

WOMEN'S HOUSING LIMITED

ACN: 080 116 883

Financial Report For The Year Ended
30 June 2016

Women's Housing Limited

ACN: 080 116 883

Financial Report For The Year Ended 30 June 2016

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WOMEN'S HOUSING LIMITED
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DIRECTORS' REPORT

Your directors present this report on the company for the financial year ended 30 June 2016.

Directors

The names of each person who has been a director during the year and to the date of this report are:

Valerie Mosley (Chair)

Erica Edmands

Peggy O'Neal

Andrew Cronin

Judy Line (appointed 21 April 2016)

Michael Barlow (appointed 1 June 2016)

Directors have been in office since the start of the financial year to the date of this report unless otherwise stated.

The Audit and Financial Risk Committee (AFRC) with Andrew Cronin (Chair) and Valerie Mosley being appointed members of the committee meet through the year.

The Board on the 24 August 2016, has re-formed the WHL Project Control Committee to manage the property developments that WHL is undertaking. Michael Barlow will Chair the committee with Andrew Cronin and Judy Line also being appointed. Other members from outside the Board will be appointed as required.

The Board from time to time may form other committees as it sees fit to assist in the functions of the Board. There are no other committees in existence during the financial year and to the date of this report.

Principal Activities

The principal activities of the company during the financial year were:

- The provision of transitional accommodation for homeless and at risk women across Victoria
- The provision of housing information and referral services for women across Victoria
- The development and management of community housing for homeless or disadvantaged women across Victoria

Short-term and Long-term Objectives

The company's objectives are to:

- operate and manage affordable housing of both a transitional and permanent nature,
- increase the supply of affordable housing by the acquisition and development of affordable housing assets,
- provide affordable housing services to homeless, at risk, and disadvantaged women.

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Strategies

To achieve its stated objectives, the company has adopted the following strategies:

- seeking capital contributions from government
- developing a business structure to enable borrowing from financial institutions for funding of affordable housing assets
- operation and management of an effective and efficient affordable housing services organisation
- raising philanthropic funding to the extent practicable.

Key Performance Measures

The entity measures its performance (including any key performance indicators) by:

- measuring service delivery performance against specified criteria and operational requirements, including those set by the Housing Registrar.
- performance against an annual business plan, operating plans for specific projects, and capital project budgets.
- Monitoring and evaluating individual capital projects progressively against agreed budgets until completion.

Information on Directors

Valerie Mosley	Chair
Qualifications	BS Business Education University of Houston (USA) Leadership Victoria Alumni
Experience	Valerie Mosley is an independent consultant. Her previous experience includes Director of IT, KPMG Management Consulting, where she managed an international team that provided enterprise solutions for delivering corporate and financial information. She has also worked as a financial consultant for Merrill Lynch as well as General Manager of an international consulting group that provided advisory services to governments in developing nations in the areas of economic policy and financial reform.

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Erica Edmands	Director
Qualifications	<p>Bachelor of Laws Bachelor of Arts (Economics and History) University of Melbourne Member, Australian Institute of Company Directors</p>
Experience	<p>Erica Edmands has worked as a lawyer and senior HR practitioner for over 20 years. Her business experience spans law, human resources, mental health and diversity. She is currently a founding director of <u>Inclusion@work</u>, an independent workplace investigation and mental health training specialist, and an associate director at <u>mh@work</u>, a successful mental health education company. Erica is an experienced NFP board member and is currently President of Kidsafe Victoria. She recently acted as a consultant to the Law Institute of Victoria in the design and development of the Mental Health and the Legal Profession preventative health and wellbeing strategy for the Victorian legal community. She has also been a Senior Solicitor for Herbert Smith Freehills and held senior HR Manager roles with Comalco and Minter Ellison.</p>
Peggy O'Neal	Director
Qualifications	<p>Bachelor of Arts, Virginia Polytechnic Institute and State University (USA) Juris Doctor, University of Virginia (USA) Fellow, Australian Institute of Company Directors</p>
Experience	<p>Peggy O'Neal has worked as a lawyer in the superannuation and financial services industry for more than 20 years. She is currently a part-time consultant for Landers and Rogers Lawyers. Previously Peggy was a partner at Herbert Smith Freehills and acted as a consultant to the Commonwealth Treasury on the Super System Review and the Stronger Super reform package. She presently serves as a non executive director on several boards including the Commonwealth Superannuation Corporation and is President of the Richmond Football Club. Peggy is the first female in AFL/VFL history to be the President of a football club. She has been named by the AFR peer review survey as one of the "Best Lawyers" in Australia in 2010, 2011, 2012 and 2013 and as the "Best Superannuation Lawyer in Melbourne" in 2013.</p>

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Andrew Cronin	Director
Qualifications	Bachelor of Commerce, University of Melbourne Chartered Accountant, ICAA Fellow, Financial Services Institute of Australia Registered Company Auditor, ASIC
Experience	Andrew Cronin has over 20 years experience in the professional services sector. He is currently a partner with PricewaterhouseCoopers, where he specialises in providing assurance and advisory services to public companies. He works across a range of industries, including the property and construction sectors, and he is experienced in advising companies on appropriate governance and internal control frameworks. Andrew has worked in a number of countries, including over two years in the United States. Andrew also sits on an Advisory Board for a financial planning business.
Judy Line	Director
Qualifications	Graduate of the Australian Institute of Company Directors (2014) Master of Business Administration (2001) Post Graduate Management (1999) Diploma Community Services (Community Development) (1998)
Experience	Judy Line has worked in the housing and homelessness sector since 1986 and has been CEO at Women's Housing Ltd since 2005. Prior to her position with WHL, Judy worked in women's refuges, a youth service and was the state project officer for the Victorian Public Tenant's Association. Judy is a passionate housing advocate and works within a community development framework. Since joining WHL, the agency has grown from a small transitional housing manager to a housing company that now provides long term social housing and specialises in building new affordable housing for women and their children. She is currently on the board of the Community Housing Federation Victoria and a member of Power Housing.

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Michael Barlow	Director
Qualifications	Diploma of Applied Science –Town Planning, RMIT Member, Property Council of Australia (Victoria) Member, Victorian Environmental and Planning Law Association
Experience	Michael Barlow is an urban planner with expertise in urban strategy, city development and large project delivery with a career spanning more than 35 years. He is currently a director at Urbis Pty Ltd where he advises the private sector and government on developments including transportation projects, major retail, entertainment and mixed-use precincts and projects and strategic urban renewal projects. Michael has also worked throughout Asia and the Middle East in a variety of cities where he has advised on city developments and metropolitan strategies. Michael has co-authored a major report on creating 'Smart Growth' opportunities for Australian cities. He is a member of the EnviroDevelopment Board associated with the Urban Development Institute of Australia.

