Women's Housing Limited

ABN 93 080 116 883

Financial Statements

For the Year Ended 30 June 2021

Women's Housing Limited

ABN 93 080 116 883

Contents

For the Year Ended 30 June 2021

Directors' Report

For the Year Ended 30 June 2021

The directors present their report on Women's Housing Limited ("the Company") for the financial year ended 30 June 2021.

Information on Directors

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

Valerie Mosley

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.
Special responsibilities	Chair of the Board; Member of the Audit and Financial Risk Committee

Erica Edmands

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.

Peggy O'Neal

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. She will assume the role of Chancellor of RMIT in 2022.

Directors' Report

For the Year Ended 30 June 2021

Information on Directors (continued)

Andrew Cronin	
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.
Special responsibilities	Chair of the Audit and Financial Risk Committee; Member of the Project Control Group
Judy Line	
Qualifications	Diploma Community Services (Community Development) (1998) Post Graduate Management (1999) Master of Business Administration (2001) Graduate, Australian Institute of Company Directors (2014)
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.
Special responsibilities	Member of the Project Control Group
Michael Barlow	
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.
Special responsibilities	Chair of the Project Control Group

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

Information on Directors (continued)

Sub-committees

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.

Review of Operations

Women's Housing Limited recorded a loss of $1,969,443 in the current year (2020: profit of $5,750,080). The current year's result was adversely affected by a write-down in the valuation of the Bentleigh property and the bid costs incurred relating the property development sites that were submitted as part of the Victorian Government "Big Housing Build" program. The valuation of Bentleigh property has been reduced from $23m to $21.6m due to the impact of COVID-19 and lockdowns imposed on apartment living. This write-down is based on the recommendations of an independent valuation. The Company was successful in obtaining funding and borrowings of $130m to build 309 new properties across metropolitan and regional Victoria in July 2021, as part of the Big Housing Build program.

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.

No significant changes in the nature of the Company's activity occurred during the financial year.

Short-Term and Long-Term Objectives

The Company's objectives are to:

- Operate and manage long-term and transitional affordable and 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.

Directors' Report

For the Year Ended 30 June 2021

Strategy for Achieving the Objectives

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.

Members' Guarantee

Women's Housing Limited is a company limited by guarantee. In the event of, and for the purpose of winding up of the company, the amount capable of being called up from each member and any person or association who ceased to be a member in the year prior to the winding up, is limited to $50 for all members, subject to the provisions of the Company's constitution.

At 30 June 2021 the collective liability of members was $300 (2020: $300).

Meetings of directors

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

	Directors' Meetings		AFRC Committee		Project Control Group	
	Number eligible to attend	Number attended	Number eligible to attend	Number attended	Number eligible to attend	Number attended
Valerie Mosley	13	11	4	4	-	-
Erica Edmands	13	13	-	-	-	-
Peggy O'Neal	13	10	-	-	-	-
Andrew Cronin	13	13	4	4	6	6
Judy Line	13	13	-	-	6	6
Michael Barlow	13	12	-	-	6	5

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Directors' Report

For the Year Ended 30 June 2021

Auditor's independence declaration

The auditor's independence declaration in accordance with Section 60.40 of the Australian Charities and Not-for-profits Commission Act 2012 for the year ended 30 June 2021 has been received and can be found on page 6 of the financial report.

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

Director: ....

Valerie Mosley

Dated this 22nd day of November 2021

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 2021.

HLB Mann Judd

HLB Mann Judd
Chartered Accountants

Jude Lau
Partner

Melbourne
29 November 2021

Women's Housing Limited

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Statement of Profit or Loss and Other Comprehensive Income

For the Year Ended 30 June 2021

	Note	2021 $	2020 $
Income	4(a)	**6,220,508**	6,235,934
Other income	4(b)	**69,201**	129,414
Staffing and development		**(2,147,572)**	(2,009,280)
Depreciation expense	5	**(195,609)**	(171,314)
Emergency housing assistance		**(947,036)**	(306,175)
Property costs		**(2,091,251)**	(1,431,739)
Property development bid costs - Big Housing Build		**(831,946)**	-
Occupancy costs		**(8,150)**	(14,289)
Administration		**(298,206)**	(301,851)
Motor vehicle expenses		**(15,944)**	(31,487)
Net gain/(loss) on revaluation of investment properties	10	**(1,447,314)**	3,963,566
Other expenses		**(74,656)**	(96,627)
Finance expenses	5	**(201,468)**	(216,072)
Net profit/(loss) before income tax		**(1,969,443)**	5,750,080
Income tax expense		**-**	-
Net profit/(loss) for the year		**(1,969,443)**	5,750,080
Other comprehensive income, net of income tax			
Items that will not be reclassified subsequently to profit or loss		**-**	-
Items that will be reclassified to profit or loss when specific conditions are met		**-**	-
Total comprehensive income for the year		**(1,969,443)**	5,750,080

The accompanying notes form part of these financial statements.

