

# **WOMEN'S HOUSING LIMITED**

ACN: 080 116 883

Financial Report For The Year Ended  
30 June 2019

**Women's Housing Limited**

ACN: 080 116 883

**Financial Report For The Year Ended  
30 June 2019**

CONTENTS	Page
Directors' Report	3
Auditor's Independence Declaration	9
Statement of Comprehensive Income	10
Statement of Financial Position	11
Statement of Changes in Equity	12
Statement of Cash Flows	13
Notes to the Financial Statements	14
Directors' Declaration	41
Independent Auditor's Report	42

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

Your directors present this report on the Company for the financial year ended 30 June 2019.

**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

Michael Barlow

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

The company has an Audit and Financial Risk Committee (AFRC). This committee consists of Andrew Cronin (Chair) and Valerie Mosley as members. The committee assists the Board with its fiduciary responsibilities relating to accounting, internal control systems, financial risk management systems and reporting practices.

The company has a Project Control Group (PCG). This committee consists of Michael Barlow (Chair), Andrew Cronin and Judy Line as members. The PCG assists the Board with its fiduciary responsibilities relating to housing projects and project risk management.

From time to time the board may establish committees to assist the Board with its fiduciary responsibilities. No other committees were established during the financial year and at the date of this report.

**Result**

Women's Housing Limited (WHL) achieved a current year profit of \$11,773,312 (2018: \$8,881,170). Two significant events increased the current year profit.

1. The recognition of capital grants and donations of \$5,731,698 (2018: \$4,576,348) for the construction of the Bayswater development and;
2. The increased valuation of investment properties by \$5,705,000 (2018: \$4,028,896).

The company does not expect similar levels of capital grants for construction next year and the level of revaluation of investment properties is dependent on property market conditions.

**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, and
- The development and management of community housing for homeless or disadvantaged women across Victoria.

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

### **Short-term and Long-term Objectives**

The Company's objectives are to:

- Operate and manage long term and transitional affordable and social housing
- Increase the supply of affordable housing through acquisition and development; and
- Provide affordable and social housing services to homeless, at risk, and disadvantaged women.

### **Strategies**

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

- Seek capital contributions from government
- Build cash reserves and surpluses to fund new development opportunities
- Develop a business structure that raises debt through financial institutions to build affordable housing.
- Operate and manage effective and efficient affordable housing services; and
- Raise philanthropic funding to the extent practicable.

### **Key Performance Measures**

The Company 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
- Performing against an annual business plan, operating plans for specific projects, and capital project budgets; and
- Monitoring and evaluating individual capital projects progressively against agreed budgets until completion.

### **Information on Directors**

<b>Valerie Mosley</b>	<b>Chair</b>
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.

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

<b>Erica Edmands</b>	<b>Director</b>
Qualifications	<p>Bachelor of Laws            Bachelor of Arts (Economics and History)            University of Melbourne            Graduate, 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.</p>
<b>Peggy O'Neal AO</b>	<b>Director</b>
Qualifications	<p>Bachelor of Arts, Virginia Polytechnic Institute and State University (USA)            Juris Doctor, University of Virginia (USA)            Doctor of Laws (Hon) Swinburne University            Fellow, Australian Institute of Company Directors</p>
Experience	<p>Peggy O'Neal AO 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 Lander &amp; Rogers Lawyers. Previously Peggy was a partner at Herbert Smith Freehills. She presently serves as a non-executive director on several boards including the Commonwealth Superannuation Corporation and is President of the Richmond Football Club. She has been named by the AFR peer review survey as one of the "Best Lawyers" in Australia every year since 2010.</p>

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

<b>Andrew Cronin</b>	<b>Director</b>
Qualifications	Bachelor of Commerce, University of Melbourne Chartered Accountant, ICAA Fellow, Financial Services Institute of Australia Registered Company Auditor, ASIC
Experience	Andrew Cronin has 25 years of 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.
<b>Judy Line</b>	<b>Director</b>
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 Association that now provides long term social housing and specialises in building new affordable housing for women and their children.

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

<b>Michael Barlow</b>	<b>Director</b>
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 city development including major transportation projects, major commercial development, mixed-use precincts 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 also a Director of the Lyon Foundation.

### Meetings of Directors

During the financial year, 9 meetings of director's five meetings of the Project Control Group and two meetings of the Audit & Financial Risk Committee (AFRC) were held. Attendances by each director were as follows:

	<b>Directors' Meetings</b>		<b>AFRC Committee</b>		<b>Project Control Group</b>	
	No. eligible to attend	No. attended	No. eligible to attend	No. attended	No. Eligible to attend	No. attended
Valerie Mosley	9	9	2	2	-	-
Erica Edmands	9	8	-	-	-	-
Peggy O'Neal	9	5	-	-	-	-
Andrew Cronin	9	9	2	2	5	5
Michael Barlow	9	8	-	-	5	4
Judy Line	9	9	-	-	5	4

The Company is incorporated under the *Corporations Act 2001* and Limited by Guarantee. If the company 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 2019 the total amount that members of the Company are liable to contribute if the Company is wound up is \$300 (2018:\$300).

