



COMPASS ANNUAL REPORT

2020-21





Rachel, COMPASS participant



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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.



In some imagery young people's images are used if over 18, with their permissions. Otherwise, models appear in our photographs. In this report a combination of purchased imagery and rightfully owned images of COMPASS.

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MESSAGE FROM DIRECTORS

We are pleased to present the Compass Leaving Care Limited (COMPASS) 2020-21 Annual Report. This year's annual report incorporates the investor report for the COMPASS Social Impact Bond.

The COMPASS Program is at the halfway point. The first young people entered COMPASS in early-2019, and the last to join will exit in late 2023. COMPASS accepted the last in-care referrals in April 2021 and post care will cease in August 2021. As at 30 June 2021 there were 158 young people were participating in COMPASS.

A milestone was reached in January 2021 when the first young people completed their two years with COMPASS. We are pleased to report that all the young people who have left COMPASS are in secure housing and either studying or employed.

The competitive housing market has continued to impact on property acquisition. However, we have been able to provide housing to participants who needed it through Compass owned or head leased properties.

COMPASS staff have successfully adapted their practice to accommodate the various COVID-19 restrictions. They have continued to engage with new referrals and provide ongoing support to the COMPASS participants.

We are looking forward to the first performance measurement and outcome payment in April 2022. Success against the performance measures is dependent on COMPASS participants making a successful transition from out-of-home care and a positive start to their adult lives.

This annual report focuses on the things that indicate the transition from out-of-home care has been positive: engagement in education or training, employment, cultural and social connections, and stable housing.

On behalf of the COMPASS Directors, we thank our committed teams for their support of COMPASS participants; the Department of Families, Fairness and Housing (formerly Department of Health and Human Services) for their assistance with referral flow and investors for their ongoing commitment to Compass Leaving Care.

Paul McDonald

Director, COMPASS Leaving Care Limited
CEO, Anglicare Victoria

Sue Cattermole

Director, COMPASS Leaving Care Limited
Group CEO, VincentCare Victoria and St Vincent de Paul Society Victoria

THE COMPASS PROGRAM

The COMPASS Program is an innovative program funded by the COMPASS Social Impact Bond. COMPASS is a partnership, between Anglicare Victoria, VincentCare Victoria, the Victorian Government and more than 50 investors, supporting young people leaving out-of-home care towards independent living. COMPASS is unique. Each participant receives comprehensive support that is designed to address their individual needs.

Young people participate in the COMPASS Program for two years, and during that time they work with a key worker to build their independent living skills. The COMPASS team support participants to access specialist services such as mental health and alcohol and drug services. Participants have different housing needs. Some young people continue to live with kinship or foster carers and others live in COMPASS owned or head leased properties.

COMPASS operates the Department of Families, Fairness and Housing areas of Western Melbourne, Brimbank Melton, North East Melbourne (Darebin, Whittlesea LGAs), Hume Moreland, and Loddon (Greater Bendigo, Central Goldfields and Campaspe LGAs).

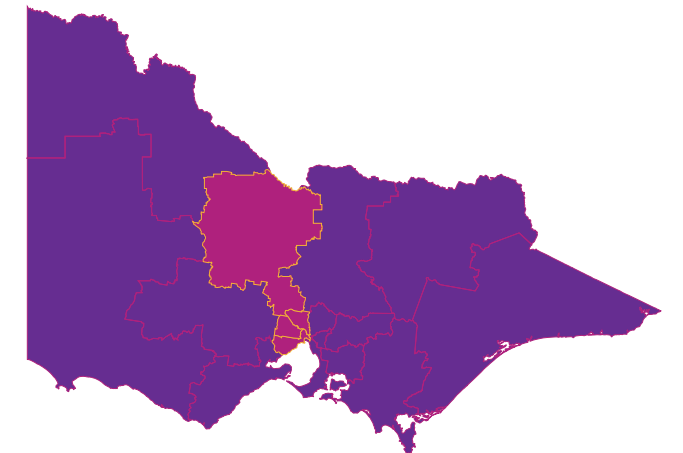
The Department of Families, Fairness and Housing refers young people to COMPASS. There is an engagement phase when the COMPASS team establishes a relationship with the young person. During this time, the key worker supports the young person to set goals for the future and work out ways to reach them. COMPASS participants work to achieve priorities, such as: finding somewhere to live, continuing their education, having a job, linking with community and health services, and connecting with their culture and positive social networks.

The COMPASS team is made up of staff from Anglicare Victoria and VincentCare Community Housing. In addition, COMPASS supports students to undertake a placement with the program.

The efforts of the COMPASS Team cannot be underestimated.

The key workers work with young people from the engagement phase and through the two year participation period. The key workers provide support to the young people through the ups and the downs and are proud of their achievements.

The housing workers put significant efforts into finding housing that is suitable for COMPASS participants.





The COMPASS Team

This photo was taken when mask-wearing was not mandatory outdoors.

During 2020-21 COMPASS reached a number of milestones.

In early 2021 the first participants exited the program after two years.

These young people have transitioned well into adult life with the support of their key workers.

In April 2021, COMPASS received the last in care referrals. Final post care referrals will be received in August 2021.

14

participants have exited the program after two years of participation

158

total participants

38

participants identify as Indigenous Australians

VIEW FROM A COMPASS KEY WORKER



Mat, COMPASS key worker

Mat has been a COMPASS key worker since the launch of the program in 2018 and was the first key worker in Melbourne's west. He has observed the COMPASS Program unfold and has supported young people from engagement to exiting the program after two years. Mat has developed his skill set during his time with COMPASS, and he has more confidence in his practice; he feels that he has become a more skilled advocate for young people. He enjoys the collaborative way of working and believes this contributes to the success of COMPASS.