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Statement of Financial Position

As At 30 June 2021

	Note	2021 $	2020 $
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	6	**1,247,718**	3,086,107
Trade and other receivables	7	**797,015**	195,847
Other financial assets	8	**-**	1,000,000
Other assets	11	**2,127,657**	157,942
TOTAL CURRENT ASSETS		**4,172,390**	4,439,896
NON-CURRENT ASSETS			
Property, plant and equipment	9	**137,986**	138,260
Investment properties	10	**61,470,345**	62,857,854
Right-of-use assets	12(a)	**188,382**	329,282
TOTAL NON-CURRENT ASSETS		**61,796,713**	63,325,396
TOTAL ASSETS		**65,969,103**	67,765,292
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	13	**680,191**	389,326
Lease liabilities	12(b)	**150,030**	145,980
Employee benefits	15	**409,713**	304,607
Other financial liabilities	16	**188,495**	296,740
TOTAL CURRENT LIABILITIES		**1,428,429**	1,136,653
NON-CURRENT LIABILITIES			
Borrowings	14	**8,870,147**	8,858,342
Lease liabilities	12(b)	**50,598**	196,015
Employee benefits	15	**30,477**	15,387
TOTAL NON-CURRENT LIABILITIES		**8,951,222**	9,069,744
TOTAL LIABILITIES		**10,379,651**	10,206,397
NET ASSETS		**55,589,452**	57,558,895
EQUITY			
Retained earnings	17	**55,589,452**	57,558,895
TOTAL EQUITY		**55,589,452**	57,558,895

The accompanying notes form part of these financial statements.

Statement of Changes in Equity

For the Year Ended 30 June 2021

2021

	Note	Retained Earnings $	Total $
Balance at 1 July 2020	17	**57,558,895**	**57,558,895**
Net profit/(loss) for the year	17	**(1,969,443)**	**(1,969,443)**
Balance at 30 June 2021	17	**55,589,452**	**55,589,452**

2020

	Note	Retained Earnings $	Total $
Balance at 1 July 2019	17	52,917,955	52,917,955
Change in accounting policy to reflect the retrospective adjustments - adoption of AASB 1058	17	(1,109,140)	(1,109,140)
Balance at 1 July 2019 restated		51,808,815	51,808,815
Net profit/(loss) for the year	17	5,750,080	5,750,080
Balance at 30 June 2020	17	57,558,895	57,558,895

Statement of Cash Flows

For the Year Ended 30 June 2021

	Note	2021 $	2020 $
CASH FLOWS FROM OPERATING ACTIVITIES:			
Receipts from grants and customers		**6,703,447**	4,895,829
Payments to suppliers and employees		**(6,360,448)**	(4,280,904)
Interest received		**11,715**	8,492
Interest paid		**(185,613)**	(209,166)
Net cash provided by/(used in) operating activities	18	**169,101**	414,251
CASH FLOWS FROM INVESTING ACTIVITIES:			
Payment for capital works		**(59,805)**	(4,059,506)
Capital grants received		**-**	370,056
VPF grant repaid		**(175,000)**	-
Purchase of plant and equipment		**(54,435)**	(76,855)
Investment in term deposit		**-**	(1,000,000)
Proceeds from term deposit		**1,000,000**	-
Deposit paid for big build projects		**(2,572,833)**	-
Net cash provided by/(used in) investing activities		**(1,862,073)**	(4,766,305)
CASH FLOWS FROM FINANCING ACTIVITIES:			
Proceeds from borrowings		**-**	10,058,344
Repayment of borrowings		**-**	(5,488,060)
Repayment of lease liabilities		**(145,417)**	(135,090)
Net cash provided by/(used in) financing activities		**(145,417)**	4,435,194
Net increase/(decrease) in cash and cash equivalents held		**(1,838,389)**	83,140
Cash and cash equivalents at beginning of year		**3,086,107**	3,002,967
Cash and cash equivalents at end of financial year	6(a)	**1,247,718**	3,086,107

The accompanying notes form part of these financial statements.

The financial report covers Women's Housing Limited as an individual entity. Women's Housing Limited ("the Company") is a not-for-profit Company limited by guarantee, incorporated and domiciled in Australia.

