

# **Women's Housing Limited**

ABN 93 080 116 883

## **Financial Statements**

For the Year Ended 30 June 2022

# **Women's Housing Limited**

ABN 93 080 116 883

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**For the Year Ended 30 June 2022**

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## Women's Housing Limited

ABN 93 080 116 883

### Directors' Report For the Year Ended 30 June 2022

The directors present their report on Women's Housing Limited ("the Company") for the financial year ended 30 June 2022.

#### 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 a consultant whose 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  
NMAS Nationally Accredited Mediator  
Diploma of Governance (Institute of Community Directors)

Experience                      Erica Edmands has over 20 years experience as an equity and diversity lawyer, nationally accredited mediator, HR Director, facilitator and workplace investigator in the private and public sector. Commencing at Herbert Smith Freehills, she is presently a Director of Inclusion@work, an independent workplace investigation, mediation and diversity and inclusion specialist, and a Partner at En Masse. An experienced NFP board member, Erica is President of Kidsafe Victoria, Deputy Chair of CAPFA and a CEO mentor at Kilfinan Australia.

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. Peggy is President of the Richmond Football Club and Chancellor of RMIT University.

## Women's Housing Limited

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### Directors' Report For the Year Ended 30 June 2022

#### Information on Directors (Continued)

Andrew Cronin

Qualifications

Bachelor of Commerce, University of Melbourne  
Chartered Accountant, ICAA  
Fellow, Financial Services Institute of Australia  
Registered Company Auditor, ASIC

Experience

Andrew Cronin has more than 27 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

Graduate, 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.

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 retired from the Company on 27 June 2022. Michael 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.

Special responsibilities

Chair of the Project Control Group

## Women's Housing Limited

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### Directors' Report For the Year Ended 30 June 2022

#### Information on Directors (Continued)

Daniel Khong

Qualifications

Master of Business Administration, MIT Sloan School of Management, 2011  
Master of Architecture, University of Melbourne, 2002  
Bachelor of Planning and Design, University of Melbourne, 1998

Experience

On 25<sup>th</sup> May 2022 the Company appointed Daniel Khong as a Director. Daniel has 20 years' experience of project development, in the property and infrastructure sectors, in a career that spans architectural practice, public sector management and private sector development and finance. Daniel is a Director of Capella Capital where he works on major infrastructure projects in NSW and Victoria, with a focus on the social and affordable housing sector. His core skill is working across disciplines, navigating complex multi-stakeholder projects and engaging with government, housing associations and financiers.

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.



# Women's Housing Limited

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## Directors' Report

For the Year Ended 30 June 2022

### Sub-committees

The Company has an Audit and Financial Risk Committee (AFRC). This committee consists of Andrew Cronin (Chair) and Valerie Mosley a member. 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) (retired on 30 June 2022), Andrew Cronin, Daniel Khong (Chair) (appointed 25 May 2022) 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

The Company recorded a profit of \$26,579,070 in the current year (2021: loss of \$1,969,433). The current year's result was largely impacted by capital grant income of \$20,904,536 associated with the Big Housing Build, a philanthropic donation of \$1,500,000 and a revaluation increment of \$4,153,681 in respect of the Company's investment properties. The Company's staffing and development expenditure increased to \$2,430,872 in the current year (2021: \$2,147,572) due to additional operating resources employed to support the Company's growth.

The Company continued to progress its Big Housing Build construction program, which has a capital budget of \$127 million to build 309 new properties across metropolitan and regional Victoria. There were some delays with construction progress in the current year due to global supply chain and labour shortages associated with Covid-19. In accordance with the requirements of Australian Accounting Standards (AAS), capital grant funding related to the Big Housing Build of \$13,918,453, which was received and not spent during the year was recorded as deferred capital income on the balance sheet as a current liability. The Company incurred significantly lower bid costs of \$166,055 (2021: \$831,946) in the current year as the Company submitted fewer Big Housing Build applications for funding in this year's Regional Round compared the prior year's Rapid Round.

In accordance with the Company's governance and oversight processes, the Project Control Group, as a sub-committee of the Board has oversight in respect of the Big Housing Build project and proactively communicated with the Victorian Government regarding construction and other risks as they arose, and it engaged with lawyers and other external consultants and experts to mitigate such risks.

### 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 other than those outlined in the Review of Operations section.

### 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.

## Women's Housing Limited

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# Directors' Report

## For the Year Ended 30 June 2022

### 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 2022 the collective liability of members was \$300 (2021: \$300).