Meetings of Directors

During the financial year, 10 meetings of directors and 2 meetings of the Audit & Financial Risk Committee (AFRC) were held. Attendances by each director were as follows:

	Directors' Meetings		AFRC Committee	
	No. eligible to attend	No. attended	No. eligible to attend	No. attended
Valerie Mosley	10	9	2	2
Erica Edmands	10	9	-	-
Peggy O'Neal	10	9	-	-
Andrew Cronin	10	9	2	2
Michael Barlow	1	1	-	-
Judy Line	2	2	-	-

The entity is incorporated under the *Corporations Act 2001* and is a Company limited by guarantee. If the entity is wound up, the constitution states that each member is required to contribute a maximum of \$50 each towards meeting any outstanding obligations of the company. At 30 June 2016 the total amount that members of the company are liable to contribute if the company is wound up is \$300 (2015:\$200).

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Auditor's Independence Declaration

The lead auditor's independence declaration in accordance with section 60.40 of the *Australian Charities and Not for Profits Commission 2012*, for the year ended 30 June 2016 is included on page 8 of the financial report.

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

Director



Valerie Mosley

Dated: 10 October 2016

**Auditor's Independence Declaration
to the directors of Woman's Housing Limited**

I declare that, to the best of my knowledge and belief, during the year ended 30 June 2016, there have been:

- (i) No contraventions of the auditor independence requirements as set out in the *Australian Charities and Not-for-profits Commission Act 2012* in relation to the audit, and
- (ii) No contraventions of any applicable code of professional conduct in relation to the audit.

ShineWing Australia

ShineWing Australia
Chartered Accountants



Hayley Underwood
Partner

Melbourne, 10 October 2016

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STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 30 JUNE 2016

	Note	2016 \$	2015 \$
Revenue	2	4,601,666	4,151,089
Other income	2	30,469	501,119
Depreciation and amortisation expense		(16,100)	(8,000)
Interest expense		(265,095)	(293,128)
Fair value loss on financial derivative		(25,730)	(16,980)
Emergency Housing Assistance		(438,666)	(324,651)
Staffing and Development		(1,485,367)	(1,425,199)
Property Costs		(1,397,684)	(1,559,338)
Occupancy Costs		(105,550)	(102,517)
Administration		(167,502)	(166,596)
Other Expenses		(70,866)	(84,652)
Motor Vehicle Expenses		(48,452)	(54,188)
Current year surplus before income tax		611,123	616,959
Income tax expense		-	-
Net current year surplus	3	611,123	616,959
Other comprehensive income:			
Items that will not be reclassified subsequently to profit or loss:			
Other comprehensive income for the year		-	-
Total comprehensive income for the year		611,123	616,959
Total comprehensive income attributable to members of the entity		611,123	616,959

The accompanying notes form part of these financial statements.

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STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2016

	Note	2016 \$	2015 \$
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	4	2,815,984	385,736
Accounts receivable and other debtors	5	116,133	98,794
Other current assets	6	7,751	20,095
TOTAL CURRENT ASSETS		<u>2,939,868</u>	<u>504,625</u>
NON-CURRENT ASSETS			
Investment Properties	7	33,550,000	33,550,000
Property, plant and equipment	8	113,631	40,774
TOTAL NON-CURRENT ASSETS		<u>33,663,631</u>	<u>33,590,774</u>
TOTAL ASSETS		<u>36,603,499</u>	<u>34,095,399</u>
LIABILITIES			
CURRENT LIABILITIES			
Accounts payable and other payables	9	2,503,111	526,948
Borrowings	10	155,916	155,916
Employee provisions	11	232,376	186,947
TOTAL CURRENT LIABILITIES		<u>2,891,403</u>	<u>869,811</u>
NON-CURRENT LIABILITIES			
Borrowings	10	3,679,674	3,835,591
Employee provisions	11	11,353	5,781
Derivative Financial Instruments	12	170,964	145,234
TOTAL NON-CURRENT LIABILITIES		<u>3,861,991</u>	<u>3,986,606</u>
TOTAL LIABILITIES		<u>6,753,394</u>	<u>4,856,417</u>
NET ASSETS		<u>29,850,105</u>	<u>29,238,982</u>
EQUITY			
Retained surplus		29,850,105	29,238,982
TOTAL EQUITY		<u>29,850,105</u>	<u>29,238,982</u>

The accompanying notes form part of these financial statements.

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STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED JUNE 2016

	Retained Surplus	Total
	\$	\$
Balance at 1 July 2014	28,622,023	28,622,023
Comprehensive Income		
Surplus for the year attributable to members of the entity	616,959	616,959
Other comprehensive income for the year	-	-
Total comprehensive income attributable to members of the entity	616,959	616,959
Balance at 30 June 2015	29,238,982	29,238,982
Comprehensive Income		
Surplus for the year attributable to members of the entity	611,123	611,123
Other comprehensive income for the year	-	-
Total comprehensive income attributable to members of the entity	611,123	611,123
Balance at 30 June 2016	29,850,105	29,850,105

The accompanying notes form part of these financial statements.

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STATEMENT OF CASH FLOWS FOR THE YEAR ENDED JUNE 2016

	Note	2016 \$	2015 \$
CASH FLOW FROM OPERATING ACTIVITIES			
Receipts from grants and customers		4,466,704	4,151,690
Payments to suppliers and employees		(3,386,468)	(3,700,699)
Interest received		9,980	10,209
Interest paid		(265,095)	(293,128)
Net cash generated from operating activities	17	825,121	168,072
CASH FLOW FROM INVESTING ACTIVITIES			
Capital Works		(39,444)	-
Capital Grant		1,850,000	-
Payment for property, plant and equipment		(49,513)	(25,347)
Net cash generated from / (used) in investing activities		1,761,043	(25,347)
CASH FLOW FROM FINANCING ACTIVITIES			
Proceeds from borrowings		-	-
Repayment of borrowings		(155,916)	(318,575)
Net cash used in financing activities		(155,916)	(318,575)
Net increase/ (decrease) in cash held		2,430,248	(175,850)
Cash and cash equivalents at the beginning of the financial year		385,736	561,586
Cash and cash equivalents at the end of the financial year	4	2,815,984	385,736

The accompanying notes form part of these financial statements.