The functional and presentation currency of Women's Housing Limited is Australian dollars.

The financial report was authorised for issue by the Directors on 22 November 2021.

When required by Accounting Standards, or when deemed appropriate by management for financial reporting clarity, comparative figures have been adjusted to conform to changes in presentation for the current financial year.

1 Basis of Preparation

The financial statements are general purpose financial statements that have been prepared in accordance with the Australian Accounting Standards - Reduced Disclosure Requirements and the *Australian Charities and Not-for-profits Commission Act 2012*.

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.

Significant accounting policies adopted in the preparation of these financial statements are presented below and are consistent with prior reporting periods unless otherwise stated.

2 Summary of Significant Accounting Policies

(a) Revenue and other income

Revenue from contracts with customers

The core principle of AASB 15 is that revenue is recognised on a basis that reflects the transfer of promised goods or services to customers at an amount that reflects the consideration the Company expects to receive in exchange for those goods or services. Revenue is recognised by applying a five-step model as follows:

1. Identify the contract with the customer

2. Identify the performance obligations

3. Determine the transaction price

4. Allocate the transaction price to the performance obligations

5. Recognise revenue as and when control of the performance obligations is transferred

Generally the timing of the payment for sale of goods and rendering of services corresponds closely to the timing of satisfaction of the performance obligations, however where there is a difference, it will result in the recognition of a receivable, contract asset or contract liability.

None of the revenue streams of the Company have any significant financing terms as there is less than 12 months between receipt of funds and satisfaction of performance obligations.

2 Summary of Significant Accounting Policies (continued)

(a) Revenue and other income (continued)

Specific revenue streams

The revenue recognition policies for the principal revenue streams of the Company are:

Revenue from rendering of services

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

Grant income

Government grants are recognised at fair value where there is reasonable assurance that the grant will be received and all grant conditions will be met. Grants relating to expense items are recognised as income over the periods necessary to match the grant to the costs they are compensating. Grants relating to assets are credited to deferred income at fair value until their conditions are satisfied.

Rental income

Investment property income is recognised in accordanced with the terms outlined in the tenancy agreements and is accrued on a straight-line basis over a period of the lease term so as to reflect a constant periodic rate of return on the net investment.

Interest income

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

Donations and bequests

Donations and bequests are recognised as revenue when received.

Other income

Other income is recognised on an accruals basis when the Company is entitled to it.

(b) Income Tax

The Company is exempt from income tax under Division 50 of the *Income Tax Assessment Act 1997*.

(c) Goods and services tax (GST)

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

Receivables and payables are stated inclusive of GST.

2 Summary of Significant Accounting Policies (continued)

(c) Goods and services tax (GST) (continued)

Cash flows in the statement of cash flows are included on a gross basis and the GST component of cash flows arising from investing and financing activities which is recoverable from, or payable to, the taxation authority is classified as operating cash flows.

(d) Cash and cash equivalents

Cash and cash equivalents comprises cash on hand, demand deposits and short-term investments which are readily convertible to known amounts of cash and which are subject to an insignificant risk of change in value.

Bank overdrafts also form part of cash equivalents for the purpose of the statement of cash flows and are presented within current liabilities on the statement of financial position.

(e) Financial instruments

Financial instruments are recognised initially on the date that 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 where:

- 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.

2 Summary of Significant Accounting Policies (continued)

(e) Financial instruments (continued)

Financial assets (continued)

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 a financial asset 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 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 assets 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 estimation 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.

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

2 Summary of Significant Accounting Policies (continued)

(e) Financial instruments (continued)

Financial assets (continued)

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. Where 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 and lease liabilities.

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.

(f) Plant and equipment

Each class of plant and equipment is carried at cost less, where applicable, any accumulated depreciation and impairment.

Items of property, plant and equipment acquired for significantly less than fair value have been recorded at the acquisition date fair value.

Depreciation

Property, plant and equipment, excluding freehold land, is depreciated on a straight-line basis over the assets useful life to the Company, commencing when the asset is ready for use.

The depreciation rates used for each class of depreciable asset are shown below:

Fixed asset class	Depreciation rate
Motor Vehicles	20 -25%
Furniture and equipment	20 - 30%

At the end of each annual reporting period, the depreciation method, useful life and residual value of each asset is reviewed. Any revisions are accounted for prospectively as a change in estimate.

Gains or 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.

Notes to the Financial Statements

For the Year Ended 30 June 2021

2 Summary of Significant Accounting Policies (continued)

(g) Investment properties

Investment properties under AASB 140 Investment Property are 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 the directors' assessment of the fair value of each property. Changes to fair value are recorded in the statement of profit or loss and other comprehensive income as other income/expenses.

