WOMEN'S HOUSING LIMITED

ACN: 080 116 883

Financial Report for The Year Ended
30 June 2020

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 2020.

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 other ad-hoc 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.

Financial Highlights

Women’s Housing Limited (WHL) achieved a current year profit of $5,750,080 (2019: $11,773,312). Two significant financial events occurred impacting the current year result. Capital grants and donations of $1,479,196 allowed for the completion of the Bayswater development and the revaluation of investment properties by $3,963,566 increased the company’s property portfolio.

In June 2020, the company refinanced its debt facility through a new $9m facility with the National Housing Finance and Investment Corporation (NHFIC). This allowed the company to independently purchase 7 new apartments in Box Hill. The new Banking facility is an interest only loan for a period of 12 years. After repaying previous lenders, the Company still has access to an additional $3.5 million as of 30 June 2020, for future property development opportunities and working capital requirements.

The company added to its investment properties with the completion of a 24-apartment complex at 658 Mountain Highway Bayswater, and the purchase of 7 new apartments in Box Hill. These additions, along with the revaluation of existing property, increased the Company’s property investment value to $62.8m (2019: $55.9m). These 31 new tenancies bring the number of owned affordable and social tenancies to 141. This growing portfolio adds to 260 rooming house and transition houses that Women’s Housing manages on behalf of the Department of Health and Human Services.

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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.

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.

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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.

Erica Edmands	**Director**
Qualifications	Bachelor of Laws Bachelor of Arts (Economics and History) University of Melbourne Graduate, Australian Institute of Company Directors
Experience	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 Inclusion@work, an independent workplace investigation and mental health training specialist, and an associate director at mh@work, a successful mental health education Company. Erica is an experienced NFP board member and is currently President of Kidsafe Victoria. She has worked 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.

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Peggy O'Neal AO	**Director**
Qualifications	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
Experience	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 & Rogers Lawyers. Previously Peggy was a partner at Herbert Smith Freehills. She presently serves as a non-executive director on several boards including VicHealth and Infrastructure Specialist Asset Management. Peggy 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.
Andrew Cronin	**Director**
Qualifications	Bachelor of Commerce, University of Melbourne Chartered Accountant, CAANZ 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.

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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 Association that now provides long term social housing and specialises in building new affordable housing for women and their children.
Michael Barlow	**Director**
Qualifications	Diploma of Applied Science –Town Planning, RMIT Member, Property Council of Australia (Victoria) Member, Victorian Planning & Environmental 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.

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DIRECTORS' REPORT

Meetings of Directors

During the financial year, the following number of meetings of the Board of Directors, Project Control Group and the Audit & Financial Risk Committee (AFRC) were held. Attendances by each director were as follows:

	Directors' Meetings		AFRC Committee		Project Control Group	
	No. eligible to attend	No. attended	No. eligible to attend	No. attended	No. Eligible to attend	No. attended
Valerie Mosley	10	9	2	2	-	-
Erica Edmands	10	10	-	-	-	-
Peggy O'Neal	10	6	-	-	-	-
Andrew Cronin	10	10	2	2	5	5
Michael Barlow	10	8	-	-	5	5
Judy Line	10	10	-	-	5	5

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 2020 the total amount that members of the Company are liable to contribute if the Company is wound up is $300 (2019:$300).

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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 2020 is included on page 9 of the financial report.

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

Director

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Valerie Mosley

Dated: 5 November 2020

Auditor's independence declaration

We declare that, to the best of our knowledge and belief, there have been no contraventions of any applicable code of professional conduct in relation to the audit of the financial report of Women's Housing Limited for the year ended 30 June 2020.

HLB Mann Judd	**Jude Lau**
Chartered Accountants	**Partner**

Melbourne
5 November 2020

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

	Note	2020 $	2019 $
Income	2	6,235,934	10,217,233
Other income	2	129,414	22,188
Depreciation	3	(171,314)	(22,960)
Interest expense	3	(216,072)	(251,119)
Fair value gain (loss) on financial derivative		-	4,795
Emergency Housing Assistance		(306,175)	(293,904)
Staffing and Development		(2,009,280)	(1,791,977)
Property Costs		(1,431,739)	(1,261,601)
Occupancy Costs		(14,289)	(104,979)
Administration		(301,851)	(309,560)
Profit on Revaluation of Investment Properties	7	3,963,566	5,705,000
Other Expenses		(96,627)	(92,818)
Motor Vehicle Expenses		(31,487)	(46,986)
Current year profit before income tax		5,750,080	11,773,312
Income tax expense		-	-
Net current year profit		5,750,080	11,773,312
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		5,750,080	11,773,312
Total comprehensive income attributable to members of the Company		5,750,080	11,773,312

The accompanying notes form part of these financial statements.