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2016**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES****Basis of Preparation**

The company applies Australian Accounting Standards – Reduced Disclosure Requirements as set out in AASB 1053: Application of Tiers of Australian Accounting Standards and AASB 2010-2: Amendments to Australian Accounting Standards arising from Reduced Disclosure Requirements.

The financial statements are general purpose financial statements that have been prepared in accordance with the requirements of *Australian Charities and Not-for-Profits Commission Act 2012*, Australian Accounting Standards – Reduced Disclosure Requirements of the Australian Accounting Standards Board. The company is a not-for-profit entity for financial reporting purposes under Australian Accounting Standards.

Australian Accounting Standards set out accounting policies that the AASB has concluded would result in financial statements containing relevant and reliable information about transactions, events and conditions. Material accounting policies adopted in the preparation of these financial statements are presented below and have been consistently applied unless otherwise stated.

The financial statements, except for the cash flow information, have been prepared on an accruals basis and are based on historical costs, modified, where applicable by the measurement at fair value of selected non-current assets, financial assets and financial liabilities. The amounts presented in the financial statements have been rounded to the nearest dollar.

The financial statements were authorised for issue on 10 October 2016 by the directors of the company.

The accounting policies adopted are consistent with those of the previous financial year except as set out below:

Accounting Policies**(a) Investment Properties**

Investment property under AASB 140 Investment Property is defined as property which is owned to earn rentals or for capital appreciation or both and would correctly reflect the business operations of the company as a landlord and property investor. Investment properties are shown at their fair value based on active market prices, if necessary, for any difference in the nature, location or condition of the specific asset. If this information is not available the fair value is based on periodic valuations by external independent valuers and recent prices in less active markets. This information forms the basis for director's assessment of the fair value of each property. Changes in fair value resulting from these annual revaluations are recorded in the profit and loss as part of other income.

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

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(b) Revenue

Non-reciprocal grant revenue is recognised in the statement of profit or loss when the entity obtains control of the grant and it is probable that the economic benefits gained from the grant will flow to the entity and the amount of the grant can be measured reliably.

If conditions are attached to the grant which must be satisfied before it is eligible to receive the contribution, the recognition of the grant as revenue will be deferred until those conditions are satisfied. When grant revenue is received whereby the entity incurs an obligation to deliver economic value directly back to the contributor, this is considered a reciprocal transaction and the grant revenue is recognised in the statement of financial position as a liability until the service has been delivered to the contributor, otherwise the grant is recognised as income on receipt.

The company receives non-reciprocal contributions of assets from the government and other parties for zero or a nominal value. These assets are recognised at fair value on the date of acquisition in the statement of financial position, with a corresponding amount of income recognised in the statement of comprehensive income.

Donations and bequests are recognised as revenue when received.

Interest revenue is recognised using the effective interest method, which for floating rate financial assets is the rate inherent in the instrument. Dividend revenue is recognised when the right to receive a dividend has been established.

Revenue from the rendering of a service is recognised upon the delivery of the service to the customers.

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

(c) Plant and Equipment

Plant and equipment are carried at cost or fair value as indicated, less, where applicable, accumulated depreciation and impairment losses.

Plant and Equipment

Plant and equipment are measured on the cost basis and are therefore carried at cost less accumulated depreciation and any accumulated impairment losses. In the event the carrying amount of plant and equipment is greater than its estimated recoverable amount, the carrying amount is written down immediately to its estimated recoverable amount and impairment losses are recognised either in profit or loss. A formal assessment of recoverable amount is made when impairment indicators are present (refer to Note 1(f) for details of impairment).

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the company and the cost of the item can be measured reliably. All other repairs and maintenance are recognised as expenses in profit or loss in the financial period in which they are incurred.

Plant and equipment that have been contributed at no cost, or for nominal cost, are valued and recognised at the fair value of the asset at the date it is acquired.

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

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Depreciation

The depreciable amount of all fixed assets is depreciated on a straight-line basis over the asset's useful life to the entity commencing from the time the asset is held ready for use.

The depreciation rates used for each class of depreciable assets are:

Class of Fixed Asset	Depreciation Rate
Plant and equipment	20-30%
Motor Vehicles	20-25%

The assets' residual values and useful lives are reviewed and adjusted, if appropriate, at the end of each reporting period.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains or losses are recognised as income in profit or loss in the period which they arise.

(d) Leases

Leases of fixed assets, where substantially all the risks and benefits incidental to the ownership of the asset (but not the legal ownership) are transferred to the entity, are classified as finance leases.

Finance leases are capitalised, recognising an asset and a liability equal to the present value of the minimum lease payments, including any guaranteed residual values.

Leased assets are depreciated on a straight-line basis over their estimated useful lives where it is likely that the entity will obtain ownership of the asset. Lease payments are allocated between the reduction of the lease liability and the lease interest expense for the period.

Lease payments for operating leases, where substantially all the risks and benefits remain with the lessor, are recognised as expenses on a straight-line basis over the lease term.

Lease incentives under operating leases are recognised as a liability and amortised on a straight-line basis over the life of the lease term.

(e) Financial Instruments

Initial Recognition and Measurement

Financial assets and financial liabilities are recognised when the entity becomes a party to the contractual provisions to the instrument. For financial assets, this is equivalent to the date that the company commits itself to either purchase or sell the asset (i.e. trade date accounting is adopted).

Financial instruments are initially measured at fair value plus transaction costs except where the instrument is classified 'at fair value through profit or loss', in which case transaction costs are recognised as expenses in profit or loss immediately.

Classification and Subsequent Measurement

Financial instruments are subsequently measured at fair value, amortised cost using the effective interest method, or cost. Where available, quoted prices in an active market are used to determine fair value. In other circumstances, valuation techniques are adopted.

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

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Amortised cost is calculated as the amount at which the financial asset or financial liability is measured at initial recognition less principal repayments and any reduction for impairment, and adjusted for any cumulative amortisation of the difference between that initial amount and the maturity amount calculated using the effective interest method.

The *effective interest method* is used to allocate interest income or interest expense over the relevant period and is equivalent to the rate that exactly discounts estimated future cash payments or receipts (including fees, transaction costs and other premiums or discounts) through the expected life (or when this cannot be reliably predicted, the contractual term) of the financial instrument to the net carrying amount of the financial asset or financial liability. Revisions to expected future net cash flows will necessitate an adjustment to the carrying amount with a consequential recognition of an income or expense item in profit or loss.