(h) Leases

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.

Lessee accounting

The non-lease components included in the lease agreement have been separated and are recognised as an expense as incurred.

Right-of-use asset

At the lease commencement, the Company recognises a right-of-use asset and associated lease liability for the lease term. The lease term includes extension periods where the Company believes it is reasonably certain that the option will be exercised.

The right-of-use asset is measured using the cost model where cost on initial recognition comprises of the lease liability, initial direct costs, prepaid lease payments, estimated cost of removal and restoration less any lease incentives received.

The right-of-use asset is depreciated over the lease term on a straight-line basis and assessed for impairment in accordance with the impairment of assets accounting policy.

2 Summary of Significant Accounting Policies (continued)

(h) Leases (continued)

Lease liability

The lease liability is initially measured at the present value of the remaining lease payments at the commencement of the lease. The discount rate is the rate implicit in the lease, however where this cannot be readily determined then the Company's incremental borrowing rate is used.

Subsequent to initial recognition, the lease liability is measured at amortised cost using the effective interest rate method. The lease liability is remeasured whether there is a lease modification, change in estimate of the lease term or index upon which the lease payments are based (e.g. CPI) or a change in the Company's assessment of lease term.

Where the lease liability is remeasured, the right-of-use asset is adjusted to reflect the remeasurement or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

Adoption of short term leases or low value asset exception

Exceptions to lease accounting

The Company has elected to apply the exceptions to lease accounting for both short-term leases (i.e. leases with a term of less than or equal to 12 months) and leases of low-value assets. The Company recognises the payments associated with these leases as an expense on a straight-line basis over the lease term.

(i) Impairment of non-financial assets

At the end of each reporting period the Company determines whether there is any indication that an asset may be impaired.

Where an indicator exists and regardless for indefinite life intangible assets and intangible assets not yet available for use, the recoverable amount of the asset is estimated.

Where assets do not operate independently of other assets, the recoverable amount of the relevant cash-generating unit (CGU) is estimated.

The recoverable amount of an asset or CGU is the higher of the fair value less costs of disposal and the value in use. Value in use is the present value of the future cash flows expected to be derived from an asset or cash-generating unit.

Where the recoverable amount is less than the carrying amount, an impairment loss is recognised in profit or loss.

Reversal indicators are considered in subsequent periods for all assets which have suffered an impairment loss.

(j) 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 wholly settled within one year have been measured at the amounts expected to be paid when the liability is settled, inclusive of on-costs.

2 Summary of Significant Accounting Policies (continued)

(j) Employee benefits (continued)

Employee benefits expected to be settled more than one year after the end of the reporting period 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 satisfy vesting requirements. Cashflows are discounted using market yields on national government bonds, with terms to maturity that match the expected timing of cashflows. Changes in the measurement of the liability are recognised in profit or loss.

Obligations for contributions to defined contribution superannuation plans are recognised as an employee benefit expense in profit or loss in the periods in which services are provided by employees.

(k) Adoption of new and revised accounting standards

The Company has adopted all standards which became effective for the first time at 1 July 2020, the adoption of these standards has not caused any material adjustments to the reported financial position, performance or cash flow of the Company.

Notes to the Financial Statements

For the Year Ended 30 June 2021

3 Critical Accounting Estimates and Judgements

The directors make estimates and judgements during the preparation of these financial statements regarding assumptions about current and future events affecting transactions and balances.

These estimates and judgements are based on the best information available at the time of preparing the financial statements, however as additional information is known then the actual results may differ from the estimates.

The significant estimates and judgements made have been described below.

Key estimates - fair value of investment properties

The investment properties were 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 decrement of $1,447,314 (2020: increment of $3,963,566) being recognised for the year ended 30 June 2021.

For the properties which were revalued as at 30 June 2020, the Directors have reviewed the key assumptions adopted by the valuers, other market data points and do not believe there has been a significant change in the assumptions at 30 June 2021. Therefore, Directors believe the carrying amount of the freehold land and buildings reflects fair value at 30 June 2021.

Refer to Note 10(d) for additional commentaries related to the impact of COVID-19 on the valuation.

Key judgements - Coronovirus (COVID-19) pandemic

Judgement has been exercised in considering the impacts that the Coronavirus (COVID-19) pandemic has had, or may have, on the Company based on known information. This consideration extends to the nature of the services offered, customers, supply chain, staffing and geographic regions in which the Company operates. Other than as addressed in specific notes, there does not currently appear to be either any significant impact upon the financial statements or any significant uncertainties with respect to events or conditions which may impact the Company unfavourably as at the reporting date or subsequently as a result of the Coronavirus (COVID-19) pandemic.

