts also sets out the amounts and timing of payments for delivery of the COMPASS Program.

### TRANSACTIONS WITH RELATED PARTIES

The following transactions occurred with related parties:

	2020	2019
	\$	\$
<b>LOAN NOTES ISSUED TO AND PAID UP BY RELATED PARTIES</b>		
Anglicare Victoria	2,252,500	1,126,250
VincentCare Victoria	2,252,500	1,126,250
Acuity Super Pty Ltd	50,000	25,000
<b>PURCHASE OF SERVICES FROM</b>		
Anglicare Victoria	1,471,441	770,016
VincentCare Victoria	370,532	286,458

These notes form part of the financial statements.

## NOTES TO THE FINANCIAL STATEMENTS

AS AT 30 JUNE 2020

### NOTE 16 (CONT) NOTE COUPON PAID TO RELATED PARTIES

Anglicare Victoria	79,053	24,191
VincentCare Victoria	79,053	24,191
Acuity Super Pty Ltd	1,755	537

As at 30 June 2020, there were no outstanding amounts due to Anglicare Victoria and VincentCare Victoria in relation to services provided during the year.

### NOTE 17 ECONOMIC DEPENDENCY

A significant portion of the Company's revenue is provided by the State Government of Victoria in the form of standing charges and performance payments.

### NOTE 18 MEMBERS GUARANTEE

Compass Leaving Care Limited is a company limited by guarantee. If the Company is wound up, the Constitution states that each member is required to contribute a maximum of \$10 each towards meeting any outstanding obligations of the company. At 30 June 2020 the number of members was two.

### NOTE 19 MEMBERS GUARANTEE

The auditor of Compass Leaving Care Limited is PricewaterhouseCoopers Australia.

The remuneration of auditors is disclosed in Note 4. No other services were provided during the year.

### NOTE 20

#### SUBSEQUENT EVENTS

There were no other matters or circumstances that have arisen since 30 June 2020 that have significantly affected, or may significantly affect:

- the consolidated operations in future financial years, or
- the results of those operations in future financial years, or
- the consolidated state of affairs in future financial years.

These notes form part of the financial statements.



# DIRECTORS' DECLARATION

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## IN THE DIRECTORS' OPINION:

- (a) the financial statements and notes presented are in accordance with the *Australian Charities and Not-for-profits Commission Act 2012*, including:
  - (i) complying with Accounting Standards - Reduced Disclosure Requirements and other mandatory professional reporting requirements, and
  - (ii) giving a true and fair view of the entity's financial position as at 30 June 2020 and of its performance for the financial period ended on that date, 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 made pursuant to s.60.15 of the *Australian Charities and Not-for-profits Commission Regulation 2013*.



**Paul McDonald**  
Joint Chairman

Melbourne, 24 September 2020



**Quinn Pawson**  
Joint Chairman

Melbourne, 24 September 2020