The strengths in the COMPASS model from Mat's perspective are:

- the respect that the COMPASS team have for the participants,
- the diverse experience and employment history of the COMPASS team,
- the opportunity to be creative and tailor his practice to the needs of each participant, and
- the housing that COMPASS provides young people a stable base

Mat believes the six month engagement phase is one of the most important aspects of the COMPASS model: it is where the key workers are able to build a relationship with the participants and

gain an understanding of what their perfect world looks like. This gives the key worker and the young person a starting point that they can build on to gain independence and live a fulfilled adult life.

Mat thinks that the two and a half year relationship with the COMPASS key worker means that the model can be tailored to each individual within program parameters. Often the COMPASS key worker is the constant support for young people with as many as ten other support workers.

As a key worker, Mat sees his role as a 'life' coach, as he believes the young people often have the answers, and he supports them to develop tools to achieve their life goals. Mat says the last six months in the COMPASS Program is where you get to see the magic of the COMPASS Program. The young people become confident, more resilient and are making more mature life choices. A number of the COMPASS participants who Mat worked with are have now left COMPASS after two years and live in sustainable and affordable private rentals, and are working or studying.

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I am really proud of our program. I'm really proud of the people I work alongside, but most of all, I'm proud of the outcomes young people achieve while in our program.

”

STUDENT ON PLACEMENT

Simon is a Master of Social Work student at the University of Melbourne: he spent two-and-a-half months with the COMPASS team.



Of all the things he didn't expect to be doing on placement, wrangling a sheep takes the cake! "It was in that moment, hunched over with fistfuls of fleece, that he realised no two days with COMPASS are the same".

Simon was moving a young person's belongings out of the house of their former carer. Some of the items were in a shed in the backyard, which stood amongst a menagerie of dogs, chickens, and two of the largest sheep he had ever seen. At one stage, one of the sheep broke into the shed and made a beeline for the carer at pace while her hands were full with a stack of boxes. Without thinking, Simon sprinted towards the sheep, jumped on its back and wrestled it out of the shed like a parody of an action movie takedown. This experience was not typical of his stint with COMPASS. But as he reflected on his time in the program, it spoke to some of the key reasons he found the 11 weeks memorable.

Simon reflected that he could never fully know what each day would bring. Working with young people can be ad hoc at the best of times. Still, for the young people in the program, all of those usual transitional challenges of adolescence are coupled with histories of complex trauma and displacement.

Sometimes he would be sitting with a young person and holding the space while they talked through recent crises, and other times he would be

mentoring and setting goals for the future. He spent time sitting in on a young person's recording session for their latest rap song, he advocated for mental health funding, and he researched how to become a mortician for a young person passionate about the funeral industry. He moved furniture, went on driving lessons, planted trees, and bought groceries.

“

For me, this diversity of support really emphasises the strength of the program's individualised approach. COMPASS meets young people at their level, and the key workers invest their time to be present, listen, and develop understanding.

”

“

COMPASS met me at my level – I was empowered to jump in the driver's seat and contribute in a way that championed my self-determination and professional development. In that sense, I was treated just like the young people in the program, which is a great thing.

”

Simon observed how COMPASS holds young peoples' self-determination with the utmost respect and empowers them to challenge themselves, build confidence, and stand on their own two feet. He felt empowered during his placement with COMPASS. Although he had a completely different context within COMPASS than the young people supported through the program, he was asked the following questions from the outset: 'what are you hoping to achieve in your time with us, how are you planning on getting there, and how can we support you?'

CONNECTION WITH CULTURE

COMPASS understands the importance of young people being connected to their culture. There are 38 Indigenous participants and 36 of them live with a kinship carer. Key workers encourage COMPASS participants to connect with their indigenous culture.

DYLAN'S STORY



Dylan, COMPASS participant

Dylan came to COMPASS from Child Protection after a string of broken down placements. Dylan felt he had no understanding of his family-of-origin and felt it challenging to identify as an Aboriginal man. Dylan's journey of couch-surfing ended when COMPASS secured him a private rental through COMPASS. Dylan instantly created a beautiful home environment and a respectful relationship with his new housemate. An avid cook, he enjoyed making traditional home-cooked meals and having a space to practice his music.

Dylan's engagement in the COMPASS Program was fractured during the long COVID-19 lockdown, his mental health suffered, and his relationship with his housemate broke down. Despite this, he maintained contact with his key worker through video link-up and continued online learning with his school. COMPASS supported Dylan to maintain his tenancy and access essential services. Dylan got back on his feet with this support. Dylan was keen to secure employment and COVID-19 didn't stop him, Dylan found work as a fisherman on the fishing trawlers in the Bass Strait. Sadly, he suffered severe seasickness and couldn't continue. After this experience, Dylan reflected on his dreams of serving in the Australian

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Now I have my own connections to my culture. It helps to know someone from my culture that I can ask questions.

”

Defence Force just as his father and grandfather had done. He started talking to his key worker about his childhood, family, and particularly his four younger siblings in out-of-home care. He expressed hopes to have his siblings visit him in his new home and talked about wanting to be a positive role model for them. "I don't want them to go through what I did growing up," Dylan shared. "I've always felt the world was against me". He opened up about his family history and explained that he'd like to learn more about his Aboriginal identity. Dylan expressed his frustrations about the system and felt his cultural needs weren't considered when he was in care. Dylan knew his grandfather was a Wurundjeri man and expressed that he was curious about his grandfather's culture. However, he didn't know where to turn without role models or connections to his Aboriginal community.