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STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2020

	Note	2020 $	2019 $
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	4	3,086,107	3,002,967
Term Deposit		1,000,000	-
Accounts receivable and other debtors	5	278,669	180,438
Other current assets	6	75,120	64,816
TOTAL CURRENT ASSETS		4,439,896	3,248,221
NON-CURRENT ASSETS			
Investment Properties	7	62,857,854	55,955,212
Property, plant and equipment	8	467,542	91,818
TOTAL NON-CURRENT ASSETS		63,325,396	56,047,030
TOTAL ASSETS		67,765,292	59,295,251
LIABILITIES			
CURRENT LIABILITIES			
Accounts payable and other payables	9	686,066	1,816,840
Borrowings	10	-	1,077,416
Employee provisions	11	304,607	246,466
Lease Liability	13	145,980	-
TOTAL CURRENT LIABILITIES		1,136,653	3,140,722
NON-CURRENT LIABILITIES			
Borrowings	10	8,858,342	3,121,923
Employee provisions	11	15,387	25,931
Derivative Financial Instruments	12	-	88,720
Lease Liability	13	196,015	-
TOTAL NON-CURRENT LIABILITIES		9,069,744	3,236,574
TOTAL LIABILITIES		10,206,397	6,377,296
NET ASSETS		57,558,895	52,917,955
EQUITY			
Retained profit		57,558,895	52,917,955
TOTAL EQUITY		57,558,895	52,917,955

The accompanying notes form part of these financial statements.

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STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 JUNE 2020

	Retained Profit	Total
	$	$
Balance at 1 July 2018	41,144,643	41,144,643
Comprehensive Income		
Profit for the year attributable to members of the Company	11,773,312	11,773,312
Other comprehensive income for the year	-	-
Total comprehensive income attributable to members of the Company	11,773,312	11,773,312
Balance at 30 June 2019	52,917,955	52,917,955
Adjustment for changes in accounting policy (note 1)	(1,109,140)	(1,109,140)
Balance at 1 July 2019 – restated	51,808,815	51,808,815
Comprehensive Income		
Profit for the year attributable to members of the Company	5,750,080	5,750,080
Other comprehensive income for the year	-	-
Total comprehensive income attributable to members of the Company	5,750,080	5,750,080
Balance at 30 June 2020	57,558,895	57,558,895

The accompanying notes form part of these financial statements.

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STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE 2020

	Note	2020 $	2019 $
CASH FLOW FROM OPERATING ACTIVITIES			
Receipts from grants and customers		4,895,829	4,720,380
Payments to suppliers and employees		(4,280,904)	(4,334,020)
Interest received		8,492	41,632
Interest paid		(216,069)	(251,119)
Net cash generated from/(used in)operating activities	18	407,348	176,873
CASH FLOW FROM INVESTING ACTIVITIES			
Capital Works		(4,059,506)	(4,557,124)
Capital Grant		370,056	5,841,698
Investment in Term Deposit		(1,000,000)	-
Payment for plant and equipment		(76,855)	(57,410)
Proceeds from Disposal of Plant and Equipment		-	7,089
Net cash generated from / (used) in investing activities		(4,766,305)	1,234,253
CASH FLOW FROM FINANCING ACTIVITIES			
Proceeds from borrowings		10,058,344	-
Repayment of borrowings		(5,488,060)	(245,917)
Repayment of Lease Liability		(128,187)	-
Net cash generated from/(used in) financing activities		4,442,097	(245,917)
Net increase/ (decrease) in cash held		83,140	1,165,209
Cash and cash equivalents at the beginning of the financial year		3,002,967	1,837,758
Cash and cash equivalents at the end of the financial year	4	3,086,107	3,002,967

The accompanying notes form part of these financial statements.

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

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 5 November 2020 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) New and amended accounting policies adopted by the Company

Brokerage Payments

Effective July 1 2019, the company changed its accounting policy for the receipt and distribution of brokerage funds from the Department of Justice and Community Safety (the Department). The company had previously recognised these receipts as grant income and the distribution as emergency housing assistance in the Statement of Comprehensive Income. As these receipts and distribution are totally at the direction of the Department of Justice and Community Safety the company has determined that it was merely acting as an agent of the Department and these amounts did not have to be recorded through the Statement of Profit or Loss and other Comprehensive Income.

Below is a summary of the impact of the change in policy for the previous year.

	30 June 2019 Previous $	Adjustment	30 June 2019 Restated $
Revenue	10,550,858	(333,625)	10,217,233
Emergency Housing Assistance	(627,529)	333,625	(293,904)
Net Current Year Profit	11,773,312	-	11,773,312

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(a) Change in Accounting Policy (continued)

Impact on the current year is outlined in table 1 a (*ii)* below.

Initial application of AASB 15, 16 and 1058

The company has adopted all of the new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period.