Notes to the Financial Statements

For the Year Ended 30 June 2021

4 Income and Other Income

(a) Income

	2021 $	2020 $
- rent	**2,800,962**	2,782,283
- interest received	**11,594**	7,619
- operating grants	**3,407,952**	1,966,836
- capital grants and donations	**-**	1,479,196
Total income	**6,220,508**	6,235,934

(b) Other Income

	2021	2020
- other income	**17,567**	106,958
- donations	**51,634**	22,456
Total other income	**69,201**	129,414
Total income and other income	**6,289,709**	6,365,348

5 Result for the Year

The result for the year includes the following specific expenses:

	2021 $	2020 $
Employee benefits expense		
- Contributions to defined contribution superannuation funds	**186,674**	160,788
Depreciation expense		
- Motor vehicles	**21,544**	15,969
- Furniture and equipment	**33,165**	14,445
- Right-of-use assets	**140,900**	140,900
Total depreciation expense	**195,609**	171,314
Finance costs		
- Interest expense	**189,663**	216,072
- Loan amortisation	**11,805**	-
Total finance costs	**201,468**	216,072
Bad debts written off	**20,000**	45,000
Auditor remuneration - audit services	**19,268**	21,566

6 Cash and Cash Equivalents

	Note	2021 $	2020 $
Cash at bank		**1,247,718**	3,086,107
Total cash and cash equivalents	6(a)	**1,247,718**	3,086,107

(a) Reconciliation of cash

Cash and cash equivalents reported in the statement of cash flows are reconciled to the equivalent items in the statement of financial position as follows:

	Note	2021 $	2020 $
Cash and cash equivalents	6	**1,247,718**	3,086,107
Balance as per statement of cash flows		**1,247,718**	3,086,107

7 Trade and other receivables

	Note	2021 $	2020 $
CURRENT			
Trade receivables		**129,615**	106,170
Provision for impairment		**(100,000)**	(80,000)
		29,615	26,170
Deposits		**24,670**	24,668
GST receivable		**-**	17,883
Government subsidies receivable		**100,000**	100,000
Land deposit refunds	7(b)	**636,000**	-
Other receivables		**6,730**	27,126
Total current trade and other receivables		**797,015**	195,847

(a) Reconciliation of changes in the provision for impairment of receivables is as follows:

	2021	2020
Balance at beginning of the year	**80,000**	80,000
Additional impairment loss recognised	**40,000**	45,000
Amounts written off as uncollectible:		
Directly to P&L	**(20,000)**	(45,000)
Balance at end of the year	**100,000**	80,000

(b) Land deposit refunds

The Company cancelled land contracts for projects that were not funded through the Big Housing Build.

Notes to the Financial Statements

For the Year Ended 30 June 2021

8 Other Financial Assets

Financial assets held at amortised cost

	2021	2020
	$	$
CURRENT		
Term deposit	-	1,000,000
Total current other financial assets	-	1,000,000

9 Property, plant and equipment

	2021	2020
	$	$
Motor vehicles		
At cost	**117,781**	94,092
Accumulated depreciation	**(52,645)**	(31,101)
Total motor vehicles	**65,136**	62,991
Furniture and equipment		
At cost	**228,220**	197,472
Accumulated depreciation	**(155,370)**	(122,203)
Total furniture and equipment	**72,850**	75,269
Total property, plant and equipment	**137,986**	138,260

(a) Movements in Carrying Amounts

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

	Motor Vehicles	Furniture and Equipment	Total
	$	$	$
Year ended 30 June 2021			
Balance at beginning of year	**62,991**	**75,269**	**138,260**
Additions	**23,689**	**30,746**	**54,435**
Depreciation expense	**(21,544)**	**(33,165)**	**(54,709)**
Balance at the end of the year	**65,136**	**72,850**	**137,986**

Notes to the Financial Statements

For the Year Ended 30 June 2021

10 Investment Properties

	Note	2021 $	2020 $
Investment properties, at fair value			
Opening balance at 1 July		**62,857,854**	50,105,000
Acquisitions:			
Nelson Street, Box Hill property acquisition		**-**	1,250,000
Transfers from capital work in progress:			
Bayswater property completion		**-**	7,521,435
Capital improvements		**59,805**	17,853
Net gain (loss) from fair-value adjustment		**(1,447,314)**	3,963,566
Closing balance at 30 June	10(a)	**61,470,345**	62,857,854
Investment properties - Capital work in progress, at cost			
Opening balance at 1 July		**-**	5,850,212
Acquisitions		**-**	1,671,223
Transfers to investment properties:			
Bayswater property completion		**-**	(7,521,435)
Closing balance at 30 June		**-**	-
Total investment properties		**61,470,345**	62,857,854

