



Women's Housing Ltd.

# ANNUAL REPORT 2014



### **Our Vision**

All women will have safe, secure, affordable housing choices

### **Our Purpose**

Effective provision of specialist housing services

### **Our Values**

Respect, Communication, Innovation, Justice, Integrity

### **Our People**

Board, staff and volunteers

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## 2014 Message From the Chair



**Don Farrands**  
Chairperson

For more than 15 years Women's Housing has been making a significant contribution to the provision of affordable safe and secure housing in Victoria for women and their children in need.

Our organisation now has substantial resources and expertise to continue to meet its objective of caring for those who would not otherwise have access to one of life's most primary needs, housing.

Our revenue was in excess of \$4m for the year ended 30 June 2014 and we now have an asset base of housing facilities in the order of \$33m. Our housing capacity is essentially focussed around Metropolitan Melbourne, with our two key facilities at Bayswater and Bentleigh (the latter being opened in 2013). Our total unit capacity is in the order of 390 (including rooming house accommodation) units, housing some 600 people in need of accommodation.

### Progress Made During 2013-14

We have continued to develop over the last year our corporate governance initiatives and have undertaken a major strategic review of how best to grow further in order to provide further and much needed support for women and their children who would otherwise be in desperate need of housing.

Our organisation has continued to ensure that we remain fully integrated with other support networks so that as best we can the people we care for receive as much support as is available.

Our support work is provided through vital partnerships and supporting relationships including with the Victorian State Government, our lenders, our advisors, and our volunteers, and we have continued to sustain and develop our relationships to ensure that all stakeholders are working together to support community housing.

A large amount of work has been undertaken in relation to the development of a proposed new facility at Newport, in metropolitan Melbourne. If that development progresses to completion, it will increase our organisation's capacity to provide new and appropriate housing to those in need by approximately 25%. The approval processes for that project are currently being worked through.

### The Outlook

All agencies and studies across Australia including in Victoria have indicated that housing for those in need continues to be more and more difficult to access. This is becoming particularly so for older women. Domestic and family violence continues to be the major driver of homelessness and escaping violence is the most common reason provided by people who seek help from specialist homelessness services.



In March 2014, the Victorian Government released the *Victorian Social Housing Framework* that set out the key priorities for improving social housing outcomes. The impact of the framework will largely be felt under the banner of 'better assets' which considers the strategy of transferring housing stock from public housing to community housing. We intend to be an active participant in the stock transfer process and to ensure that we are part of access to more affordable housing so that it can be made available to vulnerable women.

In the coming year, WHL will continue to focus on:

- growing affordable housing by development of appropriate new projects, including our project to build a major new facility at Newport;
- positioning itself to receive as appropriate stock transfers from Government so as to grow its asset base;
- continuing to provide transitional housing to those most in need;
- developing our links with the philanthropic community to help achieve our vision;
- investigating further and new opportunities for various fund raising activities to support its growth strategy;
- providing operationally efficient and effective support services.

## Thanks

I wish to thank our Board for their dedication and significant commitment to the leadership and strategic direction it has given Women's Housing over 2014. Our Audit and Financial Risk Management Committee has also undertaken important work and I thank the members of the Committee. The strategic workshops undertaken by the board with senior management have been extremely productive and provide a strong foundation for our future work.

I also wish to acknowledge the significant leadership contribution of Judy Line, our CEO, our chief financial officer Adrian McKenzie, and our Operations Manager, Lindy Parker. Each of them has provided energetic commitment to pursuing the organisations goals and objectives. On behalf of the board, thanks to each of you.

I also wish to thank the tireless and excellent staff under the leadership of the senior management team within Women's Housing for their commitment and professionalism in enabling the efficient and effective use of the resources of our organisation towards those who need it most.

May I also thank the those who have worked on our Newport project this year, including the significant support from our legal representatives, led by Michelle Quigley QC, and supported by Marita Foley of counsel, along with Michelle Keen and Katie Prior Herbert Smith Freehills, solicitors, in relation to planning approval aspects of the project. We are extremely grateful for the unparalleled professional support.

## Commitment

With our strong Board and management and staff, the support of our stakeholders including the State Government, and with strong co-operation with our partners, we will continue to use our resources to the extent possible to provide affordable, safe and secure housing to those in need.