Fair value is determined based on current bid prices for all quoted investments. Valuation techniques are applied to determine the fair value for all unlisted securities, including recent arm's length transactions, reference to similar instruments and option pricing models.

(i) Financial assets at fair value through profit or loss

Financial assets are classified at "fair value through profit or loss" when they are held for trading for the purpose of short-term profit taking, derivatives not held for hedging purposes, or when they are designated as such to avoid an accounting mismatch or to enable performance evaluation where a group of financial assets is managed by key management personnel on a fair value basis in accordance with a documented risk management or investment strategy. Such assets are subsequently measured at fair value with changes in carrying amount being included in profit or loss.

(ii) Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and are subsequently measured at amortised cost. Gains or losses are recognised in profit or loss through the amortisation process and when the financial asset is derecognised.

(iii) Held-to-maturity investments

Held-to-maturity investments are non-derivative financial assets that have fixed maturities and fixed or determinable payments, and it is the company's intention to hold these investments to maturity. They are subsequently measured at amortised cost. Gains or losses are recognised in profit or loss through the amortisation process and when the financial asset is derecognised.

(iv) Available-for-sale investments

Available-for-sale investments are non-derivative financial assets that are either not capable of being classified into other categories of financial assets due to their nature or they are designated as such by management. They comprise investments in the equity of other entities where there is neither a fixed maturity nor fixed or determinable payments.

They are subsequently measured at fair value with any remeasurements other than impairment losses and foreign exchange gains and losses recognised in other comprehensive income. When the financial asset is derecognised, the cumulative gain or loss pertaining to that asset previously recognised in other comprehensive income is reclassified into profit or loss.

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2016**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

Available-for-sale financial assets are classified as non-current assets when they are expected to be sold within 12 months after the end of the reporting period. All other available-for-sale financial assets are classified as current assets.

(v) Financial liabilities

Non-derivative financial liabilities other than financial guarantees are subsequently measured at amortised cost. Gains or losses are recognised in profit or loss through the amortisation process and when the financial liability is derecognised.

Impairment

At the end of each reporting period, the company assesses whether there is objective evidence that a financial asset has been impaired. A financial asset (or a group of financial assets) is deemed to be impaired if, and only if, there is objective evidence of impairment as a result of one or more events (a "loss event") having occurred, which has an impact on the estimated future cash flows of the financial asset(s).

In the case of available-for-sale financial assets, a significant or prolonged decline in the market value of the instrument is considered to constitute a loss event. Impairment losses are recognised in profit or loss immediately. Also, any cumulative decline in fair value previously recognised in other comprehensive income is reclassified to profit or loss at this point.

In the case of financial assets carried at amortised cost, loss events may include: indications that the debtors or a group of debtors are experiencing significant financial difficulty, default or delinquency in interest or principal payments; indications that they will enter bankruptcy or other financial reorganisation; and changes in arrears or economic conditions that correlate with defaults.

For financial assets carried at amortised cost (including loans and receivables), a separate allowance account is used to reduce the carrying amount of financial assets impaired by credit losses. After having taken all possible measures of recovery, if management establishes that the carrying amount cannot be recovered by any means, at that point the written-off amounts are charged to the allowance account or the carrying amount of impaired financial assets is reduced directly if no impairment amount was previously recognised in the allowance account.

When the terms of financial assets that would otherwise have been past due or impaired have been renegotiated, the company recognises the impairment for such financial assets by taking into account the original terms as if the terms have not been renegotiated so that the loss events that have occurred are duly considered.

Derecognition

Financial assets are derecognised where the contractual rights to receipt of cash flows expire or the asset is transferred to another party whereby the entity no longer has any significant continuing involvement in the risks and benefits associated with the asset. Financial liabilities are derecognised when the related obligations are discharged, cancelled or have expired. The difference between the carrying amount of the financial liability, which is extinguished or transferred to another party, and the fair value of consideration paid, including the transfer of non-cash assets or liabilities assumed, is recognised in profit or loss.

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

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(f) Impairment of Assets

At the end of each reporting period, the company assesses whether there is any indication that an asset may be impaired. If such an indication exists, an impairment test is carried out on the asset by comparing the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use, to the asset's carrying amount. Any excess of the asset's carrying amount over its recoverable amount is recognised immediately in profit or loss.

Where it is not possible to estimate the recoverable amount of an individual asset, the entity estimates the recoverable amount of the cash-generating unit to which the asset belongs.

(g) Employee Benefits

Provision is made for the company's liability for employee benefits arising from services rendered by employees to the end of the reporting period. Employee benefits that are expected to be settled within one year have been measured at the amounts expected to be paid when the liability is settled. Employee benefits payable later than one year have been measured at the present value of the estimated future cash outflows to be made for those benefits. In determining the liability, consideration is given to employee wage increases and the probability that the employee may not satisfy vesting requirements. Those cash outflows are discounted using market yields on national government bonds with terms to maturity that match the expected timing of cash flows. Contributions are made by the entity to an employee superannuation fund and are charged as expenses when incurred.

(h) Cash and Cash Equivalents

Cash and cash equivalents include cash on hand, deposits held at-call with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within short-term borrowings in current liabilities on the statement of financial position.

(i) Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Taxation Office (ATO).

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the ATO is included with other receivables or payables in the statement of financial position.

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 ATO are presented as operating cash flows included in receipts from customers or payments to suppliers.

(j) Income Tax

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

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

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(k) Provisions

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

(l) Comparative Figures

Where required by Accounting Standards comparative figures have been adjusted to conform to changes in presentation for the current financial year.

(m) Trade and Other Payables

Trade and other payables represent the liabilities for goods and services received by the company during the reporting period that remain unpaid at the end of the reporting period. The balance is recognised as a current liability with the amounts normally paid within 30 days of recognition of the liability.

(n) Critical Accounting Estimates and Judgments

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

Key Estimates

Valuation of Investment Properties

The Investment Properties were independently valued by independent valuers in the last two years. The valuation was based on the fair value utilising market rentals and recent sales data. The critical assumptions adopted in determining the valuation included the location of the land and buildings, the current strong demand for land and buildings in the area and recent sales data for similar properties. The valuation resulted in a revaluation increment of \$nil (2015:\$470,000) being recognised for the year ended 30 June 2016.