Any new or amended Accounting Standard or Interpretation that are not yet mandatory have not been adopted early.

The adoption of these Accounting Standards and Interpretations did not have any significant impact on the financial performance or position of the company.

The following Accounting Standards and Interpretations are most relevant to the company:

AASB 15 Revenue from Contracts with Customers

The company has adopted AASB 15 using the cumulative effective method of initially applying AASB 15 as an adjustment to the opening balance of equity at 1 July 2019. The comparative information has not been restated and continues to be presented under AASB 118 Revenue and AASB 1004 Contributions.

The standard provides a single comprehensive model for revenue recognition. The core principle of the standard is that an entity shall recognise revenue to depict the transfer of promised goods or services to customers at an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. The standard introduced a new contract-based revenue recognition model with a measurement approach that is based on an allocation of the transaction price. This is described further in the accounting policies below. Credit risk is presented separately as an expense rather than adjusted against revenue. Contracts with customers are presented in an entity's statement of financial position as a contract liability, a contract asset, or a receivable, depending on the relationship between the entity's performance and the customer's payment. Customer acquisition costs and costs to fulfil a contract can, subject to certain criteria, be capitalised as an asset and amortised over the contract period. There was no impact from applying this standard effective 1 July 2019.

AASB 16 Leases

The Company has adopted AASB 16 Leases using the modified retrospective (cumulative catch-up) method from 1 July 2019 and therefore the comparative information for the year ended 30 June 2019 has not been restated and has been prepared in accordance with AASB 117 Leases and associated Accounting Interpretations.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(a) Change in Accounting Policy (continued)

New or amended Accounting Standards and Interpretations adopted (continued)

AASB 16 Leases (continued)

Impact of adoption of AASB 16

The impact of adopting AASB 16 is described below:

Company as a lessee

Under AASB 117, the Company assessed whether leases were operating or finance leases based on its assessment of whether the significant risks and rewards of ownership had been transferred to the Company or remained with the lessor. Under AASB 16, there is no differentiation between finance and operating leases for the lessee and therefore all leases which meet the definition of a lease are recognised on the statement of financial position (except for short-term leases and leases of low value assets).

The Company has elected to use the exception to lease accounting for short-term leases and leases of low value assets, and the lease expense relating to these leases are recognised in the statement of profit or loss on a straight line basis.

Practical expedients used on transition

AASB 16 includes a number of practical expedients which can be used on transition, the Company has used the following expedients:

- contracts which had previously been assessed as not containing leases under AASB 117 were not re-assessed on transition to AASB 16;
- lease liabilities have been discounted using the Company's incremental borrowing rate at 1 July 2019;
- right-of-use assets at 1 July 2019 have been measured at an amount equal to the lease liability adjusted by the amount of any prepaid or accrued lease payments;
- a single discount rate was applied to all leases with similar characteristics;
- the right-of-use asset was adjusted by the existing onerous lease provision (where relevant) at 30 June 2019 rather than perform impairment testing of the right-of-use asset;
- excluded leases with an expiry date prior to 30 June 2020 from the statement of financial position and lease expenses for these leases have been recorded on a straight-line basis over the remaining term;
- used hindsight when determining the lease term if the contract contains options to extend or terminate the lease;
- for leases which were classified as finance leases under AASB 117, the carrying amount of the right-of-use asset and the lease liability at 1 July 2019 are the same value as the leased asset and liability on 30 June 2019.

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(a) Change in Accounting Policy (continued)

New or amended Accounting Standards and Interpretations adopted (continued)

AASB 16 Leases (continued)

Financial statement impact of adoption of AASB 16

The Company has recognised right-of-use assets of $470,182 and lease liabilities of $470,182 at 1 July 2019, for leases previously classified as operating leases.

The weighted average lessee's incremental borrowing rate applied to lease liabilities at 1 July 2019 was 2.06%.

	$
Operating lease commitments at 30 June 2019 financial statements	422,126
Add: impact of annual indexation	60,030
Total undiscounted value	482,152
Discounted using the incremental borrowing rate, represented as follows	**470,182**
Current	128,187
Non—current	341,995

Impact of adoption
AASB 16 was adopted using the modified retrospective approach and as such comparatives have not been restated, with the impact of adoption as at 1 July 2019 outlined in table 1 a (i) below.

The impact of the new Accounting Standards compared with the previous Accounting Standards on the current reporting period is outlined in table 1 a (ii) below.