### Meeting 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	6	6	-	-
Erica Edmands	13	13	-	-	-	-
Peggy O'Neal	13	10	-	-	-	-
Andrew Cronin	13	12	6	6	9	9
Judy Line	13	13	-	-	9	9
Michael Barlow	13	10	-	-	9	9
Daniel Khong	2	2	-	-	-	-

## Women's Housing Limited

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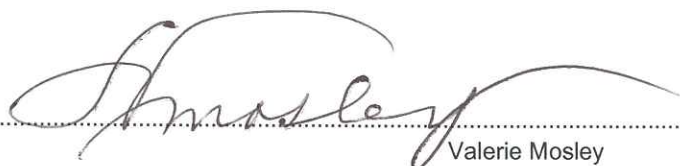
### Directors' Report For the Year Ended 30 June 2022

#### 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 2022 has been received and can be found on page 7 of the financial report.

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

Director: .....



Valerie Mosley

Dated this

18<sup>th</sup> day of November 2022



### **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 2022.

A handwritten signature in blue ink, appearing to read 'HLB Mann Judd'.

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

A handwritten signature in blue ink, appearing to be 'Jude Lau'.

**Jude Lau**  
**Partner**

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

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

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

## Women's Housing Limited

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### Statement of Profit or Loss and Other Comprehensive Income For the Year Ended 30 June 2022

		2022	2021
	Note	\$	\$
Income	4(a)	27,074,488	6,220,508
Other income	4(b)	1,572,090	69,201
Staffing and development		(2,430,872)	(2,147,572)
Depreciation expense	5	(201,258)	(195,609)
Emergency housing assistance		(842,062)	(947,036)
Property costs		(1,970,026)	(2,091,251)
Property development bid costs - Big Housing Build		(166,055)	(831,946)
Administration		(315,420)	(298,206)
Net gain/(loss) on revaluation of investment properties	9	4,153,681	(1,447,314)
Other expenses		(94,267)	(98,750)
Finance expenses	5	(201,229)	(201,468)
<b>Net profit/(loss) before income tax</b>		<b>26,579,070</b>	<b>(1,969,443)</b>
Income tax expense		-	-
<b>Net profit/(loss) for the year</b>	16	<b>26,579,070</b>	<b>(1,969,443)</b>
<b>Other comprehensive income, net of income tax</b>			
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		-	-
<b>Total comprehensive income for the year</b>		<b>26,579,070</b>	<b>(1,969,443)</b>

The accompanying notes form part of these financial statements.

# Women's Housing Limited

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## Statement of Financial Position

As At 30 June 2022

	Note	2022 \$	2021 \$
<b>ASSETS</b>			
<b>CURRENT ASSETS</b>			
Cash and cash equivalents	6a	4,560,230	1,247,718
Term deposits	6b	9,503,397	-
Trade and other receivables	7	669,686	797,015
Other assets	10	212,815	2,127,657
<b>TOTAL CURRENT ASSETS</b>		<b>14,946,128</b>	<b>4,172,390</b>
<b>NON-CURRENT ASSETS</b>			
Property, plant and equipment	8	112,578	137,986
Investment properties	9	92,165,329	61,470,345
Right-of-use assets	11(a)	194,775	188,382
<b>TOTAL NON-CURRENT ASSETS</b>		<b>92,472,682</b>	<b>61,796,713</b>
<b>TOTAL ASSETS</b>		<b>107,418,810</b>	<b>65,969,103</b>
<b>LIABILITIES</b>			
<b>CURRENT LIABILITIES</b>			
Trade and other payables	12	1,548,622	680,191
Lease liabilities	11(b)	150,290	150,030
Employee benefits	14	482,639	409,713
Other financial liabilities	15	14,107,075	188,495
<b>TOTAL CURRENT LIABILITIES</b>		<b>16,288,626</b>	<b>1,428,429</b>
<b>NON-CURRENT LIABILITIES</b>			
Borrowings	13	8,881,952	8,870,147
Lease liabilities	11(b)	50,449	50,598
Employee benefits	14	29,261	30,477
<b>TOTAL NON-CURRENT LIABILITIES</b>		<b>8,961,662</b>	<b>8,951,222</b>
<b>TOTAL LIABILITIES</b>		<b>25,250,288</b>	<b>10,379,651</b>
<b>NET ASSETS</b>		<b>82,168,522</b>	<b>55,589,452</b>
<b>EQUITY</b>			
Retained earnings	16	82,168,522	55,589,452
<b>TOTAL EQUITY</b>		<b>82,168,522</b>	<b>55,589,452</b>

The accompanying notes form part of these financial statements.