At 30 June 2016 the directors have performed a directors' valuation on freehold land and buildings. The directors have reviewed the key assumptions adopted by the valuers and do not believe there has been a significant change in the assumptions at 30 June 2016. The directors therefore believe the carrying amount of the freehold land and buildings reflects the fair value at 30 June 2016.

(o) Derivative Financial Instruments

Derivate instruments are initially recognised at fair value on the date the derivative contract is entered into and are subsequently remeasured to their fair value at the end of the reporting period.

Interest rate swaps entered into by the company have been deemed as ineffective hedges and the gain or loss relating to the fair value measurement is recognised in the profit and loss for that reporting period.

WOMEN'S HOUSING LIMITED
ACN: 080 116 883

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

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(p) New Accounting Standards for Application in future periods

Accounting Standards and Interpretations issued by the AASB that are not yet mandatorily applicable to the Company, together with an assessment of the potential impact of such pronouncements on the Company when adopted in future periods, are discussed below:

- AASB 9: Financial Instruments and associated amending standards (applicable to annual reporting periods beginning on or after 1 January 2018).
The Standard will be applicable retrospectively (subject to the provisions on hedge accounting outlined below) and includes revised requirements for the classification and measurement of financial instruments, revised recognition and derecognition requirements for financial instruments and simplified requirements for hedge accounting.
The key changes that may affect the Company on initial application include certain simplifications to the classification of financial assets, simplifications to the accounting of embedded derivatives, upfront accounting for expected credit loss, and the irrevocable election to recognise gains and losses on investments in equity instruments that are not held for trading in other comprehensive income. AASB 9 also introduces a new model for hedge accounting that will allow greater flexibility in the ability to hedge risk, particularly with respect to hedges of non-financial items. Should the entity elect to change its hedge policies in line with the new hedge accounting requirements of the Standard, the application of such accounting would be largely prospective.
Although the directors anticipate that the adoption of AASB 9 may have an impact on the Company's financial instruments, it is impracticable at this stage to provide a reasonable estimate of such impact.

- AASB 15: Revenue from Contracts with Customers and associated amending standards (applicable to annual reporting periods beginning on or after 1 January 2018 as further amended by AASB 2015-8).
When effective, this Standard will replace the current accounting requirements applicable to revenue with a single, principles-based model. Except for a limited number of exceptions, including leases, the new revenue model in AASB 15 will apply to all contracts with customers as well as non-monetary exchanges between entities in the same line of business to facilitate sales to customers and potential customers. The core principle of the Standard is that an entity will recognise revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for the goods or services. To achieve this objective, AASB 15 provides the following five-step process:
 - identify the contract(s) with a customer;
 - identify the performance obligations in the contract(s);
 - determine the transaction price;
 - allocate the transaction price to the performance obligations in the contract; and
 - recognise revenue when (or as) the performance obligation is satisfied.
The transitional provisions of this Standard permit an entity to either: restate the contracts that existed in each prior period presented as per AASB 108: Accounting Policies, Changes in Accounting Estimates and Errors (subject to certain practical expedients in AASB 15); or recognise the cumulative effect of retrospective application to incomplete contracts on the date of initial application. There are also enhanced disclosure requirements regarding

WOMEN'S HOUSING LIMITED

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

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

revenue.

Although the directors anticipate that the adoption of AASB 15 may have an impact on the Company's financial statements, it is impracticable at this stage to provide a reasonable estimate of such impact.

- AASB 16: Leases (applicable to annual reporting periods beginning on or after 1 January 2019)

When effective, this standard will replace the current accounting requirements applicable to leases in AASB 117 and related Interpretations. AASB 16 introduces a single lessee accounting model that eliminates the requirement for leases to be classified as operating or finance leases.

The main changes introduced by the new standard include:

- a. Recognition of a right-to-use asset and liability for all leases (excluding short term leases with less than 12 months of tenure and leases relating to low value assets);
- b. Depreciation of right-to-use assets in-line with AASB 116 Property, plant and equipment in profit or loss and unwinding of the liability in principal and interest components;
- c. Variable lease payments that depend on an index or a rate are included in the initial measurement of the lease liability using the index or rate at the commencement date;
- d. By applying a practical expedient, a lessee is permitted to elect not to separate non-lease components and instead account all components as a lease; and
- e. Additional disclosure requirements.

The transitional provisions of this standard allows a lessee to either retrospectively apply the standard to comparatives in line with AASB 108: Accounting Policies, Changes in Accounting Estimates and Error; or recognise the cumulative effect of retrospective application as an adjustment to opening equity on the date of initial application.

Although the directors anticipate that the adoption of AASB 16 may have an impact on the Company's financial instruments, it is impracticable at this stage to provide a reasonable estimate of such impact.

- AASB 2014-4: Amendments to Australian Accounting Standards – Clarification of Acceptable Methods of Depreciation and Amortisation (applicable to annual reporting periods beginning on or after 1 January 2016)

This Standard clarifies that using revenue-based methods to calculate the depreciation of an asset is not appropriate and hence not allowable. AASB 2014-4 is required to be prospectively applied and not expected to impact the Company's financial statements.

- AASB 2015-1 Amendments to Australian Accounting Standards – Annual Improvements to Australian Accounting Standards 2012-2014 Cycle (applicable to annual reporting periods beginning on or after 1 January 2016)

Amends a number of pronouncements as a result of the IASBs 2012-2014 annual improvements cycle.

WOMEN'S HOUSING LIMITED**ACN: 080 116 883****NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2016****NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

Key amendments include:

- AASB 5 – Change in methods of disposal
- AASB 7 – Servicing contracts and applicability of the amendments to AASB7 to condensed interim financial statements.
- AASB 119 – Discount rate: regional market issue; and
- AASB 134 – Disclosure of information ‘elsewhere in the interim financial report’

The adoption of this standard is not expected to significantly impact the financial statements of the Company.

- AASB 2015-2 Amendments to Australian Accounting Standards – Disclosure Initiative: Amendments to AASB 101 makes amendments to AASB 101 Presentation of financial statements (applicable to annual reporting periods beginning on or after 1 January 2016) The changes clarify that entities should not be disclosing immaterial information and that the presentation of information in notes can and should be tailored to provide investors and other users with the clearest story of an entity’s financial performance and financial position.
The adoption of this standard will change financial statement disclosure of the Company.