(a) Investment properties held

	2021	2020
656 Mountain Hwy, Bayswater	**10,580,000**	10,580,000
658 Mountain Hwy, Bayswater	**10,032,390**	10,005,000
Bentleigh	**21,615,000**	23,037,854
Box Hill	**1,250,000**	1,250,000
Cobblebank	**520,000**	520,000
Craigieburn	**1,310,000**	1,310,000
Meadow Heights	**2,900,000**	2,900,000
Newport	**10,097,955**	10,090,000
Strathtulloch	**430,000**	430,000
Tarneit	**515,000**	515,000
Werribee	**2,220,000**	2,220,000
Total investment properties held	**61,470,345**	62,857,854

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

	2021	2020
Rental income	**1,824,910**	1,339,435
Direct operating expenses from the property that generated rental income	**(734,592)**	(488,612)
Total amounts recognised in profit and loss for investment properties	**1,090,318**	850,823

10 Investment Properties (continued)

(c) Valuation basis

It is the Company's policy to obtain 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, the Directors update their assessment of the fair value of each property, taking into account the most recent independent valuations and consideration of other relevant data. The 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.

With the exception of the Bentleigh property, the Directors have determined that the independent valuations performed on the investment properties as at 30 June 2020 were not materially different as at 30 June 2021 based on a review of market conditions and movements.

(d) COVID-19 uncertainty

The uncertainty of the impact of COVID-19 has been considered and reflected in the valuation performed during the current year by the valuer. There has been no material impact to valuation as a result of COVID-19.

Independent valuers over the last two years 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 2021 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 impacts are more serve/prolonged than anticipated, there may be an impact on the fair value of the Company's investment property portfolio.

(e) 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.

(f) Secured liabilities and assets pledged as security

Security is held for the bank loans as detailed in Note 14. These loans are secured by first mortgages over the investment properties at Newport, Bentleigh and Box Hill.

(g) Covenant - Nelson Street Box Hill

The property at Nelson Street, Box Hill, 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 the Company 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.

Notes to the Financial Statements

For the Year Ended 30 June 2021

11 Other Assets

	2021	2020
	$	$
CURRENT		
Prepayments	**71,898**	75,120
Accrued income	**118,926**	82,822
Property prepayments	**1,936,833**	-
Total current other assets	**2,127,657**	157,942

12 Leases

Company as a lessee

The Company has a lease over its office premises.

Information relating to the lease in place and associated balances and transactions are provided below.

Terms and conditions of lease

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

(a) Right-of-use assets

	Office Premises	Total
	$	$
Year ended 30 June 2021		
Balance at beginning of year	**329,282**	**329,282**
Depreciation expense	**(140,900)**	**(140,900)**
Balance at end of year	**188,382**	**188,382**
Year ended 30 June 2020		
Balance at beginning of year	-	-
Adjustment on adoption of AASB 16 on 1 July 2019	470,182	470,182
Depreciation expense	(140,900)	(140,900)
Balance at end of year	329,282	329,282

(b) Lease liabilities

	2021	2020
	$	$
CURRENT		
Lease liability	**150,030**	145,980
NON-CURRENT		
Lease liability	**50,598**	196,015
Total lease liabilities	**200,628**	341,995

12 Leases (continued)

(c) Statement of Profit or Loss and Other Comprehensive Income

The amounts recognised in the statement of profit or loss and other comprehensive income relating to leases where the Company is a lessee are shown below:

	2021	2020
	$	$
Interest expense on lease liabilities	**(4,050)**	(6,903)
Depreciation of right-of-use assets	**(140,900)**	(140,900)
	(144,950)	(147,803)

(d) Statement of Cash Flows

Total cash outflow for leases	**(145,417)**	(135,090)

13 Trade and Other Payables

	2021	2020
	$	$
CURRENT		
Trade payables	**297,360**	105,204
GST payable	**19,794**	-
Employee benefits	**46,621**	35,043
Other payables	**316,416**	249,079
Total current trade and other payables	**680,191**	389,326

14 Borrowings

	2021	2020
	$	$
NON-CURRENT		
Secured liabilities:		
Bank loans	**9,000,000**	9,000,000
Loan establishment costs	**(129,853)**	(141,658)
Total non-current borrowings	**8,870,147**	8,858,342

(a) Bank loan facility

The bank loan is a $9 million banking facility that was secured through the National Housing Finance and Investment Corporation (NHFIC) in June 2020. The 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.