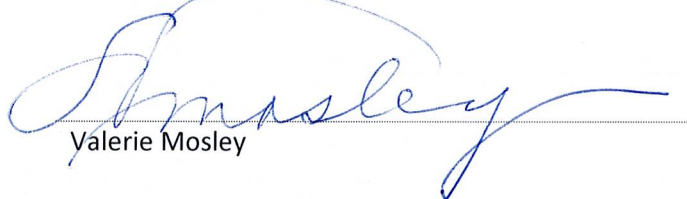
**WOMEN'S HOUSING LIMITED**  
**ACN: 080 116 883**  
**DIRECTORS' REPORT**

**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 2019 is included on page 9 of the financial report.

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

Director



Valerie Mosley

Dated: 28 October 2019



## AUDITOR'S INDEPENDENCE DECLARATION

As the lead audit partner for the audit of the financial statements of Women's Housing Limited for the year ended 30 June 2019, I declare that, to the best of my knowledge and belief, during the year ended 30 June 2019 there have been no contraventions of:

- i. the auditor independence requirements of the *Australian Charities and Not for Profits Commission Act 2012* in relation to the audit; and
- ii. any applicable code of professional conduct in relation to the audit.
- iii.



**HLB Mann Judd**  
**Chartered Accountants**

Melbourne  
28 October 2019



**Jude Lau**  
**Partner**

**[hlb.com.au](http://hlb.com.au)**

**HLB Mann Judd (VIC Partnership) ABN 20 696 861 713**

Level 9, 575 Bourke Street, Melbourne VIC 3000 | GPO Box 2850, Melbourne VIC 3001

T: +61 (0) 3 9606 3888 F: +61 (0) 3 9606 3800 E: [mailbox@hlbvic.com.au](mailto:mailbox@hlbvic.com.au)

Liability limited by a scheme approved under Professional Standards Legislation.

HLB Mann Judd (VIC Partnership) is a member of HLB International, the global advisory and accounting network

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

**STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 30 JUNE 2019**

	<b>Note</b>	<b>2019</b>	<b>2018</b>
		<b>\$</b>	<b>\$</b>
Revenue	2	10,550,858	8,964,498
Other income	2	22,188	24,406
Depreciation and amortisation expense	3	(22,960)	(22,720)
Interest expense	3	(251,119)	(265,253)
Fair value gain (loss) on financial derivative		4,795	28,029
Emergency Housing Assistance		(627,529)	(523,827)
Staffing and Development		(1,791,977)	(1,803,057)
Property Costs		(1,261,601)	(1,103,478)
Occupancy Costs		(104,979)	(111,714)
Administration		(309,560)	(232,056)
Profit/(Loss) on Revaluation of Investment Properties		5,705,000	4,028,896
Other Expenses		(92,818)	(63,958)
Motor Vehicle Expenses		(46,986)	(38,596)
<b>Current year profit before income tax</b>		<b>11,773,312</b>	<b>8,881,170</b>
Income tax expense		-	-
<b>Net current year profit</b>		<b>11,773,312</b>	<b>8,881,170</b>
<b>Other comprehensive income:</b>			
<b>Items that will not be reclassified subsequently to profit or loss:</b>			
<b>Other comprehensive income for the year</b>		-	-
<b>Total comprehensive income for the year</b>		<b>11,773,312</b>	<b>8,881,170</b>
<b>Total comprehensive income attributable to members of the Company</b>			
		<b>11,773,312</b>	<b>8,881,170</b>

The accompanying notes form part of these financial statements.

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

**STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2019**

	Note	2019 \$	2018 \$
<b>ASSETS</b>			
<b>CURRENT ASSETS</b>			
Cash and cash equivalents	4	3,002,967	1,837,758
Accounts receivable and other debtors	5	180,438	254,333
Other current assets	6	64,816	47,420
<b>TOTAL CURRENT ASSETS</b>		<u>3,248,221</u>	<u>2,139,511</u>
<b>NON-CURRENT ASSETS</b>			
Investment Properties	7	55,955,212	44,568,404
Property, plant and equipment	8	91,818	62,868
<b>TOTAL NON-CURRENT ASSETS</b>		<u>56,047,030</u>	<u>44,631,272</u>
<b>TOTAL ASSETS</b>		<u>59,295,251</u>	<u>46,770,783</u>
<b>LIABILITIES</b>			
<b>CURRENT LIABILITIES</b>			
Accounts payable and other payables	9	1,816,840	805,437
Borrowings	10	1,077,416	155,916
Employee provisions	11	246,466	264,920
Derivative Financial Instruments	12	-	15,552
<b>TOTAL CURRENT LIABILITIES</b>		<u>3,140,722</u>	<u>1,241,825</u>
<b>NON-CURRENT LIABILITIES</b>			
Borrowings	10	3,121,923	4,289,340
Employee provisions	11	25,931	17,011
Derivative Financial Instruments	12	88,720	77,964
<b>TOTAL NON-CURRENT LIABILITIES</b>		<u>3,236,574</u>	<u>4,384,315</u>
<b>TOTAL LIABILITIES</b>		<u>6,377,296</u>	<u>5,626,140</u>
<b>NET ASSETS</b>		<u>52,917,955</u>	<u>41,144,643</u>
<b>EQUITY</b>			
Retained profit		52,917,955	41,144,643
<b>TOTAL EQUITY</b>		<u>52,917,955</u>	<u>41,144,643</u>

The accompanying notes form part of these financial statements.