WOMEN'S HOUSING LIMITED

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

NOTE 2 REVENUE AND OTHER INCOME

	2016	2015
	\$	\$
Rent	2,722,402	2,649,339
Interest received	9,980	10,209
Operating grants	1,645,036	1,491,541
Capital grants	224,248	-
Total Revenue	4,601,666	4,151,089
Fair Value adjustment to Investment Property	-	470,000
Other income	30,469	31,119
Total other income	30,469	501,119
Total revenue and other income	4,632,135	4,652,208

WOMEN'S HOUSING LIMITED
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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2016

NOTE 3 SURPLUS FOR THE YEAR

Expenses	2016	2015
	\$	\$
Employee benefits expense		
— contributions to defined contribution superannuation funds	116,634	106,922
	<u>116,634</u>	<u>106,922</u>
Depreciation and amortisation		
— motor vehicle	9,600	2,000
— furniture and equipment	6,500	6,000
Total depreciation and amortisation	<u>16,100</u>	<u>8,000</u>
Interest expense on financial liabilities not at fair value through profit and loss	265,095	293,128
Bad and doubtful debts	60,000	45,000
Rental expense on operating leases		
— minimum lease payments	158,839	166,252
Total rental expenses	<u>158,839</u>	<u>166,252</u>
Auditor fees		
— audit services	18,000	17,500
Total auditor fees	<u>18,000</u>	<u>17,500</u>

NOTE 4 CASH AND CASH EQUIVALENTS

	2016	2015
	\$	\$
CURRENT		
Cash at bank	2,815,984	385,736
Total cash and cash equivalents as stated in the cash flow statement	<u>2,815,984</u>	<u>385,736</u>

WOMEN'S HOUSING LIMITED
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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2016

NOTE 5 ACCOUNTS RECEIVABLE AND OTHER DEBTORS

	2016	2015
	\$	\$
CURRENT		
Accounts receivable	54,501	51,696
Provision for doubtful debts	(40,000)	(40,000)
	<u>14,501</u>	<u>11,696</u>
Other debtors	101,632	87,098
Total current accounts receivables and other debtors	<u><u>116,133</u></u>	<u><u>98,794</u></u>

Provision for Doubtful Debts

Movement in the provision for doubtful debts is as follows:

	\$
Provision for doubtful debts as at 1 July 2014	30,000
— Charge for year	45,000
— Written off	(35,000)
Provision for doubtful debts as at 30 June 2015	<u>40,000</u>
— Charge for year	60,000
— Written off	(60,000)
Provision for doubtful debts as at 30 June 2016	<u><u>40,000</u></u>

NOTE 6 OTHER CURRENT ASSETS

	2016	2015
	\$	\$
CURRENT		
Prepayments	7,751	20,095
	<u>7,751</u>	<u>20,095</u>

WOMEN'S HOUSING LIMITED

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

NOTE 7 INVESTMENT PROPERTIES

	2016 \$	2015 \$
NON-CURRENT		
Opening Balance at 1 July	33,550,000	33,080,000
Net gain from fair value adjustment	-	470,000
Closing Balance at 30 June	33,550,000	33,550,000
Investment Properties held:		
Meadow Heights	2,600,000	2,600,000
Werribee	1,725,000	1,725,000
Bayswater	8,555,000	8,555,000
Newport	2,450,000	2,450,000
Bentleigh	18,220,000	18,220,000
Closing Balance at 30 June	33,550,000	33,550,000

(a) Amounts recognised in profit and loss for investment properties

	2016 \$	2015 \$
Rental Income	1,072,027	1,076,684
Direct operating expenses from the property that generated rental income	(374,907)	(352,936)
	697,120	723,748

(b) Valuation basis

The company obtains independent valuations for its investment properties at least every two years. At the end of each reporting period the directors update their assessment of the fair value of each property, taking into account the most recent independent valuations. The directors determine a property's value within a range of reasonable fair value estimates.

The best evidence of fair value is current prices in an active market for similar investment properties. Where such information is not available the directors consider information from a variety of sources including:

- (i) current prices in an active market for properties of different nature or recent prices of similar properties in less active markets, adjusted to reflect those differences;
- (ii) capitalised income projections based upon a properties net market income, and a capitalisation rate derived from an analysis of market evidence.

At the end of the reporting period the key assumptions used by the directors in determining the fair value were in the following ranges for the company's portfolio of properties:

	2016	2015
Capitalisation Rate	4.5-6.4%	4.5-6.4%
Expected Vacancy Rate	0-1%	0-1%

WOMEN'S HOUSING LIMITED
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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2016

NOTE 7 INVESTMENT PROPERTIES (CONTINUED)

All of the above key assumptions have been taken from the last independent valuation report for the assets in the portfolio.

(c) Security Interest

The Director of Housing has registered his interest on the title of all of the company's properties. A registration of the Director's interest under the provisions of the *Housing Act 1983* has the effect of preventing dealings in the title without the consent of the Director of Housing. The registration of the Director's interest does not prevent the asset from being used as mortgage security against borrowings.

(d) Secured Liabilities and assets pledged as security

Security is held for the bank loans as detailed in note 10. These loans are secured by first mortgages over all the investment properties excluding the Werribee and Newport properties.

NOTE 8 PROPERTY, PLANT AND EQUIPMENT

Plant and Equipment	2016	2015
	\$	\$
Office and equipment		
At cost	184,487	151,484
Less accumulated depreciation	(138,138)	(131,638)
	<u>46,349</u>	<u>19,847</u>
Motor vehicles		
At cost	39,438	22,927
Less accumulated depreciation	(11,600)	(2,000)
	<u>27,838</u>	<u>20,927</u>
Property	2016	2015
	\$	\$
Capital work in progress at cost		
Newport	39,444	-
	<u>39,444</u>	<u>-</u>
Total property, plant and equipment	113,631	40,774

WOMEN'S HOUSING LIMITED
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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2016

NOTE 8 PLANT AND EQUIPMENT (CONTINUED)

Movements in Carrying Amounts

Movement in the carrying amounts for each class of plant and equipment between the beginning and the end of the current financial year:

	Work in Progress \$	Plant and Equipment \$	Motor Vehicle \$	Total \$
2015				
Balance at the beginning of the year	-	23,427	-	23,427
Additions at cost	-	2,420	22,927	25,347
Depreciation expense	-	(6,000)	(2,000)	(8,000)
Carrying amount at end of year	-	19,847	20,927	40,774
2016				
Balance at the beginning of the year	-	19,847	20,927	40,774
Additions at cost	39,444	33,002	16,511	88,957
Depreciation expense	-	(6,500)	(9,600)	(16,100)
Carrying amount at end of year	39,444	46,349	27,838	113,631

