

WOMEN'S HOUSING LIMITED

ACN: 080 116 883

Financial Report For The Year Ended
30 June 2018

Women's Housing Limited

ACN: 080 116 883

**Financial Report For The Year Ended
30 June 2018**

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WOMEN'S HOUSING LIMITED
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DIRECTORS' REPORT

Your directors present this report on the Company for the financial year ended 30 June 2018.

Directors

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

Valerie Mosley (Chair)

Erica Edmands

Peggy O'Neal

Andrew Cronin

Judy Line

Michael Barlow

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

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

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

The Board from time to time may form other committees as it sees fit to assist in the functions of the Board. There are no other committees in existence during the financial year and to the date of this report.

Principal Activities

The principal activities of the Company during the financial year were:

- The provision of transitional accommodation for homeless and at risk women across Victoria
- The provision of housing information and referral services for women across Victoria, and
- The development and management of community housing for homeless or disadvantaged women across Victoria.

Short-term and Long-term Objectives

The Company's objectives are to:

- operate and manage affordable housing of both a transitional and permanent nature,
- increase the supply of affordable housing by the acquisition and development of affordable housing assets, and
- provide affordable housing services to homeless, at risk, and disadvantaged women.

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Strategies

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

- seeking capital contributions from government
- building cash reserves and surpluses to fund new development opportunities
- developing a business structure to enable borrowing from financial institutions for funding of affordable housing assets
- operation and management of an effective and efficient affordable housing services organisation, and
- raising 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
- performance against an annual business plan, operating plans for specific projects, and capital project budgets
- Monitoring and evaluating individual capital projects progressively against agreed budgets until completion

Information on Directors

Valerie Mosley	Chair
Qualifications	BS Business Education University of Houston (USA) Leadership Victoria Alumni
Experience	Valerie Mosley is an independent consultant. Her previous experience includes Director of IT, KPMG Management Consulting, where she managed an international team that provided enterprise solutions for delivering corporate and financial information. She has also worked as a financial consultant for Merrill Lynch as well as General Manager of an international consulting group that provided advisory services to governments in developing nations in the areas of economic policy and financial reform.

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Erica Edmands	Director
Qualifications	Bachelor of Laws Bachelor of Arts (Economics and History) University of Melbourne Graduate, Australian Institute of Company Directors
Experience	Erica Edmands has worked as a lawyer and senior HR practitioner for over 20 years. Her business experience spans law, human resources, mental health and diversity. She is currently a founding director of <u>Inclusion@work</u> , an independent workplace investigation and mental health training specialist, and an associate director at <u>mh@work</u> , a successful mental health education Company. Erica is an experienced NFP board member and is currently President of Kidsafe Victoria. She recently acted as a consultant to the Law Institute of Victoria in the design and development of the Mental Health and the Legal Profession preventative health and wellbeing strategy for the Victorian legal community.
Peggy O'Neal	Director
Qualifications	Bachelor of Arts, Virginia Polytechnic Institute and State University (USA) Juris Doctor, University of Virginia (USA) Fellow, Australian Institute of Company Directors
Experience	Peggy O'Neal has worked as a lawyer in the superannuation and financial services industry for more than 25 years. She is currently a part-time consultant for Landers and Rogers Lawyers and is a non executive director on several boards including the Commonwealth Superannuation Corporation and Infrastructure Specialist Asset Management. Peggy is also President of the Richmond Football Club. She has been named by the AFR peer review survey as one of the "Best Lawyers" in Australia every year since 2010 and in 2014 was named one of the Westpac/AFR 100 Women of Influence.

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Andrew Cronin	Director
Qualifications	Bachelor of Commerce, University of Melbourne Chartered Accountant, ICAA NZ Fellow, Financial Services Institute of Australia Registered Company Auditor, ASIC
Experience	Andrew Cronin has over 23 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.
Judy Line	Director
Qualifications	Graduate of the Australian Institute of Company Directors (2014) Master of Business Administration (2001) Post Graduate Management (1999) Diploma Community Services (Community Development) (1998)
Experience	Judy Line has worked in the housing and homelessness sector since 1986 and has been CEO at Women's Housing Ltd since 2005. Prior to her position with WHL, Judy worked in women's refuges, a youth service and was the state project officer for the Victorian Public Tenant's Association. Judy is a passionate housing advocate and works within a community development framework. Since joining WHL, the agency has grown from a small transitional housing manager to a housing 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.