## Women's Housing Limited

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### Statement of Changes in Equity For the Year Ended 30 June 2022

2022

		Retained Earnings	Total
	Note	\$	\$
Balance at 1 July 2021	16	55,589,452	55,589,452
Net profit/(loss) for the year	16	26,579,070	26,579,070
Balance at 30 June 2022	16	82,168,522	82,168,522

2021

		Retained Earnings	Total
	Note	\$	\$
Balance at 1 July 2020	16	57,558,895	57,558,895
Net profit/(loss) for the year	16	(1,969,443)	(1,969,443)
Balance at 30 June 2021	16	55,589,452	55,589,452



## Women's Housing Limited

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### Statement of Cash Flows For the Year Ended 30 June 2022

	2022	2021
Note	\$	\$
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>		
Receipts from grants and customers (inc GST)	11,419,851	6,703,447
Receipts from capital grants - Big Housing Build	34,822,989	-
Payments to suppliers (inc GST) and employees	(8,998,848)	(6,360,448)
Interest received	10,151	11,715
Interest paid	(185,373)	(185,613)
<b>Net cash provided by/(used in) operating activities</b>	<b>17</b>	<b>169,101</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>		
Land deposits refunded	636,000	-
Proceeds from term deposit	-	1,000,000
Payment for capital works - Big Housing Build	(24,441,302)	-
Prepayment for capital works - Big Housing Build	-	(1,936,833)
Payment for capital works - investment properties	(25,975)	(59,805)
VPF grant repaid	-	(175,000)
Purchase of plant and equipment	(34,948)	(54,435)
Payment for land deposits	(235,400)	(636,000)
Term deposits invested	6(b) (9,503,397)	-
<b>Net cash provided by/(used in) investing activities</b>	<b>(33,605,024)</b>	<b>(1,862,073)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES:</b>		
Repayment of lease liabilities	(151,234)	(145,417)
<b>Net cash provided by/(used in) financing activities</b>	<b>(151,234)</b>	<b>(145,417)</b>
Net increase/(decrease) in cash and cash equivalents held	3,312,512	(1,838,389)
Cash and cash equivalents at beginning of year	1,247,718	3,086,107
<b>Cash and cash equivalents at end of financial year</b>	<b>6(a) 4,560,230</b>	<b>1,247,718</b>

# Women's Housing Limited

ABN 93 080 116 883

## Notes to the Financial Statements

### For the Year Ended 30 June 2022

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 18/11/2022.

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 – Simplified Disclosures issued by the *Australian Accounting Standards Board (AASB)* 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.



## **Notes to the Financial Statements**

### **For the Year Ended 30 June 2022**

#### **2. Summary of Significant Accounting Policies (Continued)**

##### **(a) Revenue and other income (continued)**

###### **Revenue from rendering of services**

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

###### **Operating grant income**

Operating grants are recognised as income where there is reasonable assurance that the grant will be received and all grant conditions will be met. The Company recognises a deferred income liability when consideration is received for grants where there is not reasonable assurance that all grant conditions will be met.

###### **Capital grant income**

Where the Company receives a capital grant, it recognises a liability for the excess of the initial carrying amount of the financial asset received over any related amounts recognised under other Australian Accounting Standards. Income is recognised progressively as the asset is constructed which aligns with the Company's obligation to construct the asset. The progressive percentage of costs incurred is used to recognise income, as this most accurately reflects the stage of completion.

###### **Rental income**

Investment property income is recognised in accordance 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*.

## **Notes to the Financial Statements**

### **For the Year Ended 30 June 2022**

#### **2. Summary of Significant Accounting Policies (Continued)**

##### **(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. 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. Financial instruments

##### **(e) Investments and Other Financial Instruments**

Investments and other financial assets are initially measured at fair value. Transaction costs are included as part of the initial measurement, except for financial assets at fair value through profit or loss. Such assets are subsequently measured at either amortised cost or fair value depending on their classification. Classification is determined based on both the business model within which such assets are held and the contractual cash flow characteristics of the financial asset unless an accounting mismatch is being avoided.

Financial assets are derecognised when the rights to receive cash flows have expired or have been transferred and the Company has transferred substantially all the risks and rewards of ownership. When there is no reasonable expectation of recovering part or all of a financial asset, its carrying value is written off.

###### *Financial assets at fair value through profit or loss*

Financial assets not measured at amortised cost or at fair value through other comprehensive income are classified as financial assets at fair value through profit or loss. Typically, such financial assets will be either: (i) held for trading, where they are acquired for the purpose of selling in the short-term with an intention of making a profit, or a derivative; or (ii) designated as such upon initial recognition where permitted. Fair value movements are recognised in profit or loss.

###### *Financial assets at fair value through other comprehensive income*

Financial assets at fair value through other comprehensive income include equity investments which the Company intends to hold for the foreseeable future and has irrevocably elected to classify them as such upon initial recognition.

###### *Impairment of financial assets*

The Company recognises a loss allowance for expected credit losses on financial assets which are either measured at amortised cost or fair value through other comprehensive income. The measurement of the loss allowance depends upon the Company's assessment at the end of each reporting period as to whether the financial instrument's credit risk has increased significantly since initial recognition, based on reasonable and supportable information that is available, without undue cost or effort to obtain.