NOTE 9 ACCOUNTS PAYABLE AND OTHER PAYABLES

	Note	2016 \$	2015 \$
CURRENT			
Trade and other payables		605,432	410,325
Rent in Advance/Deferred income		100,995	87,130
Deferred property development income		1,625,752	-
Unexpended capital grants		170,932	29,493
	9(a)	2,503,111	526,948

(a) Financial liabilities at amortised cost classified as trade and other payables

Trade and other payables			
— Total current		2,503,111	526,948
— Total non-current		-	-
		2,503,111	526,948
Less :Unexpended capital grants		(170,932)	(29,493)
Deferred property development income		(1,625,752)	-
Financial liabilities as trade and other payables	18	706,427	497,455

WOMEN'S HOUSING LIMITED
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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2016

NOTE 10 BORROWINGS

	Note	2016 \$	2015 \$
CURRENT			
Bank loans – secured		155,916	155,916
		<u>155,916</u>	<u>155,916</u>
NON-CURRENT			
Bank loans – secured		3,679,674	3,835,591
		<u>3,679,674</u>	<u>3,835,591</u>
Total borrowing liabilities	18	<u>3,835,590</u>	<u>3,991,507</u>

The Bank loans total consists of:

- (a) Bank of Australia Loan \$2,656,787
- (b) Bendigo Bank Loan \$1,178,803

The bank loans are both long term facilities with both having repayments schedules going out to September 2023 for the Bendigo bank loan and March 2032 for the Bank of Australia Loan.

Financing Arrangements

The company has fully utilised all financing facilities with the bank loans detailed in the note. The only unused facility is a \$209,000 overdraft facility through the Bank of Australia which the company has not utilised.

Assets Pledged as Security

Bank of Australia hold a registered 1st mortgage over the Bentleigh property which is valued at \$18,220,000.

Bendigo Bank hold registered 1st mortgages over the Meadow Heights and Bayswater properties which have a combined value of \$11,550,000.

No other assets are pledged as security.

WOMEN'S HOUSING LIMITED
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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2016

NOTE 11 EMPLOYEE PROVISIONS

	Note	2016 \$	2015 \$
CURRENT			
Short-term Employee Benefits			
– Balance at 30 June 2015		186,947	162,632
– Additional provisions raised during year		145,822	106,968
– Amounts used		(100,393)	(82,653)
Balance at 30 June 2016		232,376	186,947
NON-CURRENT			
Long-term Employee Benefits			
– Opening balance at 1 July 2015		5,781	4,961
– Additional provisions raised during year		5,572	820
– Amounts used		-	-
Balance at 30 June 2016		11,353	5,781
Analysis of Employee Provisions			
Current			
– Annual leave		131,090	100,259
– Long service leave		101,286	86,688
Non-current		232,376	186,947
– Long service leave		11,353	5,781
		243,729	192,728

Employee Provisions

Employee provisions represent amounts accrued for annual leave and long service leave.

The current portion for this provision includes the total amount accrued for annual leave entitlements and the amounts accrued for long service leave entitlements that have vested due to employees having completed the required period of service. Based on past experience the company does not expect the full amount of annual leave or long service leave balances classified as current liabilities to be settled within the next 12 months. However, these amounts must be classified as current liabilities since the company does not have an unconditional right to defer the settlement of these amounts in the event employees wish to use their leave entitlement.

The non-current portion for this provision includes amounts accrued for long service leave entitlements that have not yet vested in relation to those employees who have not yet completed the required period of service.

WOMEN'S HOUSING LIMITED
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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2016

NOTE 12 DERIVATIVE FINANCIAL INSTRUMENTS

	2016	2015
	\$	\$
NON CURRENT		
Interest Rate Swap Contracts	170,964	145,234

NOTE 13 CAPITAL AND LEASING COMMITMENTS

Operating Lease Commitments

Non- cancellable operating leases contracted for but not recognised in the financial statements

	2016	2015
	\$	\$
Payable - minimum lease payments		
– no later than 12 months	124,681	119,164
– later than 12 months but no later than 5 years	259,380	26,188
– later than 5 years	-	-
	384,061	145,352

The property lease commitments are non-cancellable operating leases contracted for but not recognised in the financial statements with a three-year term. Increase in lease commitments may occur in line with the Consumer Price Index (CPI).

The motor vehicle and equipment lease commitments are non-cancellable operating leases contracted for three to five year terms.

Building Contract

WHL has contracted with a builder to redevelop the Newport site over the next two financial years. Construction funding for this redevelopment has been received from the Victorian state government via the Victorian Property Fund.

	2016	2015
	\$	\$
Payable - minimum lease payments		
– no later than 12 months	3,050,000	-
– later than 12 months but no later than 5 years	2,120,000	-
	5,170,000	-

NOTE 14 CONTINGENT LIABILITIES AND CONTINGENT ASSETS

	2016	2015
	\$	\$
Estimates of the potential financial effect of contingent liabilities that may become payable:		
Claims	-	-

WOMEN'S HOUSING LIMITED
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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2016

NOTE 15 EVENTS AFTER THE REPORTING PERIOD

In July 2016 the company was successful in obtaining a \$1.8m grant from the Victorian State Government via the Rapid Housing Fund for the purchase of six new houses to house women and children escaping family violence. These purchases are to be completed by June 2017. The company has also agreed to acquire a new site in Bayswater from the Knox City Council for \$1m. The company plans to seek planning and funding approval for the construction of a new 20 unit apartment complex on this site. The directors are not aware of any other significant events that have occurred since the end of the reporting period.

NOTE 16 RELATED PARTY TRANSACTIONS

(a) Key Management Personnel

Any person(s) having authority and responsibility for planning, directing and controlling the activities of the company, directly or indirectly, including any director (whether executive or otherwise) is considered key management personnel.

	2016	2015
	\$	\$
Key Management Personnel Compensation		
— Short-term benefits	429,013	424,901
— Post-employment benefits	40,149	39,774
— Other long-term benefits	-	-
	<u>469,162</u>	<u>464,675</u>

None of the directors were entitled to receive any remuneration.

(b) Other Related Parties

There has been no other related parties transactions with family members of Key Management Personnel or directors, and entities that are controlled or jointly controlled by those Key Management Personnel or Directors individually or collectively with their close family members.