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Michael Barlow	Director
Qualifications	Diploma of Applied Science –Town Planning, RMIT Member, Property Council of Australia (Victoria) Member, Victorian Environmental and Planning Law Association
Experience	Michael Barlow is an urban planner with expertise in urban strategy, city development and large project delivery with a career spanning more than 35 years. He is currently a director at Urbis Pty Ltd where he advises the private sector and government on developments including transportation projects, major retail, entertainment and mixed-use precincts and projects and strategic urban renewal projects. Michael has also worked throughout Asia and the Middle East in a variety of cities where he has advised on city developments and metropolitan strategies. Michael has co-authored a major report on creating 'Smart Growth' opportunities for Australian cities. He is also a member of the Lyon Foundation.

Meetings of Directors

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

	Directors' Meetings		AFRC Committee		Project Control Group	
	No. eligible to attend	No. attended	No. eligible to attend	No. attended	No. Eligible to attend	No. attended
Valerie Mosley	9	9	2	2	-	-
Erica Edmands	9	7	-	-	-	-
Peggy O'Neal	9	7	-	-	-	-
Andrew Cronin	9	8	2	2	5	4
Michael Barlow	9	4	-	-	5	5
Judy Line	9	9	-	-	5	5

The Company is incorporated under the *Corporations Act 2001* and is a Company limited by guarantee. If the Company is wound up, the constitution states that each member is required to contribute a maximum of \$50 each towards meeting any outstanding obligations of the Company. At 30 June 2018 the total amount that members of the Company are liable to contribute if the Company is wound up is \$300 (2017:\$300).

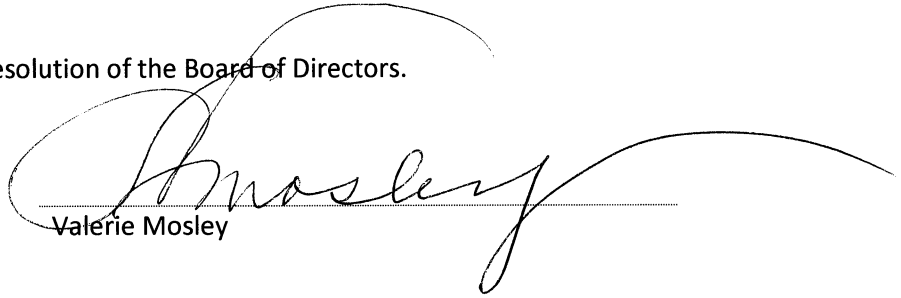
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Auditor's Independence Declaration

The lead auditor's independence declaration in accordance with section 60.40 of the *Australian Charities and Not for Profits Commission 2012*, for the year ended 30 June 2018 is included on page 9 of the financial report.

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

Director




Valerie Mosley

Dated: 24 October 2018

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 2018.


HLB Mann Judd
Chartered Accountants


Jude Lau
Partner

Melbourne
25 October 2018

HLB Mann Judd (VIC Partnership)

Level 9, 575 Bourke Street, Melbourne VIC 3000 | GPO Box 2850, Melbourne VIC 3001 | Tel: +61 (0)3 9606 3888 | Fax: +61 (0)3 9606 3800

Email: mailbox@hlbvic.com.au | Website: www.hlbvic.com.au

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WOMEN'S HOUSING LIMITED
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STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 30 JUNE 2018

	Note	2018	2017
		\$	\$
Revenue	2	8,964,498	8,520,057
Other income	2	24,406	32,405
Depreciation and amortisation expense	3	(22,720)	(20,356)
Interest expense	3	(265,253)	(247,256)
Fair value gain (loss) on financial derivative		28,029	49,419
Emergency Housing Assistance		(523,827)	(500,690)
Staffing and Development		(1,803,057)	(1,614,426)
Property Costs		(1,103,478)	(1,414,102)
Occupancy Costs		(111,714)	(121,853)
Administration		(232,056)	(257,357)
Profit/(Loss) on Revaluation of Investment Properties		4,028,896	(905,000)
Demolition of property subject to redevelopment		-	(980,000)
Other Expenses		(63,958)	(81,668)
Motor Vehicle Expenses		(38,596)	(45,805)
Current year surplus before income tax		8,881,170	2,413,368
Income tax expense		-	-
Net current year surplus		8,881,170	2,413,368
Other comprehensive income:			
Items that will not be reclassified subsequently to profit or loss:			
Other comprehensive income for the year		-	-
Total comprehensive income for the year		8,881,170	2,413,368
Total comprehensive income attributable to members of the Company		8,881,170	2,413,368

The accompanying notes form part of these financial statements.