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

**STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED JUNE 2019**

	Retained Profit	Total
	\$	\$
<b>Balance at 1 July 2017</b>	32,263,473	32,263,473
<b>Comprehensive Income</b>		
Profit for the year attributable to members of the Company	8,881,170	8,881,170
Other comprehensive income for the year	-	-
<b>Total comprehensive income attributable to members of the Company</b>	8,881,170	8,881,170
<b>Balance at 30 June 2018</b>	41,144,643	41,144,643
<b>Comprehensive Income</b>		
Profit for the year attributable to members of the Company	11,773,312	11,773,312
Other comprehensive income for the year	-	-
<b>Total comprehensive income attributable to members of the Company</b>	11,773,312	11,773,312
<b>Balance at 30 June 2019</b>	52,917,955	52,917,955

The accompanying notes form part of these financial statements.

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

**STATEMENT OF CASH FLOWS FOR THE YEAR ENDED JUNE 2019**

	Note	2019 \$	2018 \$
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>			
Receipts from grants and customers		4,720,380	4,446,612
Payments to suppliers and employees		(4,334,020)	(3,840,186)
Interest received		41,632	10,513
Interest paid		(251,119)	(265,253)
Net cash generated from/(used in) operating activities	17	176,873	351,686
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>			
Capital Works		(4,557,124)	(4,431,943)
Capital Grant		5,841,698	5,207,348
Payment for Property		-	(413,155)
Payment for plant and equipment		(57,410)	(19,340)
Proceeds from Disposal of Plant and Equipment		7,089	6,998
Net cash generated from / (used) in investing activities		1,234,253	342,910
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>			
Proceeds from borrowings		-	-
Repayment of borrowings		(245,917)	(155,916)
Net cash generated from/(used in) financing activities		(245,917)	(155,916)
Net increase/ (decrease) in cash held		1,165,209	545,678
Cash and cash equivalents at the beginning of the financial year		1,837,758	1,292,080
Cash and cash equivalents at the end of the financial year	4	3,002,967	1,837,758

The accompanying notes form part of these financial statements.

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

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019**

**NOTE 1                      SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**Basis of Preparation**

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 Company 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 xx October 2019 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)        Change in Accounting Policy**

**Financial Instruments – Adoption of AASB 9**

The Company has adopted AASB 9 *Financial Instruments* for the first time in the current year on 1 July 2018.

As part of the adoption of AASB 9, the Company adopted consequential amendments to other accounting standards arising from AASB 9 as follows:

- AASB 101 *Presentation of Financial Statements* requires the impairment of financial assets to be presented in a separate line item in the statement of profit or loss and other comprehensive income. In the comparative year, this information was presented as part of other expenses.
- AASB 7 *Financial Instruments: Disclosures* requires amended disclosures due to changes arising from AASB 9. These disclosures have been provided for in the current year.

The Company performed an impact assessment regarding the application of AASB 9. The assessment identified that the application of this standard had no material impact on the Company.

Changes in accounting policies resulting from the adoption of AASB 9 have been applied retrospectively however, the Company has not restated any amounts relating to classification and measurement requirements including impairment which have been applied from 1 July 2018.

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

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**(b) Investment Properties**

Investment properties 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 recorded 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.

**(c) Revenue**

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

If 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, a corresponding amount of income is then 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.

Rental income is recognised in accordance with terms outlined in the tenancy agreements and is accrued on a straight-line basis over the terms of the lease.

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).

**(d) Plant and Equipment**

Plant and equipment are carried at cost, less, where applicable, accumulated depreciation and impairment losses.

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

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Plant and Equipment**

Plant and equipment are measured on a cost basis and carried at cost less accumulated depreciation and any accumulated impairment losses. In the event that 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 with impairment losses recognised as profit or loss. A formal assessment of recoverable amount is made when impairment indicators are present (refer to Note 1(g) 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 has been contributed at no cost, or for nominal cost, is valued and recognised at the fair value of the asset on the date it was acquired.

**Depreciation**

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

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

<b>Class of Fixed Asset</b>	<b>Depreciation Rate</b>
Office 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.

**(e) 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 Company, 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 Company 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.



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

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

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

**(f) Financial Instruments**

**Prior to 1 July 2018**

**Initial Recognition and Measurement**

Financial assets and financial liabilities are recognised when the Company 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.

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 consequential recognition of an income or expense item in profit or loss.

Fair value is determined 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 or liabilities at fair value through profit or loss**

Financial assets or liabilities 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.

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

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

*(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) 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 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 Company 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.

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

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**From 1 July 2018**

Financial instruments are recognised initially on the date the Company becomes party to the contractual provisions of the instrument.

On initial recognition, all financial instruments are measured at fair value plus transaction costs (except for instruments measured at fair value through profit or loss where transaction costs are expensed as incurred).

**Financial Assets**

All recognised financial assets are subsequently measured in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

*Classification*

On initial recognition, the Company classifies its financial assets into the following category, those measured at:

- Amortised cost

Financial assets are not reclassified subsequent to their initial recognition unless the Company changes its business model for managing financial assets.

*Amortised cost*

Assets measured at amortised cost are financial assets when:

- The business model is to hold assets to collect contractual cash flows; and
- The contractual terms give rise on specified dates to cash flows are solely payments of principal and interest on the principal amount outstanding.

The Company's financial assets measured at amortised cost comprise trade and other receivables and cash and cash equivalents in the statement of financial position.

Subsequent to initial recognition, these assets are carried at amortised cost using the effective interest rate method less provision for impairment.

Interest income, foreign exchange gains or losses and impairment are recognised in profit or loss. Gain or loss on derecognition is recognised in profit or loss.

*Impairment of financial assets*

Impairment of financial assets is recognised on an expected credit loss (ECL) basis for the following assets:

- Financial assets measured at amortised cost

When determining whether the credit risk of financial assets has increased significantly (since initial recognition and when estimating ECL) the Company considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis based on the Company's historical experience and informed credit assessment and including forward looking information.