AASB 1058 Income of Not-for-Profit Entities

The company has adopted AASB 1058 from 1 July 2019. The standard replaces AASB 1004 'Contributions' in respect to income recognition requirements for not-for-profit entities. The timing of income recognition under AASB 1058 is dependent upon whether the transaction gives rise to a liability or other performance obligation at the time of receipt. Income under the standard is asset's fair value; and where the intention is to principally enable the entity to further its objectives. For transfers of financial assets to the entity which enable it to acquire or construct a recognisable non-financial asset, the entity must recognise a liability amounting to the excess of the fair value of the transfer received over any related amounts recognised. Related amounts recognised may relate to contributions by owners, AASB 15 revenue or contract liability recognised, lease liabilities in accordance with AASB 16, financial instruments in accordance with AASB 9, or provisions in recognised where: an asset is received in a transaction, such as a grant, bequest or donation; there has either been no consideration transferred, or the consideration paid is significantly less than the accordance with AASB 137. The liability is brought to account as income over the period in which the

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(a) Change in Accounting Policy (continued)

New or amended Accounting Standards and Interpretations adopted (continued)

AASB 1058 Income of Not-for-Profit Entities (continued)

entity satisfies its performance obligation. If the transaction does not enable the 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 immediately. Where the fair value of volunteer services received can be measured, a private sector not-for-profit entity can elect to recognise the value of those services as an asset where asset recognition criteria are met or otherwise recognise the value as an expense.

Impact of adoption
AASB 1058 was adopted using the modified retrospective approach and as such comparatives have not been restated, with the impact of adoption as at 1 July 2019 outlined in table 1 a (i) below. The impact of applying AASB 1058 was to recognise unearned capital grant of $1,324,196 as at 1 July 2019 and to recognise deferred operating grant income of $215,056 as at 1 July 2019.

The impact of the applying AASB 1058 compared with the previous Accounting Standards on the current reporting period is outlined in table 1 a (ii) below.

table i – impact of applying AASB 15, 16 and 1058 as at a July 2019

The following table discloses the collective impact of applying AASB 15, 16 & 1058 as at 1 July 2019.

Balance sheet	**30-Jun-19** **$**	**Adjustment** **$**	**1-Jul-19** **$**
Right of use Assets	-	470,182	470,182
Total assets	**59,295,251**	**470,182**	**59,765,433**
Lease Liability	-	470,182	470,182
Accounts & other payables	1,816,840	1,109,140	2,925,980
Total liabilities	**6,377,296**	**1,579,322**	**7,956,618**
Net assets	**52,917,955**	**(1,109,140)**	**51,808,815**

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(a) Change in Accounting Policy (continued)

New or amended Accounting Standards and Interpretations adopted (continued)

table ii – impact of applying AASB 15, 16 and 1058 on the current year financial position and results

Balance sheet	**Previous** $	**Adjustment** $	**As presented** $
Right of use Assets	-	329,282	329,282
Total assets	**67,436,010**	**329,282**	**67,765,292**
Lease Liability	-	341,995	341,995
Accounts & other payables	974,965	(288,899)	686,066
Total liabilities	**10,153,301**	**53,096**	**10,206,397**
Net assets represented by:	**57,282,709**	**276,186**	**57,558,895**
Opening retained earnings	52,917,955	(1,109,140)	51,808,815
Current year's profit	4,364,754	1,385,326	5,750,080
Closing retained earnings	**57,282,709**	**276,186**	**57,558,895**

Income statement	**Previous** $	**Adjustment** $	**As presented** $
Operating grant	2,344,630	(377,794)	1,966,836
Capital grant	155,000	1,324,196	1,479,196
Total income & revaluation gain	**9,382,512**	**946,402**	**10,328,914**
Depreciation expense	30,414	140,900	171,314
Interest expense	209,169	6,903	216,072
Emergency housing assistance	757,812	(451,637)	306,175
Occupancy Costs	149,379	(135,090)	14,289
Total expense	**5,017,758**	**(438,924)**	**4,578,834**
Net profit	**4,364,754**	**1,385,326**	**5,750,080**

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

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

In the current year

Revenue is recognised at an amount that reflects the consideration to which the company is expected to be entitled in exchange for transferring goods or services to a customer. For each contract with a customer, the company: identifies the contract with a customer; identifies the performance obligations in the contract; determines the transaction price which takes into account estimates of variable consideration and the time value of money; allocates the transaction price to the separate performance obligations on the basis of the relative stand-alone selling price of each distinct good or service to be delivered; and recognises revenue when or as each performance obligation is satisfied in a manner that depicts the transfer to the customer of the goods or services promised

Grants
Grant revenue is recognised in profit or loss when the company satisfies the performance obligations stated within the funding agreements. If conditions are attached to the grant which must be satisfied before the company is eligible to retain the contribution, the grant will be recognised in the statement of financial position as a liability until those conditions are satisfied.

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.

Other revenue is recognised when it is received or when the right to receive payment is established.

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

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

For comparative year

Non-reciprocal grant revenue was recognised in profit or loss when the entity obtained control of the grant and it was 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 were attached to the grant which must be satisfied before the entity was eligible to receive the contribution, the recognition of the grant as revenue was deferred until those conditions were satisfied.