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STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2018

	Note	2018 \$	2017 \$
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	4	1,837,758	1,292,080
Accounts receivable and other debtors	5	254,333	1,080,222
Other current assets	6	47,420	16,258
TOTAL CURRENT ASSETS		<u>2,139,511</u>	<u>2,388,560</u>
NON-CURRENT ASSETS			
Investment Properties	7	44,568,404	36,428,064
Property, plant and equipment	8	62,868	76,563
TOTAL NON-CURRENT ASSETS		<u>44,631,272</u>	<u>36,504,627</u>
TOTAL ASSETS		<u>46,770,783</u>	<u>38,893,187</u>
LIABILITIES			
CURRENT LIABILITIES			
Accounts payable and other payables	9	805,437	1,696,246
Borrowings	10	155,916	155,916
Employee provisions	11	264,920	201,607
Derivative Financial Instruments	12	15,552	-
TOTAL CURRENT LIABILITIES		<u>1,241,825</u>	<u>2,053,769</u>
NON-CURRENT LIABILITIES			
Borrowings	10	4,289,340	4,445,257
Employee provisions	11	17,011	9,143
Derivative Financial Instruments	12	77,964	121,545
TOTAL NON-CURRENT LIABILITIES		<u>4,384,315</u>	<u>4,575,945</u>
TOTAL LIABILITIES		<u>5,626,140</u>	<u>6,629,714</u>
NET ASSETS		<u>41,144,643</u>	<u>32,263,473</u>
EQUITY			
Retained surplus		41,144,643	32,463,473
TOTAL EQUITY		<u>41,144,643</u>	<u>32,263,473</u>

The accompanying notes form part of these financial statements.

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STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED JUNE 2018

	Retained Surplus	Total
	\$	\$
Balance at 1 July 2016	29,850,105	29,850,105
Comprehensive Income		
Surplus for the year attributable to members of the Company	2,413,368	2,413,368
Other comprehensive income for the year		-
Total comprehensive income attributable to members of the Company	2,413,368	2,413,368
Balance at 30 June 2017	32,263,473	32,263,473
Comprehensive Income		
Surplus for the year attributable to members of the Company	8,881,170	8,881,170
Other comprehensive income for the year	-	-
Total comprehensive income attributable to members of the Company	8,713,705	8,713,705
Balance at 30 June 2018	41,144,643	41,144,643

The accompanying notes form part of these financial statements.

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STATEMENT OF CASH FLOWS FOR THE YEAR ENDED JUNE 2018

	Note	2018	2017
		\$	\$
CASH FLOW FROM OPERATING ACTIVITIES			
Receipts from grants and customers		4,446,612	4,640,352
Payments to suppliers and employees		(3,840,186)	(4,466,827)
Interest received		10,513	18,741
Interest paid		(265,253)	(247,256)
Net cash generated from/(used in)operating activities	17	351,686	(54,990)
CASH FLOW FROM INVESTING ACTIVITIES			
Capital Works		(4,431,943)	(2,609,454)
Capital Grant		5,207,348	1,727,900
Payment for Property		(413,155)	(1,330,212)
Payment for plant and equipment		(19,340)	(22,732)
Proceeds from Disposal of Plant and Equipment		6,998	-
Net cash generated from / (used) in investing activities		342,910	(2,234,498)
CASH FLOW FROM FINANCING ACTIVITIES			
Proceeds from borrowings		-	921,500
Repayment of borrowings		(155,916)	(155,916)
Net cash generated from/(used in) financing activities		(155,916)	765,584
Net increase/ (decrease) in cash held		545,678	(1,523,904)
Cash and cash equivalents at the beginning of the financial year		1,292,080	2,815,984
Cash and cash equivalents at the end of the financial year	4	1,837,758	1,292,080

The accompanying notes form part of these financial statements.

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2018

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Preparation

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

Australian Accounting Standards set out accounting policies that the AASB has concluded would result in financial statements containing relevant and reliable information about transactions, events and conditions. Material accounting policies adopted in the preparation of these financial statements are presented below and have been consistently applied unless otherwise stated.

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

The financial statements were authorised for issue on 24 October 2018 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 recorded at their fair value based on active market prices, if necessary, for any difference in the nature, location or condition of the specific asset. If this information is not available the fair value is based on periodic valuations by external independent valuers and recent prices in less active markets. This information forms the basis for director's assessment of the fair value of each property. Changes in fair value resulting from these annual revaluations are recorded in the profit and loss as part of other income.

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2018

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(b) Revenue

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

If conditions are attached to the grant which must be satisfied before it is eligible to receive the contribution, the recognition of the grant as revenue will be deferred until those conditions are satisfied. When grant revenue is received whereby the Company incurs an obligation to deliver economic value directly back to the contributor, this is considered a reciprocal transaction and the grant revenue is recognised in the statement of financial position as a liability until the service has been delivered to the contributor, otherwise the grant is recognised as income on receipt.