## **Notes to the Financial Statements**

### **For the Year Ended 30 June 2022**

#### **2. Summary of Significant Accounting Policies (Continued)**

##### **(e) Financial Instruments (continued)**

Where there has not been a significant increase in exposure to credit risk since initial recognition, a 12-month expected credit loss allowance is estimated. This represents a portion of the asset's lifetime expected credit losses that is attributable to a default event that is possible within the next 12 months. Where a financial asset has become credit impaired or where it is determined that credit risk has increased significantly, the loss allowance is based on the asset's lifetime expected credit losses. The amount of expected credit loss recognised is measured on the basis of the probability weighted present value of anticipated cash shortfalls over the life of the instrument discounted at the original effective interest rate.

##### **(f) Trade and Other Receivables**

Trade receivables are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method, less any allowance for expected credit losses. Trade receivables are generally due for settlement within 30 days. The Company has applied the simplified approach to measuring expected credit losses, which uses a lifetime expected loss allowance. To measure the expected credit losses, trade receivables have been grouped based on days overdue.

Other receivables are recognised at amortised cost, less any allowance for expected credit losses.

##### **(g) Trade and other payables**

These amounts represent liabilities for goods and services provided to the Company prior to the end of the financial year and which are unpaid. Due to their short-term nature they are measured at amortised cost and are not discounted. The amounts are unsecured and are usually paid within 30 days of recognition.

##### **(h) Borrowings**

Loans and borrowings are initially recognised at the fair value of the consideration received, net of transaction costs. They are subsequently measured at amortised cost using the effective interest method.

##### **(i) 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:

<b>Fixed asset class</b>	<b>Depreciation rate</b>
Motor Vehicles	20 -25%
Furniture and equipment	20 - 30%

## **Notes to the Financial Statements**

### **For the Year Ended 30 June 2022**

#### **2. Summary of Significant Accounting Policies (Continued)**

##### **(i) Plant and Equipment (Continued)**

###### **Depreciation (continued)**

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.

##### **(j) Investment Property**

Investment properties principally comprise of freehold land and buildings held for long-term rental and capital appreciation that are not occupied by the Company. Investment properties are initially recognised at cost including transaction costs. 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, the Directors update their assessment of the fair value of each property, considering the most recent independent valuations and consideration of other relevant data including market-based evidence. Investment properties are neither depreciated nor tested for impairment. Investment properties also include properties under construction for future use as investment properties. They are recorded at cost during the construction phase.

For investment properties measured at fair value, the current use of the asset is considered the highest and best use.

Movements in fair value are recognised directly to profit or loss. Investment properties are derecognised when disposed of or when there is no future economic benefit expected.

Transfers to and from investment properties to property, plant and equipment are determined by a change in use of owner-occupation. The fair value on the date of change of use from investment properties to property, plant and equipment are used as deemed cost for the subsequent accounting. The existing carrying amount of property, plant and equipment is used for the subsequent accounting cost of investment properties on the date of change of use.

##### **(k) 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.



## **Notes to the Financial Statements**

### **For the Year Ended 30 June 2022**

#### **2. Summary of Significant Accounting Policies (Continued)**

##### **(k) Leases (Continued)**

###### **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.

###### **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 where 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.

##### **(l) 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.

## **Notes to the Financial Statements**

### **For the Year Ended 30 June 2022**

#### **2. Summary of Significant Accounting Policies (Continued)**

##### **(m) 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.

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.

##### **(n) Adoption of new and revised accounting standards**

The Company has adopted all standards which became effective for the first time at 1 July 2021, the adoption of these standards has not caused any material adjustments to the reported financial position, performance or cash flow of the Company.

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

##### *Conceptual Framework for Financial Reporting (Conceptual Framework)*

The Company has adopted the revised Conceptual Framework from 1 July 2021. The Conceptual Framework contains new definition and recognition criteria as well as new guidance on measurement that affects several Accounting Standards, but it has not had a material impact on the company's financial statements.

##### *AASB 1060 General Purpose Financial Statements – Simplified Disclosures for For-Profit and Not-for-Profit Tier 2 Entities*

The Company has adopted AASB 1060 from 1 July 2021. The standard provides a new Tier 2 reporting framework with simplified disclosures that are based on the requirements of IFRS for SMEs. As a result, there is increased disclosure in these financial statements for key management personnel and related parties.



## **Notes to the Financial Statements**

### **For the Year Ended 30 June 2022**

#### **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.

##### **Measuring deferred capital grant income**

Where the Company has received funding to construct an identifiable non-financial asset, such funding is recognised as deferred capital grant income until the underlying asset is constructed. The Company applies significant judgement when measuring the deferred capital grant income balance, which references the estimated stage of completion at the end of each financial year.