COMPASS reached out to Anglicare Victoria's Indigenous Leadership Academy, Buldau Yioohgen. BY facilitated a meeting for Dylan to connect with Indigenous Elders. Dylan formed an instant bond with the Elders and the Buldau Yioohgen staff and was off on a cultural camp in no time. Dylan participated in his first Smoking Ceremony, recorded

his family story on possum skin, and learnt about his Wurundjeri family. Dylan shared that before connecting with the Elders, he felt his aboriginality was tied solely to his grandfather's story. "Now I have my own connections to my culture. It helps to know someone from my culture that I can ask questions." An Elder helped Dylan trace back some family connections and has introduced him to the language spoken by his ancestors.

Dylan now identifies as a proud Wurundjeri man. He hopes that one day he can be a mentor for other young Aboriginal people as he has taken much inspiration from the Elders. Dylan knows the connections he's made through Buldau Yioohgen will last beyond his days with COMPASS.

The Buldau Yioohgen Academy is supporting Dylan with this dream of getting into the army. Dylan has been able to secure a meeting with the Aboriginal Liaison Officer from the Australian Defence Force.

CONNECTION WITH FAMILY

Many of the COMPASS participants long for a positive relationship with their biological families. More than half (57 per cent) of the current participants have a positive connection with at least one member of their biological family.

LAUREN'S STORY



Lauren, COMPASS participant

Lauren was referred to COMPASS while living in a lead tenant program. When Lauren arrived, she was experiencing mental health illness and chronic substance misuse. Lauren was mostly disengaged from her family. It was touch-and-go as to whether Lauren would make it to the participation stage of the program. Lauren's initial engagement was sporadic and Lauren wasn't sure if COMPASS was suitable for her.

In Lauren's words...

"My key worker would turn up the same day and time every week, whether I was home or not. He would text to remind me the day before that he was coming. When we did meet the meeting would be really short and he would just give me little pieces of information about the program each week. He made it really easy for me to understand what the program was about."

Eventually, Lauren signed up for the COMPASS Program, although she wasn't sure if moving into COMPASS housing was the best decision.

"My key worker sat with my family over many weeks and discussed what would be best for me. He supported my decision to move back into Mum and Dad's home with COMPASS support. Since Lauren joined the COMPASS Program, she has re-engaged with school, obtained her L plates, joined a local gym, and remained sober for almost 12 months (with only one or two slip-ups along the way). Lauren continues to live happily in the family home.

"My goal is to finish school, get my licence and get a job".

“

My key worker works with me and my family to develop tools to better communicate with each other. COMPASS has provided a family skills coach to help strengthen the relationship I have with Mum and Dad.

”

ENGAGED WITH EDUCATION

Half of the young people joining COMPASS were engaged in education when they started their participation. Engagement in education of COMPASS participants increased to 87 per cent. Many participants completed high school and moved onto TAFE (44) or university (18).

MADDIE'S STORY



Maddie, COMPASS participant

For as long as Maddie can remember, she loved school and learning. Maddie's favourite subjects were science and maths. Maddie remained committed to her education throughout high school. Little did Maddie know that fast-forward to the end of year 12, her dedication had resulted in her high school asking Maddie to do paid tutoring work in chemistry. A real opportunity to pass along her love of all things science.

After completing year 12, Maddie experienced more incredible milestones: turning 18 years old, getting accepted into a Biomedicine degree at Melbourne University, getting her driver's licence, signing up to COMPASS, and moving into her first rental property. Maddie has adjusted well to all these changes and remains committed to her education.

When Maddie was asked about the importance of education in her life, she said that education felt like a combination of a few things that she was passionate about – a pathway towards helping people (Maddie's dream is to become a doctor) and learning and experiencing her lifelong love of science and maths.

It's only been six months since Maddie began University, but she feels a great sense of belonging and that she is exactly where she is meant to be. Maddie looks forward to giving back to the community in the future, through her services as a doctor.

BLAKE'S STORY



Blake, COMPASS participant

While in foster care, Blake graduated year 12 with an ATAR score of 75, resulting in him being accepted into his top choice – Bachelor of Commerce at Deakin University. Blake is a hardworking and dedicated student who puts aside several hours a day to study while working part-time at McDonald's. Blake is currently residing in a COMPASS head lease property and is thankful for how close it is to public transport, allowing him to attend university with ease.

EMPLOYMENT

Engagement in employment increases markedly once a young person signs up with COMPASS. 27 per cent of young people were employed when they commenced with COMPASS, and 63 per cent achieved employment during their participation in COMPASS.

LUKE'S STORY



Luke, COMPASS participant

In 2021, just a few weeks prior to moving into his COMPASS property, Luke was going to the train station on the way to meet a friend. Luke realised that he didn't have a face mask to use, so he approached a few local shops including his favourite fish n' chip shop and decided to ask for a face mask in there. He asked a stranger waiting for his order if he had a spare mask; thankfully he did. Luke was very appreciative and during the exchange they began chatting about their lives. Luke told the man about his situation, mentioning that he was looking for work and about to move out into his first rental property.

As fate would have it, the man Luke was speaking with, Dom, owned a very successful painting company and had three grown sons, each of whom have employment in different trades. Dom took to Luke's character and offered Luke a job with his company on the spot. Luke has been working with Dom and his sons for more than four months full-time now.