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

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

The Company uses the presumption that an asset which is more than 30 days past due has seen a significant increase in credit risk.

The Company uses the presumption that a financial asset is in default when:

- The other party is unlikely to pay its credit obligations to the Company in full, without recourse to the Company to actions such as realising security (if any is held); or
- The financial asset is more than 90 days past due.

Credit losses are measured as the present value of the difference between the cash flows due to the Company in accordance with the contract and the cash flows expected to be received. This is applied using a probability weighted approach.

*Trade receivables*

Impairment of trade receivables have been determined using the simplified approach in AASB 9 which uses an estimate of lifetime expected credit losses. The Company has determined the probability of non-payment of the receivable and multiplied this by the amount of the expected loss arising from default.

The amount of the impairment is recorded in a separate allowance account with the loss being recognised in finance expense. Once the receivable is determined to be uncollectable then the gross carrying amount is written off against the associated allowance.

When the Company renegotiates the terms of trade receivables due from certain customers, the new expected cash flow is discounted at the original effective interest rate and any resulting difference to the carrying value is recognised in profit or loss.

*Other financial assets measured at amortised cost*

Impairment of other financial assets measured at amortised cost are determined using the expected credit loss model in AASB 9. On initial recognition of the asset, an estimate of the expected credit losses for the next 12 months is recognised. When the asset has experienced significant increase in credit risk then the lifetime losses are estimated and recognised.

**Financial liabilities**

The Company measures all financial liabilities initially at fair value less transaction costs, subsequently financial liabilities are measured at amortised cost using the effective interest rate method.

The financial liabilities of the Company comprise trade payables, bank and other loans.

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

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Hedge accounting**

The Company applies hedge accounting for certain derivatives held which meet the following criteria:

- At the inception of the hedge there is formal designation and documentation of the hedging relationship and the Company's risk management objective and strategy for undertaking the hedge;
- The hedge relationship meets all of the hedge effectiveness requirements including that an economic relationship exists between the hedged item and the hedging instrument, credit risk does not dominate the fair value changes; and
- The hedge ratio is designated based on actual quantities of the hedged item and hedging instrument.

**Derivative Financial Instruments**

Derivate instruments are initially recognised at fair value on the date the derivative contract was 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.

**(g) 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 Company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

**(h) 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 inclusive of on-costs. 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 Company to an employee superannuation fund and are charged as expenses when incurred.

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

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**(i) 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.

**(j) 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.

**(k) Income Tax**

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

**(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**

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.

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

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Key Estimates**

*Valuation of Investment Properties*

The Investment Properties were independently valued by Directors based on independent valuations commissioned by the Company. 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 demand for land and buildings in the area and recent sales data for similar properties. The valuation resulted in a revaluation increment of \$5,705,000 (2018: \$4,028,896) being recognised for the year ended 30 June 2019.

At 30 June 2019 the directors have performed a directors' valuation on certain 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 2019. Therefore, directors believe the carrying amount of the freehold land and buildings reflects fair value at 30 June 2019.

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

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**(o) New Accounting Standards for Application in future periods**

<b>Standard Name</b>	<b>Effective date for entity</b>	<b>Requirements</b>	<b>Impact</b>
AASB 15 Revenue from contracts with customers	1 July 2019	<p>AASB 15 introduces a five step process for revenue recognition with the core principle of the new Standard being for entities to recognise revenue to depict the transfer of goods or services to customers in amounts that reflect the consideration (that is, payment) to which the entity expects to be entitled in exchange for those goods or services.</p> <p>Accounting policy changes will arise in timing of revenue recognition, treatment of contracts costs and contracts which contain a financing element.</p> <p>AASB 15 will also result in enhanced disclosures about revenue, provide guidance for transactions that were not previously addressed comprehensively (for example, service revenue and contract modifications) and improve guidance for multiple-element arrangements.</p>	The changes in revenue recognition requirements in AASB 15 is likely to result in immaterial changes to the timing and amount of revenue recorded in the financial statements.
AASB 1058 Income of NFP Entities	1 July 2019	<p>AASB 1058 supersedes all the income recognition requirements relating to private sector NFP entities, and the majority of income recognition requirements relating to public sector NFP entities, previously in AASB 1004 Contribution. The timing of income recognition depends on whether such a transaction gives rise to a liability or other performance obligation (a promise to transfer a good or service), or a contribution by owners, related to an asset (such as cash or another asset) received by an entity.</p> <p>AASB 1058 applies when a NFP entity receives volunteer services or enters into other transactions where the consideration to acquire an asset is significantly less than the fair value of the asset principally to enable the entity to further its objectives. In the latter case, the entity recognises and measures the asset at fair value in accordance with the applicable Australian Accounting Standard (eg AASB 116 Property, Plant and Equipment).</p> <p>Upon initial recognition of the asset, this Standard requires the entity to consider whether any other financial statement elements (called 'related amounts') should be recognised in accordance with</p>	<p>WHL anticipate that some capital construction grant agreements which were previously recognised immediately on receipt will be deferred as the performance obligation is satisfied.</p> <p>During the year ended 30 June 2019, a capital grant has been recognised as revenue. However, when AASB1058 is applied during the year ending 30 June 2020, this funding will instead be recognised as</p>