The Board, management and staff within Women's Housing remain dedicated to our aim of providing the best possible opportunities for women and their children to progress. We must provide where we can the opportunity for happier, more sustainable, futures, in which prospects and wellbeing are both real and achievable.

**Don Farrands**  
Chair



## Chief Executive Officer Report



**Judy Line**  
Chief Executive Officer

In 2014, WHL reviewed its operations and organisational structure and prepared the agency to undertake its tenancy and property management responsibilities under the terms of the General Lease (replacing the Housing Provider Framework Lease). This work has also contributed to positioning the agency to participate in stock transfer processes.

Our key achievements this year:

- Housed over 600 women and children in a mix of Transitional and Community Housing
- Assisted 20 families to find long-term stable accommodation
- Provided financial assistance to 606 women experiencing a housing crisis
- Assisted 92 women exiting prison to secure accommodation.
- Submitted a planning application to replace the 7 aged units at Bradley Street Newport with 21 new apartments. (VCAT decision pending)
- Reviewed all WHL policy and procedures
- Conducted an organisational review (to be completed December 2014)

### Transitional Housing and Women's Services

This year, the women's services team assisted 606 women with Housing Establishment Funds (HEF) with the average payment being \$303. In the Transitional Housing Program (THM), the average length of stay decreased slightly from 19 months to 18.05 months which is reflective of the difficult private rental market and lack of affordable housing options.



### Homelessness Services Data

	2013-2014	2012-2013
<b>Intake Assessment and Planning Service</b>		
Number of client contacts	6018	3,722
Housing Establishment Funds distributed	\$183,776	\$174,743
Average HEF Payment	\$303	\$306
Total HEF assists	606	571
Rent In Advance	246	187
Rent In Arrears	245	206
Crisis/Overnight Accommodation	88	104
Relocation costs	20	58
Bond	-	4
Whitegoods	12	12
<b>Tenancy Administration Services</b>		
Transitional Properties as at 30 June	106	104
Total Households Accommodated	141	148
Exits	48	57
Average Length of Tenancy	18.05 months	19 months

### Community Housing and Rooming House

WHL housed 475 tenants this year. Once again, this is reflective of the lack of affordable housing choices particularly for low income single women and men. We expect this trend to continue while rents remain high and vacancies low in the private rental market.

	2013-2014	2012-2013
<b>Households Accommodated</b>		
Rooming House Tenancies	359	309
Community Housing Tenancies	116	109

### Financial Performance

Revenue for the financial period 2013/14 excluding capital grants and fair value property adjustments increased by 7% to \$4m from \$3.8m. Operating surplus for the financial period 2013/14 excluding capital grants and fair value property adjustments decreased to \$100k from \$373k. The total assets for the company increased by 5% to \$33.7m from \$32.2m over the financial year.

**Judy Line**  
Chief Executive Officer



# WHL – Directors and Management

## Don Farrands

### Chairman

Donald Farrands has significant and varied experience in law commerce and the arts. He has more than 13 years experience as a barrister at the Victorian Bar specialising in energy law and commercial, contractual and trade practices disputes. He is the author of two publications *The Law of Options* and *The Law of Options and other Pre-emptive Rights*. He is a member of Institute of Chartered Accountants, Australian Institute of Energy, Directors' Institute of Australia, as well as the Financial Services Institute of Australasia. Don has a strong interest in sustainable energy co-founding Novera Energy a sustainable energy company that listed on the ASX in 2005. Don was also a foundation director of List G Pty Ltd, which manages some 80 barristers. Don is also a Fellow of Leadership Victoria. His interests in community and arts matters include being the originator of the Glass Soldier Project which included a theatre production with MTC and an orchestral suite composed by Nigel Westlake. Don is also Chair of the Melbourne Villers Brettoneux Brass Ensemble. Don's previous work experience includes corporate counsel with Rio Tinto, CFO for Comalco Smelting, and solicitor for Freehills.



### Qualifications

- Bachelor of Economics, ANU
- Bachelor of Laws, ANU
- Graduate Diploma in Applied Finance
- Chartered Accountant

## Valerie Mosley

### Company Secretary

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.