Not only is Luke enjoying the work, but he is also starting study at TAFE to achieve an apprenticeship alongside the job. He has built a positive relationship with Dom and his sons, and feels connected to them professionally and personally.

Luke deeply appreciates the opportunity that came his way after simply asking for help getting a face mask.

ZAHRA'S COMPASS JOURNEY



Zahra is a young person who recently completed her participation with COMPASS. Zahra was one of the first young people to sign up as a participant with COMPASS in early 2019. As part of Zahra's exit planning, she caught up with her key worker to discuss her journey through COMPASS. Zahra was very insightful about her journey with COMPASS and was able to identify challenges and successes she had along the way. Zahra advised she felt she wasn't 'mature' when first coming into COMPASS at 18 years old and was 'more focused on pleasing friends and living the streets lifestyle' than focusing on education, employment and housing security. Zahra reflected that if she was more focused on these things, she would never have lost control of her housing and would have been

settled and working towards goals she wanted to achieve earlier on. Zahra stated that despite having changes in key workers throughout her time at COMPASS, she was very appreciative of her key workers and thanked them for being one that never gave up on her, and supporting her to more positive outcomes.

Zahra has been living independently in a private rental with her dog and working full time for the past six months. Zahra has goals to go to university and study social work so she can 'help people that were like me and show them that they have to work on themselves to do better for their life.'

COMPASS HOUSING

A unique feature of the COMPASS Program is the provision of housing. COMPASS owns and head leases properties in the COMPASS areas for those participants who need secure housing. Participants living in COMPASS housing build the skills and a rental history that gives young people access to private rentals once they complete the program.

COMPASS owns ten properties and despite best efforts it is unlikely the target of 16 properties we will be reached. The volatility of the property market during the pandemic and the specific requirements of the COMPASS Program have limited the number of properties that are suitable for purchase. It has been particularly challenging to purchase properties in Bendigo. Head leasing properties have met the shortfall in purchased properties.

COMPASS has 29 head leased properties. Procuring head leases has become increasingly more difficult as the COVID-19 pandemic has progressed. VincentCare Community Housing procures and manages the head leasing of COMPASS properties.

COMPASS has provided housing to all the participants who have needed housing. 13 participants live in COMPASS owned properties and 37 live in COMPASS head leased properties. Other housing arrangements for participants include: private rental (13); kinship care (37); biological parents (13); foster carers (13).



JAY'S COMPASS JOURNEY



Jay, COMPASS participant

To mark the start of his final week in the COMPASS Program, Jay planted trees. Tending the soil with gusto, he planted a range of natives – yams, banksias, and saltbush – sharing tools with a group of locals and his COMPASS key worker at a tree planting event for NAIDOC Week.

Jay, a Yorta Yorta man living in Bendigo, was driven by his connection to culture and country, and a passion for

social justice. He lamented the increasing amount of tree clearing in the greater Bendigo area – his country – and wanted to do something about it.

“I don't like the fact that a lot of trees are being cut down these days. It kills our land,” Jay said.

“I want to be a mentor, a role model. I want to give back – I'm going to be someone big in this community, I know it.”

“

Honestly, if it wasn't for COMPASS I'd either be a big junkie, dead in a ditch, or I would've killed myself.

”

The key workers who have walked alongside Jay know it too. They speak volumes of his resilience, generosity, and persistence.

"I know what it's like to be without anything whatsoever, not even clothes. That's why I think I'm such a generous and giving person, because I haven't had much in life and I know what it's like," said Jay.

That insight has come from a wealth of lived experience. Jay has had to grapple with a legacy of trauma and displacement, which has impacted his life in a number of ways.

Across his two-year journey with COMPASS, Jay feels he has lived multiple lifetimes. His time with the program

“
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a mentor, a role
model. I want
to give back –
I'm going to be
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I know it.”

began in Melbourne, where he had to navigate the transition from being a child in care to managing a private rental. It was a steep learning curve.

"When I first came into COMPASS, I was a pretty rough person. I was doing a lot of drugs, drinking a lot of alcohol, hanging around the wrong crowds. I was stubborn and not really engaging, because I was doing too much bad stuff," he says.

"I wanted to share what I had with others, but I got taken advantage of. I got mixed up with some bad people, I learnt some important lessons."

With new wisdom in tow, Jay left the city and headed back to his country. Stocked up with camping gear and supported by COMPASS, he spent time fruit-picking in Shepparton before ending up in Echuca and camping on the Murray River. For Jay, this time and place meant a lot.

"It was a special spot because that's where my dad first took me fishing and camping. I am really at home on the river there," he says.

"I met this really nice old fella down there, we would fish together every day. I even caught my first Murray cod! This was a really good, therapeutic time for me.

"Even though I loved most of my time there, I was also drained in every way; mentally, emotionally, and physically. I was going through a really tough time."

At this point, Jay feels some of his past trauma may have caught up to him. Having spent so long in survival mode, being in a space where he was able to stop and take stock proved a lot. For the young people in the COMPASS Program, histories of complex trauma mean responses to even positive experiences can be complicated.

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For me, this diversity of support really emphasises the strength of the program's individualised approach. COMPASS meets young people at their level, and the key workers invest their time to be present, listen, and develop understanding.

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Unfortunately, Jay's camping stint ended abruptly and he made his way back to Bendigo.

Jay arrived at the Anglicare Victoria office in Bendigo with nothing but the clothes on his back. Emotionally, he was spent. For both Jay and COMPASS, next steps meant finding crisis accommodation, and starting again. And later, perhaps, reflecting on lessons learnt and consolidating new wisdom.