(b) Assets pledged as security

NHFIC holds a registered 1st mortgage over the Bentleigh, Newport and Box Hill properties which are valued at $32,962,955. NHFIC has a General Security Agreement over the collateral assets of the Company.

14 Borrowings (continued)

(b) Assets pledged as security (continued)

No other assets are pledged as security.

There were no defaults during the year ended 30 June 2021 (2020: 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; and
- 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 years ended 30 June 2021 and 30 June 2020.

15 Employee Benefits

	2021 $	2020 $
CURRENT		
Annual leave	**275,311**	173,436
Long service leave	**134,402**	131,171
Total current employee benefits	**409,713**	304,607
NON-CURRENT		
Long service leave	**30,477**	15,387
Total non-current employee benefits	**30,477**	15,387

(a) Employee benefits

Employee benefits 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.

Notes to the Financial Statements

For the Year Ended 30 June 2021

15 Employee Benefits (continued)

(a) Employee benefits (continued)

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.

16 Other Financial Liabilities

	2021	2020
	$	$
CURRENT		
Government grants	**96,902**	198,913
Rent received in advance	**91,593**	97,827
Total current other financial liabilities	**188,495**	296,740

17 Retained Earnings

	2021	2020
	$	$
Retained earnings at the beginning of the financial year	**57,558,895**	52,917,955
Adjustment on adoption of AASB 1058	**-**	(1,109,140)
Restated retained earnings at the beginning of the financial year	**57,558,895**	51,808,815
Net profit/(loss) for the year	**(1,969,443)**	5,750,080
Retained earnings at end of the financial year	**55,589,452**	57,558,895

18 Cash Flow Information

Reconciliation of result for the year to cashflows from operating activities

	2021	2020
	$	$
Net profit/(loss) for the year	**(1,969,443)**	5,750,080
Non-cash flows in profit:		
- depreciation	**195,609**	171,314
- impairment of receivables	**20,000**	45,000
- capital grants received	**-**	(1,479,196)
- amortisation of borrowing costs	**11,805**	-
- interest on lease liability	**4,050**	6,903
- net fair value (gains)/losses on investment properties	**1,447,314**	(3,963,566)
Changes in assets and liabilities:		
- (increase)/decrease in trade and other receivables	**14,832**	(144,104)
- (increase)/decrease in other assets	**(32,882)**	(9,430)
- increase/(decrease) in trade and other payables	**290,865**	102,798
- increase/(decrease) in other financial liabilities	**66,755**	(113,143)
- increase/(decrease) in employee benefits	**120,196**	47,595
Net cash provided by/(used in) operating activities	**169,101**	414,251

19 Key Management Personnel

(a) Total remuneration paid

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.

The total remuneration paid to key management personnel of the Company is $824,181 (2020: $727,255).

None of the directors were entitled to receive any remuneration.

(b) Director-related transactions

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

A Director, Andrew Cronin, is a partner in PricewaterhouseCoopers. PricewaterhouseCoopers has provided services to the Company for $NIL (2020: $872) during the year ended 30 June 2021 on normal commercial terms and conditions.

A director, Michael Barlow, is a director of Urbis Pty Ltd. Urbis Pty Ltd has provided planning advice and assistance to the Company during the year ended 30 June 2021 for $44,718 (2020: $3,680).

(c) Other related parties

Other related parties include close family members of key management personnel and entities that are controlled or significantly influenced by those key management personnel or their close family members.

There has been no related party 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.

20 Financial Risk Management

The Company's financial instruments consist mainly of deposits with banks, term deposits, receivables and payables.

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

	Note	2021 $	2020 $
Financial assets			
Financial assets held at amortised cost			
Cash and cash equivalents	6	**1,247,718**	3,086,107
Trade and other receivables	7	**797,015**	177,964
Other financial assets	8	**-**	1,000,000
Total financial assets		**2,044,733**	4,264,071
Financial liabilities			
Financial liabilities measured at amortised cost			
Trade and other payables	13	**660,397**	389,326
Borrowings	14	**8,870,147**	8,858,342
Lease liabilities	12(b)	**200,628**	341,995
Total financial liabilities		**9,731,172**	9,589,663

Refer to Note 21 for additional disclosures regarding the fair value measurement of the Company's financial assets and financial liabilities.

21 Fair Value Measurement

The Company measures the following assets at fair value on a recurring basis after their initial recognition. The Company does not have any assets or liabilities that are measured at fair value on a non-recurring basis.