### Qualifications

- BS Business Education, University of Houston (USA)
- Leadership Victoria Alumni

## Erica Edmands

### Director

Erica Edmands has business experience across law, human resources, mental health and diversity. She is currently a founding director of InclusionMatters and an associate director at mh@work, a successful mental health education company. Through these positions Erica has gained experience at designing, delivering and implementing strategic cultural change, diversity, wellbeing and resilience programs. Erica is Vice President at Kidsafe Victoria where she leads the governance and relocation sub-committees and also a member of the fundraising/marketing sub-committee. Erica has also been a Senior Solicitor for Herbert Smith Freehills and Harmers Workplace Lawyers and held senior HR Manager roles with Comalco and Minter Ellison.



### Qualifications

- Bachelor of Laws
- Bachelor of Arts (Economics and History) University of Melbourne



## Peggy O'Neal

### Director

Peggy O'Neal has worked as a lawyer in the superannuation and financial services industry for more than 20 years. She is currently a part-time consultant for Landers and Rogers Lawyers. Previously Peggy was a partner at Herbert Smith Freehills and acted as a consultant to the Commonwealth Treasury on the Super System Review and the Stronger Super reform package. She presently serves as a non executive director on several boards including the Commonwealth Superannuation Corporation and is President of the Richmond Football Club. Peggy is the first female in AFL/VFL history to be the President of a football club. She has been named by the AFR peer review survey as one of the "Best Lawyers" in Australia in 2010, 2011, 2012 and 2013 and as the "Best Superannuation Lawyer in Melbourne" in 2013.



### Qualifications

- Bachelor of Arts, Virginia Polytechnic, Institute and State University (USA)
- Juris Doctor, University of Virginia (USA)
- Fellow, Australian Institute of Company Directors

## Andrew Cronin

### Director

Andrew Cronin has over 19 years experience in the professional services sector. He is currently a partner with PricewaterhouseCoopers, where he specialises in providing assurance and advisory services to public companies. He works across a range of industries, including the property and construction sectors, and he is experienced in advising companies on appropriate governance and internal control frameworks. Andrew has worked in a number of countries, including over two years in the United States. Andrew also sits on an Advisory Board for a financial planning business.



### Qualifications

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

## Judy Line

### Chief Executive Officer

Judy Line has worked in the housing and homelessness sector since 1986 and has been CEO at Women's Housing Limited since 2005. Prior to her position with Women's Housing Limited, 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 Women's Housing Limited, the agency has grown from a small transitional housing manager to a housing company that now provides long term social housing and specialises in building new affordable housing for women and their children. She is currently on the board of the Community Housing Federation Victoria and a member of Power Housing.



### Qualifications

- Graduate of the Australian Institute of Company Directors
- Master of Business Administration
- Post Graduate Management
- Diploma Community Services (Community Development)

## Adrian McKenzie

### Chief Financial Officer

Adrian McKenzie has over 25 years experience as a finance executive, working both in the profession and industry. He is a member of the Institute of Chartered Accountants and Governance Institute of





Australia. Adrian worked for over 10 years with PWC across a range of industries and services, which included UK and USA secondments. He has spent the last 15 years working as CFO and Company Secretary of two ASX listed companies, IDT Australia and Q Technology Group. Adrian joined Women's Housing Limited as CFO and Company Secretary in 2014

#### Qualifications

- Bachelor of Applied Economics, Deakin University
- Chartered Accountant, ICAA
- Governance Institute of Australia Member

### Lindy Parker

#### Operations Manager

Lindy Parker has spent some time working for the then Department of Immigration and Ethnic Affairs. During that time, Lindy worked with emerging ethnic communities. She then ventured into the community housing sector, first joining Community Housing Limited working as the Co-Ordinator of the transitional and long term teams in the South Eastern region before joining Women's Housing Limited as the Operations Manager in 2006. Since joining Women's Housing Limited, Lindy has worked to achieve full accreditation through QICSA and registration as a housing provider with the Office of Housing. She has overseen a total overhaul of the operations of Women's Housing Limited to ensure its readiness to assume greater opportunities in the community housing sector.