"My story's special. I don't regret anything, it's made me a lot stronger. I'm absolutely knackered, but it's gonna make me do better for my community."

Jay says he can't put into words how much respect he has for the program. He chalks it up to key workers putting in meaningful time and effort, 'being real' with him, and persisting even though he feels he is a 'hard person to deal with'.

Since returning to Bendigo, Jay has moved around various housing options. Despite his learning and growth, trauma

remains a dominant presence in his story. Sometimes there are steps sideways, or backwards, but there are also great steps forward – after living through a cycle of instability for much of his life, Jay is on the cusp of receiving his own place that he will be able to call home well into the future.

"I'm trying to find my peace now. I think it's time to relax – I've lived more than nine lives, more than a cat," he says.

Jay hopes to find peace in that feeling of giving back to community, like when he planted trees. He says he wants to return to his trees in the future, and watch them grow.

In many ways, the work COMPASS does with young people is tree planting – sowing seeds of skills, attitudes, insight, and empowerment in the hope they will take root, and grow. So what does Jay think about those seeds?

"Don't worry, they will definitely germinate," he says.

DIRECTORS' REPORT

The Directors present their report on COMPASS Leaving Care Limited (the Company or COMPASS Leaving Care) for the period ended 30 June 2021.

GOVERNANCE STRUCTURE

COMPASS Leaving Care, a company limited by guarantee, was established in 2018 as a special purpose entity to deliver the COMPASS Program and the COMPASS Social Impact Bond (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 representative appointed by the Board of each organisation.

DIRECTORS

The names of the Company's Directors in office during the financial year and until the date of this report are as follows:

- Paul McDonald
- Geoffrey Walsh
- Brendan Foley
- Quinn Pawson (resigned January 2021)
- Susan Cattermole (commenced January 2021)

Directors were in office for this entire period unless otherwise stated.

PRINCIPAL ACTIVITIES

The Company's principal activities are providing stable housing, caseworkers and access to specialised services tailored to young people aged 17 to 20 to prepare them for independent living.

The Company's key functions are:

- 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 Anglicare Victoria and VincentCare Victoria 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; and
- buying residential properties and entering into head-leasing arrangements with landlords.

REVIEW OF OPERATIONS

In 2020-21 COMPASS Leaving Care continued to implement the COMPASS Program in partnership with Anglicare Victoria, VincentCare Victoria and the Department of Families, Fairness and Housing (DFFH).



158

young people participating in COMPASS



38

participants are indigenous



14

participants have completed the COMPASS Program

COVID-19

COMPASS Leaving Care and the services we deliver are considered essential activities by the Victoria Government. The impact of COVID-19 on the COMPASS Program continues to be 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.

SUMMARY OF FINANCIAL OUTCOMES

The Company's Statement of Profit or Loss and Other Comprehensive Income for the year ended 30 June 2021 reflects a breakeven result, after accounting for a fair value adjustment to the value of loan notes of \$324,242.

The Company's Statement of Cash Flows for the year to 30 June 2021 showed a net cash outflow of \$879,911.

The Statement of Financial Position reflects no change in equity and a cumulative reduction of the carrying value of loan notes of \$2,984,436.

The adjustment to Loan Note value in the Statement of Profit or Loss and Other Comprehensive Income and the Statement of Financial Position reflects the current stage of development of the COMPASS Program.

It is expected that the value of the loan note liability will reduce over the life of the full Program, as returns to investors in the form of Coupon payments, Outcome Payments and the distribution of the residual net assets of the Company (at the end of the Program) are made.

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. The first certification by the Victorian Government of the performance measurements is expected in April 2022. Income from this source will be recognised at the time of this (and each subsequent) annual certification.

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.

SUBSEQUENT EVENTS

No matter or circumstance has arisen since 30 June 2021 that has significantly affected, or may significantly affect:

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

INDEMNIFICATION AND INSURANCE OF DIRECTORS AND OFFICERS

The DFFH 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 while acting in the capacity of an officer or auditor.

DIRECTOR'S 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'S MEETINGS

The number of Board meetings held during the financial period and attendance by Directors is shown in the table below:

Director	Eligible	Attended	Comment
Paul McDonald	7	7	Commenced 06/02/2018
Susan Cattermole	3	2	Commenced 04/01/2021
Geoffrey Walsh	7	6	Commenced 06/02/2018
Quinn Pawson	4	4	Commenced 11/12/2018 Resigned 04/01/2021
Brendan Foley	7	7	Commenced 5/12/2019

AUDITOR'S INDEPENDENCE DECLARATION

The Board of the Company appointed PricewaterhouseCoopers as auditors for the period ended 30 June 2021 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 in this report on page 56.

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



Paul McDonald
Joint Chairman
Date: 9 September 2021



Susan Cattermole
Joint Chairman
Date: 9 September 2021

AUDITOR'S INDEPENDENCE DECLARATION



AUDITOR'S INDEPENDENCE DECLARATION

As lead auditor for the audit of COMPASS Leaving Care Limited for the year ended 30 June 2021, I declare that to the best of my knowledge and belief, there have been:

- (a) no contraventions of the auditor independence requirements of the Corporations Act 2001 in relation to the audit; and
- (b) no contraventions of any applicable code of professional conduct in relation to the audit.



Andrew Cronin
Partner
PricewaterhouseCoopers

Melbourne
9 September 2021

PricewaterhouseCoopers, ABN 52 780 433 757
2 Riverside Quay, SOUTHBANK VIC 3006, GPO Box 1331, MELBOURNE VIC 3001
T: 61 3 8603 1000, F: 61 3 8603 1999, www.pwc.com.au
Liability limited by a scheme approved under Professional Standards Legislation.