	Note	2021 $	2020 $
Recurring fair value measurements			
Investment properties	10	**61,470,345**	62,857,854
Total assets at fair value on a recurring basis		**61,470,345**	62,857,854

Asset	**Basis for determining value**
Investment property	For investment properties, the fair values are based on a combination of the directors' valuation, considering recent external independent valuations performed, which had used comparable market data for similar properties and other market data points.

22 Capital Commitments

Capital expenditure contracted for at the reporting date but not recognised as liabilities is as follows:

Apartment purchase - Brunswick West

	2021 $	2020 $
Payable - minimum payments		
Within one year	**-**	-
Between one year and five years	**2,536,900**	2,536,900
Total capital commitments	**2,536,900**	2,536,900

23 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 outstandings and obligations of the Company. At 30 June 2021 the number of members was 6 (2020: 6).

24 Contingencies

The Company has contingencies associated with the funding deed disclosed in Note 26 *Events After the End of the Reporting Period*, which was executed post year-end.

In the opinion of the Directors, the Company did not have any other contingencies at 30 June 2021 (30 June 2020: None).

25 Impact of COVID-19

The consequential impacts on the Company have included, but are not limited to:

- implementation of necessary COVID-19 management plans, which included an increased level of care and safety (e.g. additional staffing, cleaning, use of personal protective equipment, etc);
- uplift of IT network capabilities to support remote working; and
- working closely with regulatory and health authorities and limiting on-site visit and inspections, which impacted occupancy levels.

During the year ended 30 June 2021, the Company received the following government assistance:

- $50,000 to maintain business cashflows and for retention of staff via the cashflow boost and JobKeeper subsidies; and
- $325,319 to provide financial support for external clients to maintain their tenenacy and to assist the homeless with accommodation.

25 Impact of COVID-19 (continued)

The following financial statement areas have been affected by COVID-19:

- Note 3 Critical Accounting Estimates and Judgements
- Note 10 Investment Properties
- Note 26 Events After the End of the Reporting Period

Management are continuously reviewing budgets and forecasts whilst monitoring cash flow requirements during this period of uncertainty and conclude that the going concern assumption still remains appropriate.

These financial statements have been prepared on a going concern basis and do not include any adjustments to the carrying amounts and classification of assets, liabilities and reporting expenses that may otherwise be required if the going concern basis was not appropriate.

26 Events after the end of the Reporting Period

The financial report was authorised for issue on 22 November 2021 by the Board of Directors.

The impact of the Coronavirus (COVID-19) pandemic is ongoing and whilst it has not had materially negative financial impact for the Company up to 30 June 2021, 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. Subsequent to year esnd, the state of emergency in Victoria was extended until 18 November 2021. Any future changes to the Company's operations relating to COVID-19 will be in response to the Victorian Government's directions. Refer to Note 25 to the financial statements for further information regarding the impact of COVID-19 on the Company's operations.

Victorian Government Social Housing Growth Fund - Rapid Grants Round

The Company has been funded for circa $100m to build 309 new dwellings as part of the Victorian Government Social Housing Growth Fund - Rapid Grants Round. The Company has signed a funding deed on 2 July 2021 with the Director of Housing. The Company will, over the next two years, develop the new dwellings via 13 separate projects across both metropolitan and regional locations. The Company has committed to contribute, via debt funding, an amount of circa $27m for the construction of the new dwellings. The Company has completed the land acquisition of 10 sites for $14.2m and paid deposits of $3.6m for two turnkey developments in November 2021.

New Bank Facility

The Company has received conditional approval for a $23m loan covering a period of five years with Bank Australia in November 2021. This loan and the Victorian Government grant of $100m will go towards the construction of 309 dwellings as part of the Victorian Governments Big Housing Build program. This loan will be part of the Company's contribution to the total development costs for the 13 projects.

Except for the above, no other matters or circumstances have arisen since the end of the financial year which significantly affected or could significantly affect the operations of the Company, the results of those operations or the state of affairs of the Company in future financial years.

27 Statutory 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

Women's Housing Limited

ABN 93 080 116 883

Directors' Declaration

The directors of the Company declare that:

1. The financial statements and notes, as set out on pages 7 to 33, are in accordance with the *Australian Charities and Not-for-profits Commission 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 as at 30 June 2021 and of the performance for the year ended on that date of the Company.

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.

This declaration is made in accordance with a resolution of the Board of Directors.

Director ....

Valerie Mosley

Dated this 22nd day of November 2021

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 2021, 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 2021 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 2021, 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.

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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.

The 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

Jude Lau
Partner

Melbourne
29 November 2021