#### Qualifications

- Diploma of Teaching
- Certificate of Social Housing (1V)
- Diploma of Business Management



# Concise Financial Report

Women's Housing Limited

ACN: 080 116 883

Concise Financial Report for the Year Ended 30 June 2014

## Information on Concise Financial Report

The concise financial report and disclosures have been derived from the Women's Housing Limited Financial Report for the year ended 30 June 2014. The discussion and analysis is provided to assist members in understanding the concise financial report. The concise financial report cannot be expected to provide a full understanding of the financial performance, financial position and financing and investing activities of the company as the full financial report, which is available upon request.

## Financial Performance

Operating income for the 2014 financial period is \$1.8m compared to a surplus of \$2.8m for the previous financial year. Revenue and other income for the period totalled \$5.7m (2013: \$6.3m). The decrease is due to a reduction in the fair value adjustment for the investment properties in 2014, \$1.7m compared to \$ 2.2m in the prior year. This decrease is the major factor in the reduction in the net surplus for the 2014 financial year compared with the previous year.

## Financial Position

The total asset of the company at 30 June 2014 is \$33.8m (2013:\$32.2m) which is an increase of 5% on the prior period. The total liability of the company at 30 June 2014 is \$5.2m (2013:\$5.4m) which is a decrease of 4% on the prior period. The major movements in the assets for the period were valuation increases relating to investment properties.

## Cashflows

There has been a decrease in cash held for the 2014 financial period of \$0.2m compared to \$1.2m. This difference from the prior year is primarily due to the capital costs incurred in 2013 relating to the completion of the Bentleigh building project .



**Women's Housing Limited**  
**ACN: 080 116 883**

Statement of Comprehensive Income for the Year Ended 30 June 2014

	<b>2014</b>	<b>Restated 2013</b>
	<b>\$</b>	<b>\$</b>
Revenue	4,039,302	4,004,171
Other income	1,711,672	2,256,513
Depreciation and amortisation expense	(11,468)	(24,000)
Interest expense	(319,613)	(345,307)
Fair value gain/(loss) on financial derivative	(20,816)	16,318
Emergency Housing Assistance	(203,511)	(169,823)
Staffing and Development	(1,368,300)	(1,241,178)
Property Costs	(1,618,540)	(1,296,275)
Occupancy Costs	(102,429)	(98,518)
Administration	(195,396)	(137,045)
Other Expenses	(57,592)	(36,714)
Motor Vehicle	(71,737)	(99,904)
<b>Current year surplus before income tax</b>	<b>1,781,572</b>	<b>2,828,238</b>
Income tax expense	—	—
<b>Net current year surplus</b>	<b>1,781,572</b>	<b>2,828,238</b>
<b>Other comprehensive income:</b>		
<b>Items that will not be reclassified subsequently to profit or loss:</b>		
<b>Other comprehensive income for the year</b>	—	—
<b>Total comprehensive income for the year</b>	<b>1,781,572</b>	<b>2,828,238</b>
Total comprehensive income attributable to members of the entity	1,781,572	2,828,238

The accompanying notes form part of these financial statements.



**Women's Housing Limited**  
**ACN: 080 116 883**

Statement of Financial Position as at 30 June 2014

	<b>2014</b>	<b>Restated 2013</b>
	<b>\$</b>	<b>\$</b>
<b>ASSETS</b>		
<b>CURRENT ASSETS</b>		
Cash and cash equivalents	561,586	721,982
Accounts receivable and other debtors	109,563	57,062
Other current assets	8,042	9,436
<b>TOTAL CURRENT ASSETS</b>	<b>679,191</b>	<b>788,480</b>
<b>NON-CURRENT ASSETS</b>		
Investment Properties	33,080,000	31,397,750
Property, plant and equipment	23,427	15,286
<b>TOTAL NON-CURRENT ASSETS</b>	<b>33,103,427</b>	<b>31,413,036</b>
<b>TOTAL ASSETS</b>	<b>33,782,618</b>	<b>32,201,516</b>
<b>LIABILITIES</b>		
<b>CURRENT LIABILITIES</b>		
Accounts payable and other payables	554,666	479,833
Borrowings	318,576	155,916
Employee provisions	162,632	142,265
<b>TOTAL CURRENT LIABILITIES</b>	<b>1,035,874</b>	<b>778,014</b>
<b>NON-CURRENT LIABILITIES</b>		
Borrowings	3,991,506	4,472,733
Employee provisions	4,961	2,862
Derivative Financial Instruments	128,254	107,456
<b>TOTAL NON-CURRENT LIABILITIES</b>	<b>4,124,721</b>	<b>4,583,051</b>
<b>TOTAL LIABILITIES</b>	<b>5,160,595</b>	<b>5,361,065</b>
<b>NET ASSETS</b>	<b>28,622,023</b>	<b>26,840,451</b>
<b>EQUITY</b>		
Retained surplus	28,622,023	26,840,451
<b>TOTAL EQUITY</b>	<b>28,622,023</b>	<b>26,840,451</b>