FINANCIAL STATEMENTS

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE YEAR ENDED 30 JUNE 2021

	Note	2021 \$	2020 \$
REVENUE			
Government standing charges	3	3,421,246	1,051,656
Rental income	3	139,520	59,408
Other income	3	437,828	1,581,940
Investment income	3	37,559	26,779
TOTAL REVENUE		4,036,153	2,719,783
Sub-contracted services	4	(2,834,157)	(1,839,204)
Interest (note coupons)	4	(497,000)	(498,362)
Property costs	4	(627,555)	(314,359)
Other operating expenses	4	(32,441)	(33,171)
Other non-operational expenses	4	(45,000)	(34,687)
NET SURPLUS		-	-
Other comprehensive income		-	-
TOTAL COMPREHENSIVE SURPLUS FOR THE PERIOD		-	-
Surplus is attributed to:			
Owners of the organisation		-	-

The accompanying notes form part of the financial statements



STATEMENT OF FINANCIAL POSITION

AS AT 30 JUNE 2021

	Note	2021 \$	2020 \$
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	5	4,843,219	3,963,308
Trade and other receivables	6	76,336	114,166
Other assets	8	19,761	3,520,310
TOTAL CURRENT ASSETS		4,939,316	7,597,784
NON-CURRENT ASSETS			
Trade and other receivables	6	2,587,094	1,871,350
Investment properties	7	3,809,869	2,206,464
Other assets	8	34,236	24,559
TOTAL NON-CURRENT ASSETS		6,431,199	4,102,373
TOTAL ASSETS		11,370,515	11,700,157
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	9	154,951	160,351
TOTAL CURRENT LIABILITIES		154,951	160,351
NON-CURRENT LIABILITIES			
Loan notes issued to investors	10	14,200,000	14,200,000
Decrease in value of loan notes	10	(2,984,436)	(2,660,194)
TOTAL NON-CURRENT LIABILITIES		11,215,564	11,539,806
TOTAL LIABILITIES		11,370,515	11,700,157
NET ASSETS		-	-
EQUITY			
Contributed equity		-	-
Accumulated funds		-	-
TOTAL EQUITY		-	-

The accompanying notes form part of the financial statements

FINANCIAL STATEMENTS

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 30 JUNE 2021

2021	Contributed equity	Accumulated funds	Total equity
	\$	\$	\$
Balance at 1 July 2020	-	-	-
Surplus/(deficit) for period	-	-	-
Other comprehensive income for the period	-	-	-
BALANCE AT 30 JUNE 2021	-	-	-

2020	Contributed equity	Accumulated funds	Total equity
	\$	\$	\$
Balance at 1 July 2019	-	-	-
Surplus/(deficit) for period	-	-	-
Other comprehensive income for the period	-	-	-
BALANCE AT 30 JUNE 2020	-	-	-

The accompanying notes form part of the financial statements



STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 30 JUNE 2021

	Note	2021 \$	2020 \$
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from operating activities		3,165,939	82,851
Payments to suppliers		(3,799,209)	(2,213,620)
Payment of note coupon		(497,000)	(498,362)
NET CASH PROVIDED BY/(USED IN) OPERATING ACTIVITIES	12	(1,130,270)	(2,629,131)
CASH FLOW FROM INVESTING ACTIVITIES			
Payments for property		(1,489,819)	(967,373)
Other assets		3,500,000	(3,500,000)
NET CASH PROVIDED BY/(USED IN) INVESTING ACTIVITIES		2,010,181	(4,467,373)
CASH FLOW FROM FINANCING ACTIVITIES			
Note proceeds		-	7,100,000
NET CASH PROVIDED BY/(USED IN) FINANCING ACTIVITIES			7,100,000
Net increase/(decrease) in cash and cash equivalents held		879,911	3,497
Cash and Cash equivalents at beginning of financial year		3,963,308	3,959,811
TOTAL NON-CURRENT LIABILITIES	5	4,843,219	3,963,308

The accompanying notes form part of the financial statements

FINANCIAL STATEMENTS

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2021

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 (the Program) on a joint venture basis.

The Company issued Social Impact Bond loan notes to raise funding from investors to fund the 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 from out-of-home care and should result 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 on 16 October 2018.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2021

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The following significant accounting policies adopted in the preparation of these financial statements have been consistently applied to all the years presented, unless otherwise stated.

2.1. 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.

(a) Compliance with Australian Accounting Standards - Reduced Disclosure Requirements

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

(b) Historical cost convention

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

(c) 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.

(d) New and amended standards adopted by the Company

There have been no new or amended accounting standards adopted.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2021

2.2. Revenue recognition

Where there is an enforceable contract with a customer with sufficiently specific performance obligations, revenue is recognised when (or as) the performance obligations are satisfied.

The following specific recognition criteria must also be met before revenue is recognised:

(a) Government revenue

Government Standing Charge

An aggregate amount of \$6.2 million is payable by the State of Victoria over eight 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 Outcome Payments

Outcome Payments from the State of Victoria are based on the performance of the Program, commencing 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 onto Noteholders. The value of these payments will vary periodically, based on the performance of the Program and the number of participants being tested at 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); and
- Justice Outcome Measure (20%, 1 measurement point per Participant).