##### **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 increment of \$4,153,681 (2021: decrement of \$1,447,314) being recognised for the year ended 30 June 2022.

For the properties which were revalued as at 30 June 2021, the Directors have reviewed the key assumptions adopted by the valuers, other market data points as at 30 June 2022 and do not believe there has been a significant change in the assumptions at 30 June 2022. Therefore, Directors believe the carrying amount of the freehold land and buildings reflects their fair value at 30 June 2022.

##### **Coronavirus (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 unfavorably as at the reporting date or subsequently as a result of the Coronavirus (COVID-19) pandemic.

## Women's Housing Limited

ABN 93 080 116 883

### Notes to the Financial Statements For the Year Ended 30 June 2022

#### 4. Income and Other Income

##### (a) Income

	2022	2021
	\$	\$
- rent	2,860,143	2,800,962
- interest received	10,090	11,594
- operating grants	3,299,719	3,407,952
- capital grants	20,904,536	-
15 (a) <b>Total income</b>	<u>27,074,488</u>	<u>6,220,508</u>

##### (b) Other Income

- other income	2,825	17,567
- donations	1,569,265	51,634
<b>Total other income</b>	<u>1,572,090</u>	<u>69,201</u>
<b>Total income and other income</b>	<u>28,646,578</u>	<u>6,289,709</u>

#### 5. Result for the Year

The result for the year includes the following specific expenses:

	2022	2021
	\$	\$
<b>Employee benefits expense</b>		
- Contributions to defined contribution superannuation funds	213,555	186,674
<b>Depreciation expense</b>		
- Motor vehicles	22,896	21,544
- Furniture and equipment	37,462	33,165
- Right-of-use assets	140,900	140,900
<b>Total depreciation expense</b>	<u>201,258</u>	<u>195,609</u>
<b>Finance costs</b>		
- Interest expense	185,373	185,613
- Interest – Cremorne lease	4,051	4,050
- Loan amortisation	11,805	11,805
<b>Total finance costs</b>	<u>201,229</u>	<u>201,468</u>
Bad debts written off	50,000	20,000
Auditor remuneration - audit services	31,515	19,268

# Women's Housing Limited

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## Notes to the Financial Statements For the Year Ended 30 June 2022

### 6. Cash and Cash Equivalents

	2022	2021
Note	\$	\$
Cash at bank	4,560,230	1,247,718
<b>Total cash and cash equivalents</b>	<b>4,560,230</b>	<b>1,247,718</b>

#### (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:

Cash and cash equivalents	4,560,230	1,247,718
Balance as per statement of cash flows	4,560,230	1,247,718

#### (b) Financial instruments

Term deposits maturing <90 days	9,503,397	-
<b>Total financial instruments</b>	<b>9,503,397</b>	<b>-</b>

Included in the term deposit balance is \$9,451,979 which the Company received prior to 30 June 2022 from the Director of Housing, under the Social Housing Growth Fund, related to the Big Housing Build. These funds can only be utilised in the delivery of Big Housing Build projects.

### 7. Trade and other receivables

	2022	2021
Note	\$	\$
<b>CURRENT</b>		
Trade receivables	150,247	129,615
Provision for impairment	(120,000)	(100,000)
	30,247	29,615
GST receivable	179,547	-
Deposits	124,672	124,670
Refundable land deposit	235,400	636,000
Capital grant receivable – Big Housing Build	99,820	6,730
<b>Total current trade and other receivables</b>	<b>669,686</b>	<b>797,015</b>

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

Balance at beginning of the year	100,000	80,000
Additional impairment loss recognised	20,000	40,000
<i>Amounts written off as uncollectible:</i>		
Directly to P&L	-	(20,000)
<b>Balance at end of the year</b>	<b>120,000</b>	<b>100,000</b>

#### (b) Land deposit refunds

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

## Women's Housing Limited

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### Notes to the Financial Statements For the Year Ended 30 June 2022

#### 8. Property, plant and equipment

	2022	2021
	\$	\$
<b>Motor vehicles</b>		
At cost	117,781	117,781
Accumulated depreciation	(75,541)	(52,645)
<b>Total motor vehicles</b>	<u>42,240</u>	<u>65,136</u>
<b>Furniture and equipment</b>		
At cost	263,169	228,220
Accumulated depreciation	(192,831)	(155,370)
<b>Total furniture and equipment</b>	<u>70,338</u>	<u>72,850</u>
<b>Total property, plant and equipment</b>	<u>112,578</u>	<u>137,986</u>