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

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019**

		<p>the applicable Accounting Standard, such as:</p> <ul style="list-style-type: none"> <li>(a) contributions by owners;</li> <li>(b) revenue, or a contract liability arising from a contract with a customer;</li> <li>(c) a lease liability;</li> <li>(d) a financial instrument; or</li> <li>(e) a provision.</li> </ul> <p>If the transaction is a transfer of a financial asset to enable an entity to acquire or construct a recognisable non-financial asset to be controlled by the entity (ie an in-substance acquisition of a non-financial asset), the entity recognises a liability for the excess of the fair value of the transfer over any related amounts recognised. The entity recognises income as it satisfies its obligations under the transfer similarly to income recognition in relation to performance obligations under AASB 15.</p> <p>If the transaction does not enable an entity to acquire or construct a recognisable non-financial asset to be controlled by the entity, then any excess of the initial carrying amount of the recognised asset over the related amounts is recognised as income.</p>	<p>revenue because the performance obligation is met. It is anticipated that this will result in no change for the financial year ended 30 June 2019.</p>
AASB 16 Leases	1 July 2019	<p>AASB 16 will cause the majority of leases of an entity to be brought onto the statement of financial position. There are limited exceptions relating to short-term leases and low value assets which may remain off-balance sheet.</p> <p>The calculation of the lease liability will take into account appropriate discount rates, assumptions about lease term and increases in lease payments.</p> <p>A corresponding right to use asset will be recognised which will be amortised over the term of the lease.</p> <p>Rent expense will no longer be shown, the profit and loss impact of the leases will be through amortisation and interest charges.</p>	<p>The expected value of such assets and liabilities as at 30 June 2019 is approximately \$402,000 and the company has not brought such assets and liability to account.</p>

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

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019**

**NOTE 2 REVENUE AND OTHER INCOME**

	<b>2019</b>	<b>2018</b>
	<b>\$</b>	<b>\$</b>
Rent	2,599,769	2,377,668
Interest received	41,578	10,513
Operating grants	2,177,813	1,999,969
Capital grants and donation	5,731,698	4,576,348
<b>Total Revenue</b>	<u>10,550,858</u>	<u>8,964,498</u>
Other income	22,188	24,406
<b>Total other income</b>	<u>22,188</u>	<u>24,406</u>
<b>Total revenue and other income</b>	<u>10,573,046</u>	<u>8,988,904</u>

**NOTE 3 PROFIT FOR THE YEAR**

<b>Expenses</b>	<b>2019</b>	<b>2018</b>
	<b>\$</b>	<b>\$</b>
Employee benefits expense		
– contributions to defined contribution superannuation funds	156,989	136,678
	<u>156,989</u>	<u>136,678</u>
Depreciation and amortisation		
– motor vehicle	10,869	10,994
– furniture and equipment	12,091	11,726
<b>Total depreciation and amortisation</b>	<u>22,960</u>	<u>22,720</u>
Interest expense on financial liabilities not at fair value through profit and loss	251,119	265,253
Bad and doubtful debts	50,000	40,000
Rental expense on operating leases		
– minimum lease payments	103,971	105,387
<b>Total rental expenses</b>	<u>103,971</u>	<u>105,387</u>
Auditor's fees		
– audit services	16,552	16,915
<b>Total auditor fees</b>	<u>16,552</u>	<u>16,915</u>

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

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019**

**NOTE 4 CASH AND CASH EQUIVALENTS**

	2019 \$	2018 \$
CURRENT		
Cash at bank	3,002,967	1,837,758
<b>Total cash and cash equivalents as stated in the statement of cash flow</b>	<u>3,002,967</u>	<u>1,837,758</u>

WHL received capital funding in advance for the development and construction of 658 Mountain Highway, Bayswater. At the 30 June 2019, the company has outstanding invoices and commitments of approximately \$2.5m to complete the construction of the property.

**NOTE 5 ACCOUNTS RECEIVABLE AND OTHER DEBTORS**

	2019 \$	2018 \$
CURRENT		
Accounts receivable	106,337	84,684
Provision for impairment	(80,000)	(80,000)
	<u>26,337</u>	<u>4,684</u>
Other debtors	154,101	249,649
<b>Total current accounts receivables and other debtors</b>	<u>180,438</u>	<u>254,333</u>

**Provision for Impairment**

Movement in the provision for impairment is as follows:

	\$
Provision for impairment as at 1 July 2017	60,000
– Charge for year	40,000
– Written off	(20,000)
Provision for impairment as at 30 June 2018	80,000
– Charge for year	50,000
– Written off	(50,000)
Provision for impairment as at 30 June 2019	<u>80,000</u>

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

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019**

**NOTE 6 OTHER CURRENT ASSETS**

	<b>2019</b>	<b>2018</b>
	<b>\$</b>	<b>\$</b>
CURRENT		
Prepayments	64,816	47,420
	<u>64,816</u>	<u>47,420</u>

**NOTE 7 INVESTMENT PROPERTIES**

	<b>2019</b>	<b>2018</b>
	<b>\$</b>	<b>\$</b>
<b>Investment Properties</b>		
Opening Balance at 1 July	44,400,000	33,408,368
Net Gain/(Loss) from Fair Value Adjustment	5,705,000	4,028,896
Newport Property Completion	-	5,560,097
Domestic Violence Properties Acquired	-	1,402,639
<b>Closing Balance at 30 June</b>	<u>50,105,000</u>	<u>44,400,000</u>
Investment Properties held:		
Meadow Heights	2,690,000	2,690,000
Werribee	2,125,000	2,125,000
Bayswater, 656 Mountain Highway	9,750,000	9,750,000
Newport	8,850,000	8,850,000
Bentleigh	23,020,000	17,315,000
Tarneit	500,000	500,000
Cobblebank	450,000	450,000
Craigieburn	1,400,000	1,400,000
Strathtulloh	400,000	400,000
Bayswater, 658 Mountain Highway	920,000	920,000
<b>Closing Balance at 30 June</b>	<u>50,105,000</u>	<u>44,400,000</u>