These payments will be estimated quarterly, based on the timing of the intake of participants into the Program, but will be certified and paid to Noteholders on an annual basis, based on an independent certification process overseen by the State Government. The payment made at the Outcome Payment Date will consist of the aggregate of four preceding Outcome Payments estimated 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 2021.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2021

(b) 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 as and when they arise.

2.3. 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.

2.4. Leases

The Company is both a lessee and a lessor. Properties are leased from landlords and subleased to Program participants under leases that are substantially Residential Tenancies Act agreements. The Program 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 stable housing and support to Program 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 a 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 2021 does not materially misstate the financial position of the Company.

The Company as a lessor

Rental income from leases with Program participants is recognised as rental income in profit or loss as described in the notes. Program 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 Program.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2021

2.5. 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 and short-term investments with an original maturity of three months or less which are readily convertible to known amounts of cash and which are subject to an insignificant risk of change in value.

2.6. Trade and other receivables

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. Refer to Note 6 for further information about the Company's accounting for other receivables.

2.7. 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 of 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 at each Outcome Measurement Date;
- Government Standing Charge accrued; and
- 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, other net Program costs 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. Included in the agreement are early termination payment provisions.

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 the value of loan notes, are disclosed in Note 10.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2021

2.8. Investment properties

Investment properties are held by the Company to house participants of the Program and to earn rental income.

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.

2.9. 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.

2.10 Goods and services tax (GST)

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

FOR THE YEAR ENDED 30 JUNE 2021

3. REVENUE AND OTHER INCOME

	2021	2020
	\$	\$
REVENUE		
Government grants		
- Government standing charge	3,421,246	1,051,656
	3,421,246	1,051,656
Client contributions		
- accommodation	139,520	59,408
	139,520	59,408
OTHER INCOME		
Other income		
- decrease in value of loan notes	324,242	1,581,940
- fair value adjustment investment properties	113,586	-
	437,828	1,581,940
Investment income		
- investment income	37,559	26,779
	37,559	26,779
TOTAL REVENUE AND OTHER INCOME	4,036,153	2,719,783

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2021

4. EXPENSES

	2021	2020
	\$	\$
Subcontracted services		
- service fees	2,834,157	1,839,204
	2,834,157	1,839,204
Interest expense		
- interest (note coupons)	497,000	498,362
	497,000	498,362
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 10). Note coupons are paid half-yearly, from 31 March 2019 until commencement of the Outcome Payments (expected to be 1 April 2022).		
Property costs		
- lease expense	447,517	231,469
- other premises costs	180,038	82,890
	627,555	314,359
Other operating costs		
- audit fees	31,350	30,800
- other operating expenses	1,091	2,372
	32,441	33,172
Other non-operating expenses		
- transaction costs	45,000	34,687
	45,000	34,687
TOTAL EXPENSES	4,036,153	2,719,783

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2021

5. CASH AND CASH EQUIVALENTS

	2021	2020
	\$	\$
Cash at bank	843,090	1,063,308
At call account	4,000,129	-
Term deposits	-	2,900,000
TOTAL CASH AND CASH EQUIVALENTS	4,843,219	3,963,308

6. TRADE AND OTHER RECEIVABLES

CURRENT

Trade receivables	4,562	107
GST receivable	71,774	114,059
TOTAL CURRENT TRADE AND OTHER RECEIVABLES	76,336	114,166

NON-CURRENT

Other receivables	2,587,094	1,871,350
TOTAL NON-CURRENT TRADE AND OTHER RECEIVABLES	2,587,094	1,871,350

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.

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 eight 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.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2021

7. INVESTMENT PROPERTIES

	2021	2020
	\$	\$
FAIR VALUE		
At start of period	2,206,464	1,239,091
Additions	1,489,819	967,373
Fair value adjustments	113,586	-
AT END OF PERIOD	3,809,869	2,206,464

The Company purchased four residential properties during the period.

Basis of Valuation at 30 June 2021

Company policy is to hold properties initially at cost, and subsequently to obtain external valuations every third year (Note 2.8).

The Directors commissioned independent valuations from Marsh on the nine oldest properties in the portfolio. Marsh provided a detailed valuation report as at 30 June 2021 for these nine properties, conducted in accordance with the requirements of the applicable Australian Accounting Standards.

One property in the portfolio which settled in April 2021 has been valued by the Directors. In accordance with policy, this property has been capitalised at cost.

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 to recognise a positive adjustment to the fair value of the investment property portfolio of \$113,586.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2021

8. OTHER ASSETS

	2021	2020
	\$	\$
CURRENT		
Term deposits greater than 3 months	-	3,500,000
Prepayments	19,761	20,310
TOTAL CURRENT OTHER ASSETS	19,761	3,520,310
NON-CURRENT		
Recoverable rental bonds	34,236	24,560
TOTAL NON-CURRENT OTHER ASSETS	34,236	24,560

9. TRADE AND OTHER PAYABLES

CURRENT		
Trade payables	2,427	24,968
Accrued expenses	152,524	135,383
TOTAL TRADE AND OTHER PAYABLES	154,951	160,351

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2021

10. LOAN NOTES ISSUED TO INVESTORS

	2021	2020
	\$	\$
Loan notes issued to investors	14,200,000	14,200,000
Decrease in value of loan notes	(2,984,436)	(2,660,194)
TOTAL FAIR VALUE OF LOAN NOTES ISSUED TO INVESTORS	11,215,564	11,539,806

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 are treated as a 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.

As at 30 June 2021, the change in fair value of loan notes issued represents net 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 value of loan notes (see Note 3).

11. COMMITMENTS

Non-cancellable operating leases

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

Within one year	108,565	220,893
TOTAL	108,565	220,893

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).