#### (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 2022			
Balance at beginning of year	65,136	72,850	137,986
Additions	-	34,948	34,948
Depreciation expense	(22,896)	(37,460)	(60,356)
Balance at the end of the year	<u>42,240</u>	<u>70,338</u>	<u>112,578</u>



## Women's Housing Limited

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### Notes to the Financial Statements For the Year Ended 30 June 2022

#### 9. Investment Properties

	2022	2021
Note	\$	\$
Investment properties, at fair value		
Opening balance at 1 July	61,470,345	62,857,854
Capital improvements	25,974	59,805
Net gain (loss) from fair-value adjustment	4,153,681	(1,447,314)
Closing balance at 30 June	9(a) 65,650,000	61,470,345
Investment properties - Capital work in progress, at cost		
Opening balance at 1 July	-	-
Transfer from prepayments	1,936,833	-
Land acquisition and construction costs	24,578,496	-
Closing balance at 30 June	26,515,329	-
Total investment properties	92,165,329	61,470,345

#### (a) Investment properties held

656 Mountain Hwy, Bayswater	11,435,000	10,580,000
658 Mountain Hwy, Bayswater	10,735,000	10,032,390
Bentleigh	21,615,000	21,615,000
Box Hill	1,250,000	1,250,000
Cobblebank	620,000	520,000
Craigieburn	1,570,000	1,310,000
Meadow Heights	3,460,000	2,900,000
Newport	11,235,000	10,097,955
Strathulloch	525,000	430,000
Tarneit	615,000	515,000
Werribee	2,590,000	2,220,000
Total investment properties held	65,650,000	61,470,345

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

Rental income	1,836,740	1,824,910
Direct operating expenses from the property that generated rental income	(885,971)	(734,592)
Total amounts recognised in profit and loss for investment properties	950,769	1,090,318



## **Notes to the Financial Statements**

### **For the Year Ended 30 June 2022**

#### **9. Investment Properties (continued)**

##### **(c) Valuation basis**

It is the Company's policy to obtain independent valuations for its completed investment properties on a biennial basis to enable Directors 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. For investment properties, the fair values are based on directors' valuation which take into consideration recent external independent valuations performed using comparable market data for similar properties and other market data points as at each year end.

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.

For the Bentleigh and Box Hill properties, the Directors have determined that the independent valuations performed on the investment properties as at 30 June 2021 were not materially different as at 30 June 2022 based on a review of market conditions and movements to warrant a change to the recorded value of these properties as at 30 June 2022.

##### **(d) Covid-19 uncertainty**

Last year's independent valuers, which formed the basis of the 2021 Directors' valuation, 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 had impacted the real estate market but did not invalidate the valuation nor implied that the valuation cannot be relied upon.

##### **(e) Security interest**

The Director of Housing has registered his interest on the title of all the Company's properties except for the Box Hill property. 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 13. These loans are secured by first mortgages over the investment properties at Newport, Bentleigh, Box Hill, Bayswater and land acquired at 10 Big Housing Build development sites and a priority deed is in place between the Company, NHFIC, Bank Australia and the Director of Housing.

##### **(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 and the Company's valuation reflects the impact of this covenant.

## Women's Housing Limited

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### Notes to the Financial Statements For the Year Ended 30 June 2022

#### 10. Other Assets

	2022	2021
	\$	\$
CURRENT		
Prepayments	97,159	71,898
Accrued income	115,656	118,926
Property prepayments	-	1,936,833
<b>Total current other assets</b>	<b>212,815</b>	<b>2,127,657</b>

#### 11. 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 2023.

##### (a) Right-of-use assets

	Office Premises	Total
	\$	\$
Year ended 30 June 2022		
Balance at beginning of year	188,382	188,382
Additions	147,293	147,293
Depreciation expense	(140,900)	(140,900)
Balance at end of year	194,775	194,775
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

##### (b) Lease liabilities

	2022	2021
	\$	\$
CURRENT		
Lease liability payable within 1 year	150,290	150,030
NON-CURRENT		
Lease liability payable within one to five years	50,449	50,598
<b>Total lease liabilities</b>	<b>200,739</b>	<b>200,628</b>

## Women's Housing Limited

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### Notes to the Financial Statements For the Year Ended 30 June 2022

#### 11 Company as a lessee (continued)

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

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

	2022	2021
	\$	\$
Interest expense on lease liabilities	(4,051)	(4,050)
Depreciation of right-of-use assets	(140,900)	(140,900)
	<u>(144,951)</u>	<u>(144,950)</u>

##### (d) Statement of Cash Flows

Total cash outflow for leases	<u>(151,234)</u>	<u>(145,417)</u>
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#### 12. Trade and Other Payables

	2022	2021
	\$	\$
CURRENT		
Trade payables	434,553	297,360
GST payable	74,185	19,794
Accrued expenditure – Big Housing Build	741,852	-
Employee benefits	50,681	46,621
Other payables	241,351	316,416
Total current trade and other payables	<u>1,548,622</u>	<u>680,191</u>