When grant revenue was received whereby the entity incurred an obligation to deliver economic value directly back to the contributor, this was considered a reciprocal transaction and the grant revenue was recognised in the statement of financial position as a liability until the service had been delivered to the contributor; otherwise the grant was recognised as income on receipt.

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

Donations and bequests were recognised as revenue when received.

Interest revenue was recognised using the effective interest method, which for floating rate financial assets is the rate inherent in the instrument.

Revenue from the rendering of a service was recognised upon the delivery of the service to the customer.

Rental income from operating lease was recognised on a straight line basis over the term of the relevant leases.

(d) Plant and Equipment

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

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.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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.

Right-of-use asset

A right-of-use asset is recognised at the commencement date of a lease. The right-of-use asset is measured at cost, which comprises the initial amount of the lease liability, adjusted for, as applicable, any lease payments made at or before the commencement date net of any lease incentives received, any initial direct costs incurred, and, except where included in the cost of inventories, an estimate of costs expected to be incurred for dismantling and removing the underlying asset, and restoring the site or asset.

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. Right-of-use assets are depreciated on a straight-line basis over the unexpired period of the lease or the estimated useful life of the asset, whichever is the shorter. Where the consolidated entity expects to obtain ownership of the leased asset at the end of the lease term, the depreciation is over its estimated useful life. Right-of use assets are subject to impairment or adjusted for any remeasurement of lease liabilities.

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

Class of Fixed Asset	Depreciation Rate
Office and equipment	20-30%
Motor Vehicles	20-25%
Right-of-use	33%

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.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(e) Leases

For comparative year

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

For current year

At inception of a contract, the Company assesses whether a lease exists - i.e. does the contract convey the right to control the use of an identified asset for a period of time in exchange for consideration.

This involves an assessment of whether:

- The contract involves the use of an identified asset - this may be explicitly or implicitly identified within the agreement. If the supplier has a substantive substitution right then there is no identified asset.
- The Company has the right to obtain substantially all of the economic benefits from the use of the asset throughout the period of use.
- The Company has the right to direct the use of the asset i.e. decision making rights in relation to changing how and for what purpose the asset is used.

(f) Financial Assets

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).

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.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(f) Financial Instruments

Financial Assets (continued)

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.

The Company presumes that an asset which is more than 30 days past due represents 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.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(f) Financial Instruments

Financial Assets (continued)

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.

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

Derivative 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.

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.

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

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 $3,963,566 (2019: $5,705,000) being recognised for the year ended 30 June 2020.

At 30 June 2020 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 2020. Therefore, directors believe the carrying amount of the freehold land and buildings reflects fair value at 30 June 2020. Refer to note 7 (c) for additional commentaries related to COVID-19 impact on the valuation.

(o) COVID-19 Considerations

A state of emergency was declared in Victoria on 16 March 2020 due to the global coronavirus pandemic, known as COVID19. A state of disaster was subsequently declared on 2 August 2020. To contain the spread of the virus and to prioritise the health and safety of communities, various restrictions have been announced and implemented by the state government, which in turn has impacted the manner in which businesses operate, including the company. The impact which COVID 19 has had on the company have been disclosed in the following notes of the financial statements:

Note 7 – investment properties; and

Note 16 – events after the reporting period.

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

NOTE 2 INCOME AND OTHER INCOME

	2020 $	2019 $
Rent	2,782,283	2,599,769
Interest received	7,619	41,578
Operating grants	1,966,836	1,844,188
Capital grants and donation	1,479,196	5,731,698
Total income	6,235,934	10,217,233
Other income	129,414	22,188
Total other income	129,414	22,188
Total revenue and other income	6,365,348	10,239,421

NOTE 3 PROFIT FOR THE YEAR

Expenses	2020 $	2019 $
Employee benefits expense		
– contributions to defined contribution superannuation funds	160,788	156,989
	160,788	156,989
Depreciation		
– motor vehicle	15,969	10,869
– right-of-use assets	140,900	-
– furniture and equipment	14,445	12,091
Total depreciation and amortisation	171,314	22,960
Interest expense on financial liabilities not at fair value through profit and loss	216,072	251,119
Rental expense on operating leases	-	103,971
Bad and doubtful debts	45,000	50,000
Auditor's fees		
– audit services	17,566	16,552
Total auditor fees	17,566	16,552

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

NOTE 4 CASH AND CASH EQUIVALENTS

	2020 $	2019 $
CURRENT		
Cash at bank	3,086,107	3,002,967
Total cash and cash equivalents as stated in the statement of cash flow	3,086,107	3,002,967