**Investment Property – Work in Progress**

	<b>2019</b>	<b>2018</b>
	<b>\$</b>	<b>\$</b>
Capital work in progress at cost		
Opening Balance at 1 July	168,404	3,019,696
Additions	5,681,808	4,111,444
Completed Properties	-	(6,962,736)
Closing Balance at 30 June	<u>5,850,212</u>	<u>168,404</u>
<b>Total Investment Properties</b>	<u>55,955,212</u>	<u>44,568,404</u>

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

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019**

**NOTE 7 INVESTMENT PROPERTIES (CONTINUED)**

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

	<b>2019</b>	<b>2018</b>
	<b>\$</b>	<b>\$</b>
Rental Income	1,256,059	1,072,947
Direct operating expenses from the property that generated rental income	(476,315)	(419,800)
	<u>779,744</u>	<u>653,147</u>

(b) Valuation basis

The Company obtains independent valuations for its investment properties on a biennial basis to determine the fair value of investment properties. At the end of each reporting period Directors update their assessment of the fair value of each property, taking into account the most recent independent valuations. Directors determine a property's value within a range of reasonable fair value estimates.

Fair value is determined by reference to market-based evidence, which are the amounts for which the assets could be exchanged between a knowledgeable willing buyer and a willing seller in an arm's length transaction as at the valuation date.

The company engaged Westlink Consultancy to perform a valuation of the Bentleigh Property as at 30 June 2019. The company previously engaged Hollingsworth St Clair Property to perform a valuation of 656 Mountain Highway, Bayswater, Meadow Heights and Werribee properties as at 30 June 2018. The most recent acquisitions to the investment portfolio at Bradley Street Newport, Cobblebank, Tarneit and Strathulloh properties have been valued by Westlink Consulting at August 2018. The directors have determined that the valuations as at 30 June 2018 would not be materially different as at 30 June 2019.

(c) Security Interest

The Director of Housing has registered his interest on the title of all 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) Covenant – Bradley Street Newport

The property at Bradley Street, Newport has a S173 Agreement under the Planning and Environment Act 1987 on all titles which restricts the use of the site in perpetuity to be used for social housing. This has the effect of restricting who could potentially buy the properties if Women's Housing were ever going to sell this property. The property is planned to be held as a long-term investment and the company is investigating whether it is possible to have the S173 removed in the future. Considering this, the property has been valued at the most recent independent valuation which takes this covenant into consideration.

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

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019**

**NOTE 7 INVESTMENT PROPERTIES (CONTINUED)**

(e) 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 the following investment properties, 656 Mountain Highway Bayswater, Bentleigh and Meadow Heights.

**NOTE 8 PROPERTY, PLANT AND EQUIPMENT**

<b>Plant and Equipment</b>	<b>2019</b>	<b>2018</b>
	<b>\$</b>	<b>\$</b>
Office and equipment		
At cost	154,941	188,583
Less accumulated depreciation	(107,759)	(164,659)
	<u>47,182</u>	<u>23,924</u>
Motor vehicles		
At cost	59,768	54,488
Less accumulated depreciation	(15,132)	(15,544)
	<u>44,636</u>	<u>38,944</u>
<b>Total Plant and Equipment</b>	<u><b>91,818</b></u>	<u><b>62,868</b></u>

**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:

	<b>Plant and Equipment \$</b>	<b>Motor Vehicle \$</b>	<b>Total \$</b>
<b>2018</b>			
Balance at the beginning of the year	35,650	40,913	76,563
Additions at cost	-	19,340	19,340
Disposals	-	(10,315)	(10,315)
Depreciation expense	(11,726)	(10,994)	(22,720)
Carrying amount at end of year	<u>23,924</u>	<u>38,944</u>	<u>62,868</u>
<b>2019</b>			
Balance at the beginning of the year	23,924	38,944	62,868
Additions at cost	35,619	21,791	57,410
Disposals	(270)	(5,230)	(5,500)
Depreciation expense	(12,091)	(10,869)	(22,960)
Carrying amount at end of year	<u>47,182</u>	<u>44,636</u>	<u>91,818</u>

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

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019**

**NOTE 9                      ACCOUNTS PAYABLE AND OTHER PAYABLES**

	Note	2019 \$	2018 \$
<b>CURRENT</b>			
Trade and other payables		1,406,957	402,323
Rent in Advance/Deferred income		81,961	88,324
Funding Grants		327,922	314,790
	9(a)	<u>1,816,840</u>	<u>805,437</u>

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

Trade and other payables			
– Total current		1,816,840	805,437
– Total non-current		-	-
		<u>1,816,840</u>	<u>805,437</u>
Less : Funding Grants		(327,922)	(314,790)
Rent in Advance/Deferred income		(81,961)	(88,324)
Financial liabilities as trade and other payables	18	<u>1,406,957</u>	<u>402,323</u>

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

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019**

**NOTE 10            BORROWINGS**

	Note	2019 \$	2018 \$
<b>CURRENT</b>			
Bank loans – secured		1,077,416	155,916
		<u>1,077,416</u>	<u>155,916</u>
<b>NON-CURRENT</b>			
Bank loans – secured		3,121,923	4,289,340
		<u>3,121,923</u>	<u>4,289,340</u>
Total borrowing liabilities	18	<u>4,199,339</u>	<u>4,445,256</u>

The Bank loans total consists of:

- (a) Bank Australia Loan \$3,488,287
- (b) Community Banking Loan \$711,053

The Company took out a three year term loan with Bank Australia for \$921,500 in April 2017 for the purchase of 658 Mountain Highway, Bayswater.