## Notes to the Financial Statements

### For the Year Ended 30 June 2022

#### 13. Borrowings

	2022	2021
	\$	\$
NON-CURRENT		
<i>Secured liabilities:</i>		
Bank loans	9,000,000	9,000,000
Loan establishment costs	(118,048)	(129,853)
Total non-current borrowings	8,881,952	8,870,147

#### (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.

The Company entered into an agreement with Bank Australia for construction finance of \$23 million which came into effect in December 2021. The agreement has a term of 5 years and the interest rate is based on the quarterly index rate plus a 2.5% margin. The facility remains unused at 30 June 2022.

#### (b) Assets pledged as security

NHFIC holds a registered first 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. No other assets are pledged in respect of this facility.

There were no defaults during the year ended 30 June 2022 (2021: NIL).

The key financial covenants imposed by NHFIC in the current year are:

- a temporary minimum actual and forecast interest cover ratio of 1.25;
- a temporary minimum security pool interest cover ratio threshold of 1.25; and
- LVR not to exceed 45%.

The actual and forecast and security pool interest cover ratio covenants imposed by NHFIC will increase to a minimum of 1.5 upon the earlier of:

- the practical completion of construction of the Lyndarum and Pakenham Big Housing Build sites; and
- the first drawdown under the loan agreement between Bank Australia and WHL.

The non financial covenants imposed by NHFIC are:

- production of audited financial statements and other financial information; and
- all mortgaged properties are to be valued at least every 3 years.

Bank Australia holds a registered first mortgage over the Bayswater properties which are valued at \$22,170,000.

Bank Australia holds a registered first mortgage over land acquired for 10 Big Housing Build sites which have a carrying value of \$14,758,000 as at 30 June 2022. Bank Australia also has in place a finance direct deed with the Company, the Director of Housing and itself and holds general security interest over all present and acquired properties.

The key financial covenants imposed by Bank Australia are:

- a minimum interest cover ratio threshold of 1.5 at all times following completion of Big Housing Build construction phase;
- a minimum security pool interest cover ratio threshold of 1.5 following completion of Big Housing Build construction phase; and
- LVR not to exceed 50%.

The non financial covenants imposed by Bank Australia are:

- production of audited financial statements and other financial information; and

## Notes to the Financial Statements

### For the Year Ended 30 June 2022

#### 13. Borrowings (continued)

##### (b) Assets pledged as security (continued)

- requests for valuations of mortgaged properties at any time (but only once every 3 calendar years).

No other assets are pledged as security.

The Company complied with all financial covenants throughout the financial years ended 30 June 2022 and 30 June 2021.

##### (c) Priority deed

A priority deed is in place between the Company, NHFIC, Bank Australia and the Director of Housing. The agreement sets out that:

- NHFIC holds first priority over all properties mortgaged to them and holds first ranking general security agreement, subject to other mortgages;
- Bank Australia holds first priority over all properties mortgaged to them and holds second ranking general security agreement, subject to other mortgages; and
- the Director of Housing holds second ranking over all properties mortgaged to the Director of Housing.

#### 14. Employee Benefits

	2022	2021
	\$	\$
CURRENT		
Annual leave	332,647	275,311
Long service leave	149,992	134,402
<b>Total current employee benefits</b>	<b>482,639</b>	<b>409,713</b>
NON-CURRENT		
Long service leave	29,261	30,477
<b>Total non-current employee benefits</b>	<b>29,261</b>	<b>30,477</b>

##### (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.

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



## Women's Housing Limited

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### Notes to the Financial Statements For the Year Ended 30 June 2022

#### 15. Other Financial Liabilities

	2022	2021
Note	\$	\$
CURRENT		
Capital grants deferred – Big Housing Build	15(a) 13,918,453	-
Government grants	79,094	96,902
Rent received in advance	109,528	91,593
Total current other financial liabilities	<u>14,107,075</u>	<u>188,495</u>

#### (a) Capital grants deferred – Big Housing Build

	2022	2021
Note	\$	\$
Opening balance of capital grants deferred – Big Housing Build	-	-
Grant consideration for capital works that was included in the deferred liability balance	-	-
Grant consideration for capital works received during the year	35,011,611	-
Capital grant income recognised on completion of capital works during the year	4 (a) (20,904,536)	-
Closing balance of capital grants deferred – Big Housing Build	<u>14,107,075</u>	<u>-</u>

#### 16. Retained Earnings

	2022	2021
	\$	\$
Retained earnings at the beginning of the financial year	55,589,452	57,558,895
Net profit/(loss) for the year	26,579,070	(1,969,443)
Retained earnings at end of the financial year	<u>82,168,522</u>	<u>55,589,452</u>