The accompanying notes form part of these financial statements.



**Women's Housing Limited**  
**ACN: 080 116 883**

Statement of Changes in Equity for the Year Ended 30 June 2014

	<b>Retained Surplus</b>	<b>Total</b>
	<b>\$</b>	<b>\$</b>
<b>Balance at 1 July 2012 – restated</b>	24,012,213	24,012,213
<b>Comprehensive Income</b>		
Surplus for the year attributable to members of the entity	2,828,238	2,828,238
Other comprehensive income for the year	—	—
Total comprehensive income attributable to members of the entity	2,828,238	2,828,238
<b>Balance at 30 June 2013 – restated</b>	<b>26,840,451</b>	<b>26,840,451</b>
<b>Comprehensive Income</b>		
Surplus for the year attributable to members of the entity	1,781,572	1,781,572
Other comprehensive income for the year	—	—
<b>Total comprehensive income attributable to members of the entity</b>	<b>1,781,572</b>	<b>1,781,572</b>
<b>Balance at 30 June 2014</b>	<b>28,622,023</b>	<b>28,622,023</b>

The accompanying notes form part of these financial statements.



**Women's Housing Limited**  
**ACN: 080 116 883**

Statement of Cash Flows for the Year Ended 30 June 2014

	<b>2014</b>	<b>2013</b>
	<b>\$</b>	<b>\$</b>
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
Receipts from grants and customers	3,988,661	3,899,912
Payments to suppliers and employees	(3,509,817)	(2,599,066)
Interest received	18,608	23,368
Interest paid	(319,613)	(345,307)
Net cash generated from operating activities	177,839	978,907
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of properties	—	(1,971,681)
Payment for property, plant and equipment	(19,609)	—
Net cash used in investing activities	(19,609)	(1,971,681)
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>		
Proceeds from borrowings	—	—
Repayment of borrowings	(318,626)	(183,382)
Net cash used in financing activities	(318,626)	(183,382)
Net decrease in cash held	(160,396)	(1,176,156)
Cash and cash equivalents at the beginning of the financial year	721,982	1,898,138
Cash and cash equivalents at the end of the financial year	561,586	721,982

The accompanying notes form part of these financial statements.



## Note 1 Summary of Significant Accounting Policies

### Basis of Preparation

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

The financial statements are general purpose financial statements that have been prepared in accordance with the requirements of Australian Charities and Not for Profit Commission Act 2012, Australian Accounting Standards – Reduced Disclosure Requirements of the Australian Accounting Standards Board and the Corporations Act 2001. The company is a not-for-profit entity for financial reporting purposes under Australian Accounting Standards.

Australian Accounting Standards set out accounting policies that the AASB has concluded would result in financial statements containing relevant and reliable information about transactions, events and conditions.

Material accounting policies adopted in the preparation of these financial statements are presented below and have been consistently applied unless otherwise stated.

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

The financial statements were authorised for issue on 8 October 2014 by the directors of the company.

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

### Accounting Policies

#### *(a) Investment Properties*

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



## Note 2 Revenue and Other Income

	<b>2014</b>	<b>2013</b>
	<b>\$</b>	<b>\$</b>
Rents	2,632,908	2,434,454
Interest received	18,608	23,368
Operating grants	1,387,786	1,346,349
Capital grants	—	200,000
<b>Total Revenue</b>	<b>4,039,302</b>	<b>4,004,171</b>
Fair Value adjustment to Investment Property	1,682,250	2,255,271
Other income	29,422	1,242
<b>Total other income</b>	<b>1,711,672</b>	<b>2,256,513</b>
<b>Total revenue and other income</b>	<b>5,750,974</b>	<b>6,260,684</b>

The capital grants of \$200,000 in 2013 was part of the Commonwealth nation building's package which was received by the company for its building projects.