The Company's other bank loans are long term facilities with both having repayments schedules going out to September 2023 for the Community Banking loan and March 2032 for the Bank Australia Loan.

*Financing Arrangements*

The Company has fully utilised all financing facilities with the bank loans detailed in the note.

*Assets Pledged as Security*

Bank Australia hold a registered 1<sup>st</sup> mortgage over the Bentleigh property which is valued at \$23,020,000.

Community Banking holds registered 1<sup>st</sup> mortgages over the Meadow Heights and 656 Mountain Highway, Bayswater properties which have a combined value of \$12,440,000.

No other assets are pledged as security.

There were no defaults during the year (2018:nil).



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

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019**

**NOTE 11            EMPLOYEE PROVISIONS**

	Note	2019 \$	2018 \$
<b>CURRENT</b>			
Short-term Employee Benefits			
– Balance at the beginning of the year		264,920	201,607
– Additional provisions raised during year		142,150	162,495
– Amounts used		(160,604)	(99,182)
Balance at the end of the year		<u>246,466</u>	<u>264,920</u>
 <b>NON-CURRENT</b>			
Long-term Employee Benefits			
– Opening balance		17,011	9,143
– Additional provisions raised during year		8,920	7,868
– Amounts transferred to current provision		-	-
Closing Balance		<u>25,931</u>	<u>17,011</u>
 <b>Analysis of Employee Provisions</b>			
Current			
– Annual leave		153,147	180,242
– Long service leave		93,319	84,678
		<u>246,466</u>	<u>264,920</u>
Non-current			
– Long service leave		25,931	17,011
Total Employee Provisions		<u>272,397</u>	<u>281,931</u>

**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 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**  
**ACN: 080 116 883**

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019**

**NOTE 12                      DERIVATIVE FINANCIAL INSTRUMENTS**

	2019 \$	2018 \$
<b>CURRENT</b>		
Interest Rate Swap Contracts	-	15,552
<b>NON CURRENT</b>		
Interest Rate Swap Contracts	88,720	77,964
Total Interest Rate Swap	<u>88,720</u>	<u>93,516</u>

The company has interest rate swap arrangement maturing in April 2022. The arrangement results in fixed interest payments being made by the company, in respect of variable interest loans.

These derivative financial instruments are recognised at fair value.

**NOTE 13                      CAPITAL AND LEASING COMMITMENTS**

**Operating Lease Commitments**

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

	2019 \$	2018 \$
Payable - minimum lease payments		
– no later than 12 months	128,496	121,527
– later than 12 months but no later than 5 years	293,630	21,582
– later than 5 years	-	-
	<u>422,126</u>	<u>143,109</u>

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 develop 658 Mountain Highway, Bayswater. Construction funding for this redevelopment has been received from the Victorian State Government via the Victorian Property Fund. This development is expected to be completed by December 2019.

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

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019**

**NOTE 13 CAPITAL AND LEASING COMMITMENTS (CONTINUED)**

	2019 \$	2018 \$
Payable - minimum payments		
– no later than 12 months	1,487,214	-
– later than 12 months but no later than 5 years	-	-
	<u>1,487,214</u>	<u>-</u>

**NOTE 14 CONTINGENT LIABILITIES AND CONTINGENT ASSETS**

The Company did not have any contingent liabilities or contingent assets as at 30 June 2019 (2018:Nil).

**NOTE 15 EVENTS AFTER THE REPORTING PERIOD**

The directors are not aware of any other significant events that have occurred since the end of the reporting period.

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

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019**

**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.

	2019 \$	2018 \$
Key Management Personnel Compensation		
– Short-term benefits	665,082	643,257
– Post-employment benefits	63,243	61,058
– Other long-term benefits	-	-
	<u>728,325</u>	<u>704,315</u>

None of the directors were entitled to receive any remuneration.

**(b) Director Related Transaction**

A Director, Andrew Cronin, is a (Melbourne based) partner in the firm of PricewaterhouseCoopers. PricewaterhouseCoopers (Sydney) has provided financial modelling services to the company for \$11,220 during the year ended 30 June 2019 on normal commercial terms and conditions.

A director, Michael Barlow, is a director of Urbis Pty Ltd. Urbis has provided planning advice and assistance to the company over the last two years. Urbis has provided this service on a no fee basis.