## Women's Housing Limited

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### Notes to the Financial Statements For the Year Ended 30 June 2022

#### 17. Cash Flow Information

Reconciliation of result for the year to cashflows from operating activities

	2022	2021
	\$	\$
Net profit/(loss) for the year	26,579,070	(1,969,443)
Non-cash flows in profit:		
- depreciation	201,258	195,609
- impairment of receivables	20,000	20,000
- amortisation of borrowing costs	11,805	11,805
- interest on lease liability	4,051	4,050
- net fair value (gains)/losses on investment properties	(4,153,681)	1,447,314
Changes in assets and liabilities:		
- (increase)/decrease in trade and other receivables	(293,271)	14,832
- (increase)/decrease in prepayment and other assets	(21,991)	(32,882)
- increase/(decrease) in employee benefits	71,710	120,196
- increase/(decrease) in trade and other payables	731,240	290,865
- increase/(decrease) in other financial liabilities	13,918,579	66,755
<b>Net cash provided by/(used in) operating activities</b>	<b>37,068,770</b>	<b>169,101</b>

## Women's Housing Limited

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### Notes to the Financial Statements For the Year Ended 30 June 2022

#### 18. 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 \$756,181 (2021: \$824,181).

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 favorable 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 \$677 (2021: \$NIL) during the year ended 30 June 2022 on normal commercial terms and conditions.

A Director, Michael Barlow, is a director of Urbis Pty Ltd (Urbis), while another Director, Daniel Khong's spouse is an associate Director of Urbis. Urbis has provided planning advice and assistance to the Company for \$344,198 (2021: \$44,718) during the year ended, on normal commercial terms and conditions.

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

#### 19. 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	2022 \$	2021 \$
Recurring fair value measurements			
Investment properties	9	65,650,000	61,470,345
Total assets at fair value on a recurring basis		<u>65,650,000</u>	<u>61,470,345</u>

## Women's Housing Limited

ABN 93 080 116 883

### Notes to the Financial Statements For the Year Ended 30 June 2022

#### 20. Capital Commitments

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

##### Apartment purchase - Brunswick West

	2022	2021
	\$	\$
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

##### Big Housing Build capital works

	2022	2021
	\$	\$
Payable within one year	44,007,091	-
Payable between one year and five years	41,033,093	-
Total Big Housing Build capital works commitments	85,040,184	-

Total estimated capital work expenditure for the Big Housing Build is \$105,060,732. Additional Big Housing Build capital commitments of \$20,020,548 are estimated for future contracts that are not entered into at 30 June 2022.

#### 21. Members' Guarantee

The Company is incorporated under the *Corporations Act 2001* and is a Company limited by guarantee. If the Company is wound up, the constitution states that each member is required to contribute a maximum of \$50 each towards meeting any outstandings and obligations of the Company. At 30 June 2022 the number of members was 6 (2021: 6).

#### 22. Contingencies

In the opinion of the Directors, the Company did not have any other contingencies at 30 June 2022 (30 June 2021: None).



## **Notes to the Financial Statements**

**For the Year Ended 30 June 2022**

### **23. 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.

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

- Note 3 Critical Accounting Estimates and Judgements
- Note 9 Investment Properties

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.

### **24. Events after the end of the Reporting Period**

The Company entered into a design and construction agreement with GJ Gardner Homes Warrnambool on 24 October 2022 to construct 31 dwellings in Portland with a cost to the Company of \$7,812,678 (excl. GST). This development is part of the Big Housing Build Social Housing Growth Fund Rapid Round.

The Company entered into a funding agreement with the Director of Housing on 7 September 2022 to receive capital grant funding of \$2,661,774 (the Company's co-contribution is \$665,480) to purchase 7 dwellings in Ballan as part of the Big Housing Build Regional Round.

### **25. 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

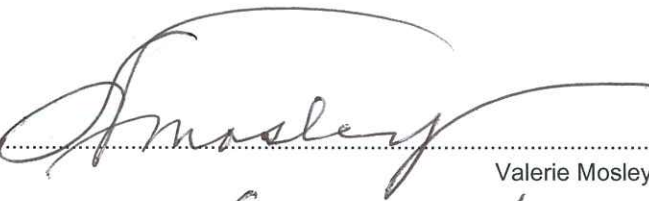
### Directors' Declaration

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 – Simplified Disclosures 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 2022 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 18th day of November 2022

## **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 2022, 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 directors' 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 2022 and of its financial performance for the year then ended; and
- (b) complying with Australian Accounting Standards – Simplified Disclosures 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 2022, but does not include the financial report and our auditor's report thereon.

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

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

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

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

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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 the 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 – Simplified Disclosures 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**