## Note 3 Surplus for the Year

### Expenses

	<b>2014</b>	<b>2013</b>
	<b>\$</b>	<b>\$</b>
Employee benefits expense		
– contributions to defined contribution superannuation funds	102,432	82,060
<b>Total employee benefits expense</b>	<b>102,432</b>	<b>82,060</b>
Depreciation and amortisation		
– land and buildings	—	—
– furniture and equipment	11,468	24,000
<b>Total depreciation and amortisation</b>	<b>11,468</b>	<b>24,000</b>
Interest expense on financial liabilities not at fair value through profit and loss	319,613	345,307
Bad and doubtful debts	38,765	30,000
Rental expense on operating leases		
– minimum lease payments	187,703	214,351
<b>Total rental expenses</b>	<b>187,703</b>	<b>214,351</b>
Auditor fees		
– audit services	15,000	6,000
– taxation services	—	—
<b>Total auditor fees</b>	<b>15,000</b>	<b>6,000</b>



## Note 4 Investment Properties

	<b>2014</b>	<b>2013</b>
	<b>\$</b>	<b>\$</b>
<b>NON-CURRENT</b>		
Opening Balance at 1 July	31,397,750	14,346,182
Transfers from Capital work in progress	—	14,796,297
Net gain/loss from fair value adjustment	1,682,250	2,255,271
<b>Closing Balance at 30 June</b>	<b>33,080,000</b>	<b>31,397,750</b>
Investment Properties held:		
Meadow Heights	2,600,000	2,400,000
Werribee	1,725,000	1,590,000
Bayswater	8,555,000	8,555,000
Newport	2,450,000	1,990,250
Bentleigh – (Completed 2012/13)	17,750,000	16,862,500
<b>Closing Balance at 30 June</b>	<b>33,080,000</b>	<b>31,397,750</b>

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

	<b>2014</b>	<b>2013</b>
Rental Income	1,074,280	970,863
Direct operating expenses from the property that generated rental income	(288,829)	(190,161)
	<b>785,451</b>	<b>780,702</b>

### (b) Valuation basis

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

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

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

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

	<b>2014</b>	<b>2013</b>
Capitalisation Rate	4.5–5%	4.5–6.4%
Expected Vacancy Rate	0%–1%	0%–1%



## Note 4 Investment Properties (continued)

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

### (c) Security Interest

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

### (d) Secured Liabilities and assets pledged as security

Security is held for the bank loans as detailed in note 5. These loans are secured by first mortgages over all the investment properties excluding the Werribee property.

## Note 5 Borrowings

	Note	2014	2013
		\$	\$
<b>CURRENT</b>			
Bank loans – secured		318,576	155,916
		-----	-----
		318,576	155,916
		-----	-----
<b>NON-CURRENT</b>			
Bank loans – secured		3,991,506	4,472,733
		-----	-----
		3,991,506	4,472,733
		-----	-----
Total borrowing liabilities		4,310,082	4,628,649
		-----	-----

The Bank loans total consists of:

(a) MECU Loan \$2,819,445

(b) Bendigo Bank Loan \$ 1,490,637

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

### Financing Arrangements

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

### Assets Pledged as Security

MECU hold a registered 1<sup>st</sup> mortgage over the Bentleigh property which is valued at \$17,750,000.

Bendigo Bank hold registered 1<sup>st</sup> mortgages over the Meadow Heights, Newport and Bayswater properties which have a combined value of \$13,605,000.

No other assets are pledged as security.



## Note 6 Derivative Financial Instruments

	2014	2013
	\$	\$
NON CURRENT		
Interest Rate Swap Contracts	128,254	107,456

### (a) Correction of error in accounting for interest rate swaps.

A review of the accounting for interest rate swaps was undertaken by the company. As a consequence of this review it has been found that the company has been accounting for the interest rate swaps incorrectly.