NOTE 5 ACCOUNTS RECEIVABLE AND OTHER DEBTORS

	2020 $	2019 $
CURRENT		
Accounts receivable	106,170	106,337
Provision for impairment	(80,000)	(80,000)
	26,170	26,337
Other debtors	252,499	154,101
Total current accounts receivables and other debtors	278,669	180,438

Provision for Impairment

Movement in the provision for impairment is as follows:

	$
Provision for impairment as at 1 July 2018	80,000
– Charge for year	50,000
– Written off	(50,000)
Provision for impairment as at 30 June 2019	80,000
– Charge for year	45,000
– Written off	(45,000)
Provision for impairment as at 30 June 2020	80,000

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

NOTE 6 OTHER ASSETS

	2020	2019
CURRENT	**$**	**$**
Prepayments	75,120	64,816
	75,120	64,816

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

NOTE 7 INVESTMENT PROPERTIES

	2020 $	2019 $
Investment Properties		
Opening Balance at 1 July	50,105,000	44,400,000
Net Gain/(Loss) from Fair Value Adjustment	3,963,566	5,705,000
Bayswater Property Completion	7,521,434	-
Nelson Street, Box Hill Property Acquisitions	1,250,000	-
Capital Improvements	17,854	-
Closing Balance at 30 June	62,857,854	50,105,000
Investment Properties held:		
Meadow Heights	2,900,000	2,690,000
Werribee	2,220,000	2,125,000
Bayswater, 656 Mountain Highway	10,580,000	9,750,000
Newport	10,090,000	8,850,000
Bentleigh	23,037,854	23,020,000
Tarneit	515,000	500,000
Box Hill	1,250,000	-
Cobblebank	520,000	450,000
Craigieburn	1,310,000	1,400,000
Strathtulloh	430,000	400,000
Bayswater, 658 Mountain Highway	10,005,000	920,000
Closing Balance at 30 June	62,857,854	50,105,000

Investment Property – Work in Progress	2020 $	2019 $
Capital work in progress at cost		
Opening Balance at 1 July	5,850,212	168,404
Additions	1,671,223	5,681,808
Completed Properties	(7,521,435)	-
Closing Balance at 30 June	-	5,850,212
Total Investment Properties	62,857,854	55,955,212

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

	2020 $	2019 $
Rental Income	1,339,435	1,256,059
Direct operating expenses from the property that generated rental income	(488,612)	(476,315)
	850,823	779,744

NOTE 7 INVESTMENT PROPERTIES (CONTINUED)

(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 directors have determined that the independent valuation of the Bentleigh property as at 30 June 2019 was not materially different as at 30 June 2020 based on a review of market conditions and movements.

(c) COVID-19 Uncertainty

The uncertainty of the impact of COVID-19 has been considered and reflected in valuation performed during the current year by the valuers. There were 12 properties valued in the second half of the financial year which resulted in a 6.3 % increase to the June 2020 carrying value. There has been no material impact to valuation as a result of COVID-19.

Independent valuers have included a statement within their valuation reports highlighting that COVID-19 has resulted in there being a significant market uncertainty, with the statement drawing attention to the fact that the onset of COVID-19 has impacted the real estate market but it does not invalidate the valuation nor imply that the valuation cannot be relied upon.

In light of the above, the fair value assessment of the company's investment property portfolio as at 30 June 2020 represent a best estimate of the impacts of COVID-19, using information available as at the time of preparing the company's financial statements regarding the conditions existing at the reporting date. In the event that the COVID-19 impact are more serve/prolonged than anticipated, this may impact the fair value of the company's investment property portfolio.

(d) 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.

NOTE 7 INVESTMENT PROPERTIES (CONTINUED)

(e) Covenant – Bradley Street, Newport

The property at Bradley Street, Newport has a S173 Agreement under the Planning and Environment Act 1987 on all titles. This restricts the use of the site to be used for social housing in perpetuity. This has the effect of restricting who can potentially buy the properties should the company wished to sell this property. The company plans to hold the property as a long-term investment. The company is negotiating the removal of the S173 with the Council in question as this will assist the company with borrowing and security commitments to lenders. The independent valuation reflects this position in relation to the covenant.

(f) 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, Newport, Bentleigh and Box Hill.

(g) Covenant – Nelson Street Box Hill

The property at Nelson street, Box Hill Newport has a S173 Agreement under the Planning and Environment Act 1987 on all titles which restricts the use of the site for social housing for a period of 15 years. This has the effect of restricting who could buy the properties if WHL wanted to sell this property. The company has planned to hold the property as a long-term investment. The company and the independent valuation reflects the impact of this covenant.