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2021

12. CASH FLOW INFORMATION

	2021	2020
	\$	\$
RECONCILIATION OF SURPLUS TO NET CASH FLOWS FROM OPERATING ACTIVITIES		
Net surplus/(deficit) for the period	-	-
Adjustment for change in fair value of investment properties	(113,586)	-
Adjustment for change in fair value of loan notes	(324,242)	(1,581,940)
Changes in operating assets and liabilities		
(Increase) in trade and other receivables	(677,914)	(1,031,481)
Decrease/(increase) in prepayments	549	(10,152)
(Increase) in rental bonds	(9,677)	-
(Decrease) in payables and other liabilities	(5,400)	(5,558)
CASH FLOWS FROM OPERATING ACTIVITIES	(1,130,270)	(2,629,131)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2021

13. FINANCIAL INSTRUMENTS

	2021		2020	
Fair values	Carrying amount	Fair value	Carrying amount	Fair value
	\$	\$	\$	\$
FINANCIAL ASSETS				
Cash	4,843,219	4,843,219	3,963,308	3,963,308
Trade and other receivables	2,663,430	2,663,430	1,985,516	1,985,516
	7,506,649	7,506,649	5,948,824	5,948,824
FINANCIAL LIABILITIES				
Trade and other payables	154,951	154,951	160,351	160,351
Loan notes issued to investors	11,215,564	11,215,564	11,539,806	11,539,806
	11,370,515	11,370,515	11,700,157	11,700,157

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.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2021

14. RELATED PARTY DISCLOSURES

Transactions between the Company and related parties consist of the following:

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, a Director of the Company, has an interest in Acuity Super Pty Ltd, a loan noteholder with a subscription of 500 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.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2021

14. RELATED PARTY DISCLOSURES

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

	2021	2020
	\$	\$

TRANSACTIONS WITH RELATED PARTIES

THE FOLLOWING TRANSACTIONS OCCURRED WITH RELATED PARTIES:

Loan notes issued to and paid up by related parties

Anglicare Victoria	2,252,500	2,252,500
VincentCare Victoria	2,252,500	2,252,500
Acuity Super Pty Ltd	50,000	50,000
	4,555,000	4,555,000

Purchase of services from

Anglicare Victoria	2,420,112	1,471,441
VincentCare Victoria	393,973	370,532
	2,814,085	1,841,973

Note coupon paid to related parties

Anglicare Victoria	78,838	79,053
VincentCare Victoria	78,837	79,053
Acuity Super Pty Ltd	1,750	1,755
	159,425	159,861

As at 30 June 2021, there were no outstanding amounts due to Anglicare Victoria and VincentCare Victoria in relation to services provided during the year.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2021

15. 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.

16. 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 2021, the number of members was two.

17. REMUNERATION OF AUDITORS

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.

18. SUBSEQUENT EVENTS

There were no other matters or circumstances that have arisen since 30 June 2021 that have significantly affected, or may significantly affect:

- (a) the consolidated operations in future financial years; or
- (b) the results of those operations in future financial years; or
- (c) the consolidated state of affairs in future financial years.

DIRECTORS' DECLARATION

IN THE OPINION OF THE DIRECTORS:

(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 2021 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.

Director:



Paul McDonald

Joint Chairman

Dated: 9 September 2021

Director:



Susan Cattermole

Joint Chairman

Dated: 9 September 2021

INDEPENDENT AUDITOR'S REPORT



INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF COMPASS LEAVING CARE LIMITED

OUR OPINION

In our opinion:

The accompanying financial report of COMPASS Leaving Care Limited (the Company) is in accordance with Division 60 of the Australian Charities and Not-for-profits Commission (ACNC) Act 2012, including:

- (a) giving a true and fair view of the Company's financial position as at 30 June 2021 and of its financial performance for the year then ended
- (b) complying with Australian Accounting Standards - Reduced Disclosure Requirements and Division 60 of the Australian Charities and Not-for-profits Commission Regulation 2013.

What we have audited

The financial report comprises:

- the statement of financial position as at 30 June 2021
- the statement of changes in equity for the year then ended
- the statement of cash flows for the year then ended
- the statement of profit or loss and other comprehensive income for the year then ended
- the notes to the financial statements, which include significant accounting policies and other explanatory information
- the directors' declaration.



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

Independence

We are independent of the Company in accordance with the ethical requirements of the Accounting Professional & Ethical Standards Board's APES 110 Code of Ethics for Professional Accountants (including Independence Standards) (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.

OTHER INFORMATION

The directors are responsible for the other information. The other information comprises the information included in the annual report for the year ended 30 June 2021, but does not include the financial report and our auditor's report thereon. Prior to the date of this auditor's report, the other information we obtained included the director's report.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information that we obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.



RESPONSIBILITIES OF THE DIRECTORS FOR THE FINANCIAL REPORT


The directors of the Company are responsible for the preparation of the financial report that gives a true and fair view and have determined that the basis of preparation described in Note 2 to the financial report is appropriate to meet the requirements of the Australian Charities and Not-for-profits Commission (ACNC) Act 2012 and is appropriate to meet the needs of the members. The directors' responsibility also includes such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the ability of the Company to continue as a going concern, disclosing, as applicable, matters related 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 RESPONSIBILITIES 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 the financial report.

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website at: http://www.auasb.gov.au/auditors_responsibilities/ar3.pdf. This description forms part of our auditor's report.



PricewaterhouseCoopers



Andrew Cronin
Partner

Melbourne
9 September 2021