The company had taken out three interest rate swap contracts in February 2012. These contracts were for periods varying from 5-10 years and for varying amounts to cover the group borrowings of the company. These contracts are calculated at quarterly interests to determine the difference between the fixed contract rates and floating interest rates. These have been accounted for as they have occurred. The company should have initially recognised a derivative financial instrument at fair value on the date the derivative contract is entered into and subsequently remeasured to their fair value at the end of each reporting period.

The accounting for subsequent changes in fair value are recognised in the profit and loss as these interest rate swaps are to cover for general company borrowings and do not qualify for hedge accounting.

The error, which has an impact of \$16,318 as outlined below, has been corrected by restating each of the affected financial statement line items for the period as follows:

#### Balance Sheet (extract)

	30 June 2013	Increase/ (decrease)	30 June 2013
	\$	\$	(restated) \$
Total Assets	32,201,516	—	32,201,516
Derivative Financial Instruments	—	107,456	107,456
Total Liabilities	5,253,609	107,456	5,361,065
Net Assets	26,947,907	107,456	26,840,451

#### Income Statement (extract)

	30 June 2013	Profit Increase/ (decrease)	30 June 2013
	\$	\$	(restated) \$
Derivative Financial Instrument	—	16,318	16,318
Net current year surplus	2,811,920	16,318	2,828,238

#### Statement of Changes in Equity

Retained surplus			
As at 1 July 2012	24,135,989	123,776	24,012,213
As at 30 June 2013	26,947,907	107,456	26,840,451

#### Statement of Comprehensive Income (extract)

	30 June 2013	Profit Increase/ (decrease)	2013
	\$	\$	(restated) \$
Surplus for the year	2,811,920	16,318	2,828,238
Total Equity	26,824,137	16,318	26,840,451



## Note 7 Events After the Reporting Period

The company is continuing to negotiate with the Director of Housing in relation to the transition from the Housing Providers Framework lease a general lease model for the management of the current rooming houses managed by the company. It is expected that the company will be in a position to sign off on the new general lease model with the Director of Housing by the 1 January 2015.

Other than the negotiation of the general lease the directors are not aware of any significant events since the end of the reporting period.

## Note 8 Cash Flow Information

Reconciliation of Cashflow from Operating Activities with Current Year Surplus

	<b>2014</b>	<b>2013</b>
	<b>\$</b>	<b>\$</b>
Profit after income tax	1,781,572	2,828,238
<b>Non cash flows</b>		
- Depreciation and amortisation expense	11,468	24,000
- Fair value (gain)/ loss on financial derivative	20,798	(16,318)
- Fair value gains on investment properties	(1,682,250)	(2,255,271)
- Doubtful debts expense	—	30,000
<b>Changes in assets and liabilities</b>		
- (Increase)/decrease in accounts receivable and other debtors	(52,501)	105,501
- Increase/(decrease) in accounts payable and other payables	74,833	251,404
- Increase/(decrease) in provisions for employee benefits	22,527	20,872
- (Increase)/decrease in prepayments	1,392	(9,519)
	177,839	978,907



## Note 9 Corporate Information

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The registered office of the entity is: Women's Housing Limited  
Suite 1, Level 1  
21 Cremorne Street  
Cremorne Victoria 3121

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The principal place of business is: Women's Housing Limited  
Suite 1, Level 1  
21 Cremorne Street  
Cremorne Victoria 3121

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Bankers: Commonwealth Bank  
214 Swan Street  
Richmond 3121

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Auditor: Hayley Underwood  
Moore Stephens  
Level 10  
530 Collins Street  
Melbourne 3000

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## Note 10 Members' Guarantee

The entity is incorporated under the *Corporations Act 2001* and is an entity limited by guarantee. If the entity is wound up, the constitution states that each member is required to contribute a maximum of \$50 each towards meeting any outstandings and obligations of the entity. At 30 June 2014 the number of members was five.



**Women's Housing Limited**  
**ACN: 080 116 883**

**Directors' Declaration**

The directors declare that in their opinion, the concise financial report of the company for the year ended 30 June 2014 as set out on pages 8 to 19 complies with Accounting Standards AASB 1039 *Concise Financial Reports*.

The concise financial report is an extract from the full financial statements for the year ended 30 June 2014. The financial statements and specific disclosures include the concise financial report have been derived from the full financial report.