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

NOTE 8 PROPERTY, PLANT AND EQUIPMENT

Plant and Equipment	**2020**	**2019**
	$	**$**
Office and equipment		
At cost	197,472	154,941
Less accumulated depreciation	(122,203)	(107,759)
	75,269	47,182
Motor vehicles		
At cost	94,092	59,768
Less accumulated depreciation	(31,101)	(15,132)
	62,991	44,636
Right of use assets		
At cost	470,182	-
Less accumulated depreciation	(140,900)	-
	329,282	-
Total Plant and Equipment	467,542	91,818

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:

	Plant and Equipment $	**Right of use assets $**	**Motor Vehicle $**	**Total $**
2020				
Balance at the beginning of the year	47,182	-	44,636	91,818
Adoption of AASB 16	-	470,182	-	470,182
Restated balance as at 1 July 2019	47,182	470,182	44,636	562,000
Additions at cost	42,532	-	34,324	76,856
Disposals	-	-	-	-
Depreciation expense	(14,445)	(140,900)	(15,969)	(171,314)
Carrying amount at end of year	75,269	329,282	62,991	467,542

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

NOTE 9 ACCOUNTS PAYABLE AND OTHER PAYABLES

	Note	2020 $	2019 $
CURRENT			
Trade and other payables		389,326	1,406,957
Rent in Advance		97,827	81,961
Funding Grants		198,913	327,922
	9(a)	686,066	1,816,840

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

	Note	2020 $	2019 $
Trade and other payables			
– Total current		686,066	1,816,840
– Total non-current		-	-
		686,066	1,816,840
Less : Funding Grants		(198,913)	(327,922)
Rent in Advance/Deferred income		(97,827)	(81,961)
Financial liabilities as trade and other payables	19	389,326	1,406,957

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

NOTE 10 BORROWINGS

	Note	2020 $	2019 $
CURRENT			
Bank loans – secured		-	1,077,416
		-	1,077,416
NON-CURRENT			
Bank loans – secured		9,000,000	3,121,923
Loan establishment cost		(141,658)	-
		8,858,342	3,121,923
Total borrowing liabilities	19	8,858,342	4,199,339

Bank Loan Facility

The Bank loan is a $9,000,000 banking facility that was secured through the National Housing Finance and Investment Corporation (NHFIC) in June 2020. The new Banking facility is an interest only loan (being 2.06%) and is for 12 years. The Company has drawn down all financing facilities available under the NHFIC facility. After the payout of previous lenders, the company has access to an additional $3.5 million for future property development opportunities and working capital requirements.

The company's obligations to its previous lenders were discharged in full as part of this refinancing.

The company's previous loan balance at 30 June 2019 consisted of:

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

Assets Pledged as Security

NHFIC holds a registered 1st mortgage over the Bentleigh, Newport and Box Hill properties which are valued at $34,377,854.

Previous registered 1st mortgages held by lenders over the Bentleigh, Meadow Heights and Bayswater properties have been released with the refinancing.

No other assets are pledged as security.

There were no defaults during the year (2019: nil).

The key financial covenants imposed by NHFIC are: actual and forecast interest cover ratio of 1.5, security pool interest cover ratio threshold of 1.5, LVR of 45%. The non financial covenants are: production of audited financial statements and other financial information and all mortgaged properties are valued at least every 3 years. The company was in compliance with all financial covenants throughout the financial year.

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

NOTE 11 EMPLOYEE PROVISIONS

	Note	2020 $	2019 $
CURRENT			
Short-term Employee Benefits			
– Balance at the beginning of the year		246,465	264,920
– Additional provisions raised during year		189,487	142,150
– Amounts used		(131,345)	(160,604)
Balance at the end of the year		304,607	246,466
NON-CURRENT			
Long-term Employee Benefits			
– Opening balance		25,931	17,011
– Additional provisions raised during year		-	8,920
– Amounts transferred to current provision		(10,544)	-
Closing Balance		15,387	25,931
Analysis of Employee Provisions			
Current			
– Annual leave		173,436	153,147
– Long service leave		131,171	93,319
		304,607	246,466
Non-current			
– Long service leave		15,387	25,931
Total Employee Provisions		319,994	272,397

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.

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

NOTE 12 DERIVATIVE FINANCIAL INSTRUMENTS

	2020 $	2019 $
CURRENT		
Interest Rate Swap Contracts	-	-
NON CURRENT		
Interest Rate Swap Contracts	-	88,720
Total Interest Rate Swap	-	88,720

The company had an 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. During the year ended 30 June 2020, the interest rate swap contract was settled on refinancing the loan as noted in note 10.

These derivative financial instruments were recognised at fair value.

NOTE 13 LEASE LIABILITY

	2020 $	2019 $
CURRENT		
Lease Liability	145,980	-
NON-CURRENT		
Lease Liability	196,015	-
	341,995	-

The company has a lease over its office and parking spaces in Cremorne, which expires in Oct 2022.