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

WOMEN'S HOUSING LIMITED
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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2016

NOTE 17 CASH FLOW INFORMATION

Reconciliation of Cashflow from Operating Activities with Current Year Surplus

	2016	2015
	\$	\$
Profit after income tax	611,123	616,959
Non cash flows		
– Depreciation and amortisation expense	16,100	8,000
– Fair value loss on financial derivative	25,730	16,980
– Fair value gains on investment properties	-	(470,000)
– Bad and doubtful debts	60,000	35,000
Changes in assets and liabilities		
– (Increase) in accounts receivable and other debtors	(77,338)	(25,772)
– Increase /(Decrease) in accounts payable and other payables	126,163	(26,179)
– Increase in provisions for employee benefits	50,999	25,135
– Decrease /(Increase) in prepayments	12,344	(12,051)
	<u>825,121</u>	<u>168,072</u>

NOTE 18 FINANCIAL RISK MANAGEMENT

The company's financial statements consist mainly of deposits with banks, local money market instruments, short-term investments and long-term investments, receivables and payables, lease liabilities and derivatives.

The totals for each category of financial instruments, measured in accordance with AASB 139 as detailed in the accounting policies these financial statements, are as follows:

	Note	2016	2015
		\$	\$
Financial Assets			
Cash and cash equivalents	4	2,815,984	385,736
Accounts receivable and other debtors	5	116,133	98,794
Total Financial Assets		<u>2,932,117</u>	<u>484,530</u>
Financial Liabilities			
Financial liabilities at amortised cost			
– Accounts payable and other payables	9(a)	706,427	497,455
– Bank loans - secured	10	3,835,590	3,991,507
Total Financial Liabilities		<u>4,542,017</u>	<u>4,488,962</u>

WOMEN'S HOUSING LIMITED
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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2016

NOTE 18 FINANCIAL RISK MANAGEMENT (CONTINUED)

Refer to Note 19 for additional disclosures regarding the fair value measurement of the company's financial assets and financial liabilities.

NOTE 19 FAIR VALUE MEASUREMENTS

The company has the following assets and liabilities as set out in the table below, that are measured at fair value on a recurring basis after their initial recognition. The company has no assets or liabilities that are measured at fair value on a non-recurring basis.

Recurring fair value measurements	Note	2016 \$	2015 \$
Investment property	(i)	33,550,000	33,550,000
Derivative financial instrument	(ii)	170,964	145,234

- (i) For investment property, the fair values are based on the directors' valuation taking into account an external independent valuation performed in the last two years, which had used comparable market data for similar properties.
- (ii) For derivative financial instruments, the fair value of interest rate swaps is calculated as the present value of the estimated future cashflows based on the observable yield curve.

NOTE 20 CORPORATE INFORMATION

The registered office of the entity is:	Women's Housing Limited Suite 1, Level 1 21 Cremorne Street Cremorne Victoria 3121
The principal place of business is:	Women's Housing Limited Suite 1, Level 1 21 Cremorne Street Cremorne Victoria 3121
Bankers:	Commonwealth Bank 214 Swan Street Richmond 3121
Auditor:	ShineWing Australia Level 10 530 Collins Street Melbourne 3000

WOMEN'S HOUSING LIMITED
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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2016

NOTE 21 MEMBERS' GUARANTEE

The entity is incorporated under the *Corporations Act 2001* and is an entity limited by guarantee. If the entity is wound up, the constitution states that each member is required to contribute a maximum of \$50 each towards meeting any outstandings and obligations of the entity. At 30 June 2016 the number of members was six.

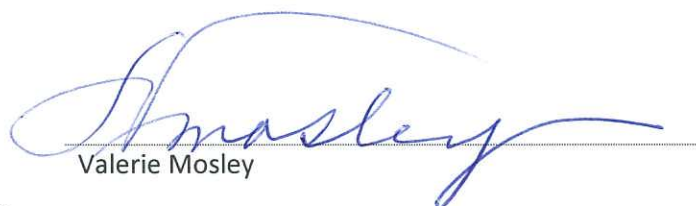
WOMEN'S HOUSING LIMITED**ACN: 080 116 883****DIRECTORS' DECLARATION**

The directors have determined that the company is a reporting entity that does not have public accountability as defined in AASB 1053: Application of Tiers of Australian Accounting Standards and that these general purpose financial statements should be prepared in accordance with Australian Accounting Standards – Reduced Disclosure Requirements.

In accordance with a resolution of the directors of Women's Housing Limited, the directors of the company declare that:

1. The financial statements and notes, as set out on pages 10 to 36 comply with *Australian Charities and Not-for-profits Commissions Act 2012* including:
 - (a) comply with Australian Accounting Standards - Reduced Disclosure Requirements and the *Australian Charities and Not-for- Profits Commission Regulation 2013*; and
 - (b) give a true and fair view of the financial position of the company as at 30 June 2016 and its performance for the year ended on that date.
2. In the directors' opinion there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

Director


Valerie Mosley

Dated: 10 October 2016

INDEPENDENT AUDITOR'S REPORT TO THE DIRECTORS OF THE WOMAN'S HOUSING LIMITED

Report on the Financial Report

We have audited the accompanying financial report of Woman's Housing Limited ('the Company'), which comprises the statement of financial position as at 30 June 2016, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration.

Director's Responsibility for the Financial Report

The directors of the company are responsible for the preparation and fair presentation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards – Reduced Disclosure Requirements (including the Australian Accounting Interpretations) and the *Australian Charities and Not-for-profits Commission Act 2012*.

The director's responsibility also includes establishing and maintaining internal controls relevant to the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of the financial report that gives a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial report.

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

Independence

In conducting our audit, we have complied with the independence requirements of the *Australian Charities and Not-for-profits Commission Act 2012*. We confirm that the independence declaration required by the *Australian Charities and Not-for-profits Commission Act 2012*, which has been given to the directors of Woman's Housing Limited, would be in the same terms if given to the directors as at the time of the auditor's report.

Opinion

In our opinion, the financial report of Woman's Housing Limited is in accordance with the *Australian Charities and Not-for-profits Commission Act 2012* including:

- a) giving a true and fair view of the company's financial position as at 30 June 2016 and of its performance for the year ended on that date; and
- b) complying with Australian Accounting Standards - Reduced Disclosure Requirements and the *Australian Charities and Not-for-profits Regulation 2013*.

ShineWing Australia

ShineWing Australia
Chartered Accountants



Hayley Underwood
Partner

Melbourne, 14 October 2016