The concise financial report cannot be expected to provide as a full understanding of the financial performance, financial position and financing and investing activities of the company as the full financial report, which is available on request.

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

Director

A handwritten signature in black ink, appearing to read 'Donald Farrands', written over a white rectangular background.

Donald Farrands

Dated:

26 November 2014



## MOORE STEPHENS

ACCOUNTANTS & ADVISORS

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

### Report on the Concise Financial Report

We have audited the accompanying concise financial report of Women's Housing Limited which comprises the Statement of Financial Position as at 30 June 2014, the Statement of Comprehensive Income, the Statement of Changes in Equity and the Statement of Cash Flows for the year then ended, and related notes, derived from the audited financial report of Women's Housing Limited for the year ended 30 June 2014 and the discussion and analysis. The concise financial report does not contain all the disclosures required by the Australian Accounting Standards, and accordingly, reading the concise financial report is not a substitute for reading the audited financial report.

### Directors' Responsibility for the Concise Financial Report

The directors are responsible for the preparation of the concise financial report in accordance with Accounting Standard AASB 1039 *Concise Financial Reports* and the *Australian Charities and Not-for-profits Commissions Act 2012*, and for such internal control as the directors determine are necessary to enable the preparation of the concise financial report.

### Auditor's Responsibility

Our responsibility is to express an opinion on the concise financial report based on our procedures which were conducted in accordance with Auditing Standard ASA 810 *Engagements to Report on Summary Financial Statements*. We have conducted an independent audit, in accordance with Australian Auditing Standards, of the financial report of Women's Housing Limited for the year ended 30 June 2014. We expressed an unmodified audit opinion on that financial report in our report dated 15 October 2014. The Australian Auditing Standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report for the year is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the concise financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the concise financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of the concise financial report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Our procedures included testing that the information in the concise financial report is derived from, and is consistent with, the financial report for the year, and examination on a test basis, of audit evidence supporting the amounts, discussion and analysis, and other disclosures which were not directly derived from the financial report for the year. These procedures have been undertaken to form an opinion whether, in all material respects, the concise financial report complies with AASB 1039 *Concise Financial Reports* and whether the discussion and analysis complies with the requirements laid down in AASB 1039 *Concise Financial Reports*.



The concise financial report and the audited financial report do not reflect the effects of events that occurred subsequent to the date of the auditor's report on the audited financial report.

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

**Independence**

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

**Opinion**

In our opinion, the concise financial report including the discussion and analysis of Women's Housing Limited for the year ended 30 June 2014 complies with Accounting Standard AASB 1039 *Concise Financial Reports*.

**Moore Stephens**  
**Chartered Accountants**

**Hayley Underwood**  
**Partner**

**Melbourne, 26 November 2014**



# Acknowledgements

## Philanthropic Support

The R.E. Ross Trust

## Pro Bono Support

Michelle Quigley – QC Barrister

Marita Foley – Barrister

Jane Hodder – Partner – Herbert  
Smith Freehills

Michelle Keen – Special Counsel  
Herbert Smith Freehills

Katie Pryor – Solicitor Herbert Smith  
Freehills

## Women's Housing Ltd Supporters

Ermha

Theodora House

Footpath Library

Second Bite

Golden Gorilla

## Victorian Government

**Wendy Lovell** Minister for Housing

**Anthony Hardy** Housing Registrar

## Consultants

### David Osborn

Director  
Pelorus Solutions Pty Ltd

### Karen Janiszewski

Director  
Urbanxchange Pty Ltd

### Chris Arnold

Director  
Equeltaux Pty Ltd

### Catherine Heggen

Message Consultants Australia

### Toby Lauchlan

Clarke Hopkins Clarke

### Don Robertson

Traffix Group

### Joseph Connellan

Director  
MC Two Pty Ltd

## Organisational Support

### Jacob Edwards

Personal Banking Service Manager  
MECU Ltd

### Steve Lynch

Community Banking Manager  
MECU Ltd

### Steve Maher

CEO  
Wombat Housing & Support Services  
and staff

### Tony McLynskey

Business Banking Manager  
Community Sector Banking  
Bendigo Bank

### Janet Horn

Volunteer

### Tiffany Wright

### Bobbi-Jo Smith

### Stella Martindale

Students