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

NOTE 14 CAPITAL COMMITMENTS

Apartment Purchase- Brunswick West

WHL has contracted with A.V. Jennings and the Director of Housing to purchase 8 apartments as part of the public housing renewal program at Gronn Place, Brunswick West. WHL has committed to purchase the apartments for $2,536,900, when they are completed in 2022.

	2020 $	2019 $
Payable - minimum payments		
– no later than 12 months	-	1,487,214
– later than 12 months but no later than 5 years	2,536,900	-
	2,536,900	1,487,214

NOTE 15 CONTINGENT LIABILITIES AND CONTINGENT ASSETS

The Company did not have any contingent liabilities or contingent assets as at 30 June 2020 (2019:Nil).

NOTE 16 EVENTS AFTER THE REPORTING PERIOD

The impact of the Coronavirus (COVID-19) pandemic is ongoing and while it has not been financially negative for the company up to 30 June 2020, it is not practicable to estimate the potential impact, positive or negative, which it may have on the company’s operations after the reporting date. As the situation is rapidly developing and is dependent on measures imposed by the Australian Governments, such as maintaining social distancing requirements, quarantine, travel restrictions and any economic stimulus that may be provided, it is impracticable to reliably estimate with any degree of certainty the potential impact of the pandemic after the reporting date on the Company, its operations, its future results and financial position.

No other matter or circumstance has arisen since 30 June 2020 that has significantly affected, or may significantly affect the company’s operations, the results of those operations, or the company’s state of affairs in future financial years.

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

NOTE 17 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.

	2020	2019
	$	$
Key Management Personnel Compensation		
– Short-term benefits	664,160	665,082
– Post-employment benefits	63,095	63,243
	727,255	728,325

None of the directors were entitled to receive any remuneration.

(b) Director Related Transaction

A Director, Andrew Cronin, is a partner in the firm of PricewaterhouseCoopers. PricewaterhouseCoopers has provided consulting services to the company for $872 (2019: $11,909) during the year ended 30 June 2020 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 for $3,680 (2019: nil).

(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.

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

NOTE 18 CASH FLOW INFORMATION

Reconciliation of Cashflow from Operating Activities with Current Year Profit

	2020	**2019**
	$	**$**
Net Profit	5,750,080	11,773,312
Non cash flows and other		
– Depreciation	171,314	22,961
– Fair value (gain)/loss on financial derivative	-	(4,795)
– Fair value (gains)/loss on investment properties	(3,963,566)	(5,705,000)
– Bad and doubtful debts	45,000	50,000
– Capital Grant	(1,479,196)	(5,731,698)
– (Gain)/Loss on Disposal of Plant and Equipment	-	(1,590)
Changes in assets and liabilities		
– (Increase)/Decrease in accounts receivable and other debtors	(143,231)	(86,105)
– Increase/(Decrease) in accounts payable and other payables	(10,343)	(113,281)
– Increase/(Decrease) in provisions for employee benefits	47,594	(9,535)
– Decrease/(Increase) in prepayments	(10,304)	(17,396)
	407,348	176,873

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

NOTE 19 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	2020 $	2019 $
Financial Assets			
Financial Assets at Amortised Cost			
Cash and cash equivalents	4	3,086,107	3,002,967
Other financial asset		1,000,000	-
Accounts receivable and other debtors	5	278,669	180,438
Total Financial Assets		4,364,776	3,183,405
Financial Liabilities			
Financial liabilities at amortised cost			
– Accounts payable and other payables	9(a)	389,326	1,406,957
– Bank loans - secured	10	8,858,342	4,199,339
Financial Liabilities at fair value			
– Derivatives	12	-	88,720
Total Financial Liabilities		9,247,668	5,695,016

Refer to Note 20 for additional disclosures regarding the fair value measurement of the Company’s financial assets and financial liabilities.

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

NOTE 20 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.

Recurring fair value measurements	**Note**	**2020**	**2019**
		$	**$**
Investment properties	(i)	62,857,854	55,955,212
Derivative financial instrument	(ii)	-	88,720

Valuation Technique

(i) For investment properties, the fair values are based on a combi 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 21 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
Lenders	National Housing Finance and Investment Corporation Level 10 Export House 22 Pitt Street Sydney NSW 2000

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

NOTE 22 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 2020 the number of members was six (2019: six).

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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 11 to 46 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 2020 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: 5 November 2020

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 2020, the statement of profit or loss and other 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 director's declaration.

In our opinion, the accompanying financial report of the Company has been prepared 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 2020 and of its financial performance 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 Company's annual report for the year ended 30 June 2020, 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.

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 Management and Directors for the Financial Report

Management is 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 management 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, management is 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 management either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Directors are responsible for overseeing the Company's financial reporting process.

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 management.
- Conclude on the appropriateness of the management'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 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
5 November 2020

Jude Lau
Partner