**(c) Other Related Parties**

There has been no 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**  
**ACN: 080 116 883**

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019**

**NOTE 17            CASH FLOW INFORMATION**

**Reconciliation of Cashflow from Operating Activities with Current Year Profit**

	<b>2019</b>	<b>2018</b>
	<b>\$</b>	<b>\$</b>
Net Profit	11,773,312	8,881,170
Non cash flows and other		
— Depreciation and amortisation expense	22,961	22,720
— Fair value (gain)/loss on financial derivative	(4,795)	(28,029)
— Fair value (gains)/loss on investment properties	(5,705,000)	(4,028,896)
— Bad and doubtful debts	50,000	40,000
— Capital Grant	(5,731,698)	(4,576,348)
— (Gain)/Loss on Disposal of Plant and Equipment	(1,590)	3,317
Changes in assets and liabilities		
— (Increase)/Decrease in accounts receivable and other debtors	(86,105)	95,889
— Increase/(Decrease) in accounts payable and other payables	(113,281)	(98,154)
— Increase/(Decrease) in provisions for employee benefits	(9,535)	71,179
— Decrease/(Increase) in prepayments	(17,396)	(31,162)
	<u>176,873</u>	<u>351,686</u>

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

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019**

**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, and derivatives.

The totals for each category of financial instruments, measured in accordance with AASB 9 as detailed in the accounting policies, are as follows:

	Note	2019 \$	2018 \$
<b>Financial Assets</b>			
Financial Assets at Amortised Cost			
Cash and cash equivalents	4	3,002,967	1,837,758
Accounts receivable and other debtors	5	180,438	254,333
<b>Total Financial Assets</b>		<u>3,183,405</u>	<u>2,092,091</u>
<b>Financial Liabilities</b>			
Financial liabilities at amortised cost			
– Accounts payable and other payables	9(a)	1,406,957	402,323
– Bank loans - secured	10	4,199,339	4,445,256
Financial Liabilities at fair value			
– Derivatives	12	88,720	93,516
<b>Total Financial Liabilities</b>		<u>5,695,016</u>	<u>4,941,095</u>

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

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

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019**

**NOTE 19            FAIR VALUE MEASUREMENTS**

The following table sets out the Company's assets and liabilities which 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.

<b>Recurring fair value measurements</b>	<b>Note</b>	<b>2019</b>	<b>2018</b>
		<b>\$</b>	<b>\$</b>
Investment properties	(i)	55,955,212	44,568,404
Derivative financial instrument	(ii)	88,720	93,516

**Valuation Technique**

- (i) For investment properties, the fair values are based on the directors' valuation considering recent external independent valuations performed, 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 and principal place of business of the Company is:	Women's Housing Limited Suite 1, Level 1 21 Cremorne Street Cremorne Victoria 3121
Bankers:	Commonwealth Bank 214 Swan Street Richmond 3121
Auditor:	HLB Mann Judd Level 9 575 Bourke Street Melbourne 3000

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

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019**

**NOTE 21            MEMBERS' GUARANTEE**

The Company is incorporated under the *Corporations Act 2001* and 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 \$50 each towards meeting any outstanding obligations of the Company. At 30 June 2019 the number of members was six (2018: six).

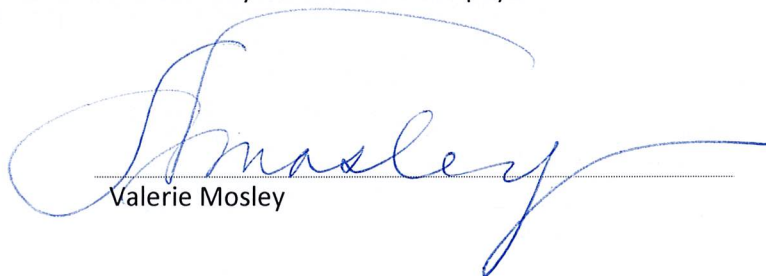


**WOMEN'S HOUSING LIMITED****ACN: 080 116 883****DIRECTORS' DECLARATION**

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 40 are in accordance with *Australian Charities and Not-for-profits Commissions Act 2012* and:
  - (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 2019 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: 28 October 2019

## **Independent Auditor's Report to the Members of Women's Housing Limited**

### **Opinion**

We have audited the financial report of Women's Housing Limited ("the Company") which comprises the statement of financial position as at 30 June 2019, the statement of comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and the directors' declaration.

In our opinion, the accompanying financial report of the Company is in accordance with Division 60 of 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 2019 and of its financial performance and cash flows for the year then ended; and
- b) complying with Australian Accounting Standards – Reduced Disclosure Requirements and Division 60 of the *Australian Charities and Not-for-profits Commission Regulation 2013*.

### **Basis for Opinion**

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Company in accordance with the auditor independence requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* ("the Code") that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by Division 60 of the *Australian Charities and Not-for-profits Commission Act 2012*, which has been given to Board of Directors, would be in the same terms if given as at the time of this auditor's report.

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

### **Information Other than the Financial Report and Auditor's Report Thereon**

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 2019, but does not include the financial report and our auditor's report thereon.

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.

[hlb.com.au](http://hlb.com.au)

**HLB Mann Judd (VIC Partnership) ABN 20 696 861 713**

Level 9, 575 Bourke Street, Melbourne VIC 3000 | GPO Box 2850, Melbourne VIC 3001

T: +61 (0) 3 9606 3888 F: +61 (0) 3 9606 3800 E: [mailbox@hlbvic.com.au](mailto:mailbox@hlbvic.com.au)

Liability limited by a scheme approved under Professional Standards Legislation.

HLB Mann Judd (VIC Partnership) is a member of HLB International, the global advisory and accounting network

If, based on the work we have performed, 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 in accordance with the Australian Accounting Standards – Reduced Disclosure Requirements and the *Australian Charities and Not-for-profits Commission Act 2012* and for such internal control as the directors determines is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters 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 Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

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

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

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

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.



**HLB Mann Judd  
Chartered Accountants**

Melbourne  
28 October 2019



**Jude Lau  
Partner**