The Company receives non-reciprocal contributions of assets from the government and other parties for zero or a nominal value. These assets are recognised at fair value on the date of acquisition in the statement of financial position, with a corresponding amount of income recognised in the statement of comprehensive income.

Donations and bequests are recognised as revenue when received.

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

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

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

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

(c) Plant and Equipment

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

Plant and Equipment

Plant and equipment are measured on the cost basis and are therefore carried at cost less accumulated depreciation and any accumulated impairment losses. In the event the carrying amount of plant and equipment is greater than its estimated recoverable amount, the carrying amount is written down immediately to its estimated recoverable amount and impairment losses are recognised either in profit or loss. A formal assessment of recoverable amount is made when impairment indicators are present (refer to Note 1(f) for details of impairment).

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. All other repairs and maintenance are recognised as expenses in profit or loss in the financial period in which they are incurred.

Plant and equipment that have been contributed at no cost, or for nominal cost, are valued and recognised at the fair value of the asset at the date it is acquired.

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2018

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Depreciation

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

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

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

The assets' residual values and useful lives are reviewed and adjusted, if appropriate, at the end of each reporting period.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains or losses are recognised as income in profit or loss in the period which they arise.

(d) Leases

Leases of fixed assets, where substantially all the risks and benefits incidental to the ownership of the asset (but not the legal ownership) are transferred to the Company, are classified as finance leases.

Finance leases are capitalised, recognising an asset and a liability equal to the present value of the minimum lease payments, including any guaranteed residual values.

Leased assets are depreciated on a straight-line basis over their estimated useful lives where it is likely that the Company will obtain ownership of the asset. Lease payments are allocated between the reduction of the lease liability and the lease interest expense for the period.

Lease payments for operating leases, where substantially all the risks and benefits remain with the lessor, are recognised as expenses on a straight-line basis over the lease term.

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

(e) Financial Instruments

Initial Recognition and Measurement

Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions to the instrument. For financial assets, this is equivalent to the date that the Company commits itself to either purchase or sell the asset (i.e. trade date accounting is adopted).

Financial instruments are initially measured at fair value plus transaction costs except where the instrument is classified 'at fair value through profit or loss', in which case transaction costs are recognised as expenses in profit or loss immediately.

Classification and Subsequent Measurement

Financial instruments are subsequently measured at fair value, amortised cost using the effective interest method, or cost. Where available, quoted prices in an active market are used to determine fair value. In other circumstances, valuation techniques are adopted.

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2018

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Amortised cost is calculated as the amount at which the financial asset or financial liability is measured at initial recognition less principal repayments and any reduction for impairment, and adjusted for any cumulative amortisation of the difference between that initial amount and the maturity amount calculated using the effective interest method.

The *effective interest method* is used to allocate interest income or interest expense over the relevant period and is equivalent to the rate that exactly discounts estimated future cash payments or receipts (including fees, transaction costs and other premiums or discounts) through the expected life (or when this cannot be reliably predicted, the contractual term) of the financial instrument to the net carrying amount of the financial asset or financial liability. Revisions to expected future net cash flows will necessitate an adjustment to the carrying amount with a consequential recognition of an income or expense item in profit or loss.

Fair value is determined based on current bid prices for all quoted investments. Valuation techniques are applied to determine the fair value for all unlisted securities, including recent arm's length transactions, reference to similar instruments and option pricing models.

(i) Financial assets or liabilities at fair value through profit or loss

Financial assets or liabilities are classified at "fair value through profit or loss" when they are held for trading for the purpose of short-term profit taking, derivatives not held for hedging purposes, or when they are designated as such to avoid an accounting mismatch or to enable performance evaluation where a group of financial assets is managed by key management personnel on a fair value basis in accordance with a documented risk management or investment strategy. Such assets are subsequently measured at fair value with changes in carrying amount being included in profit or loss.

(ii) Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and are subsequently measured at amortised cost. Gains or losses are recognised in profit or loss through the amortisation process and when the financial asset is derecognised.

Available-for-sale financial assets are classified as non-current assets when they are expected to be sold within 12 months after the end of the reporting period. All other available-for-sale financial assets are classified as current assets.

(iii) Financial liabilities

Non-derivative financial liabilities other than financial guarantees are subsequently measured at amortised cost. Gains or losses are recognised in profit or loss through the amortisation process and when the financial liability is derecognised.

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2018

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Impairment

At the end of each reporting period, the Company assesses whether there is objective evidence that a financial asset has been impaired. A financial asset (or a group of financial assets) is deemed to be impaired if, and only if, there is objective evidence of impairment as a result of one or more events (a "loss event") having occurred, which has an impact on the estimated future cash flows of the financial asset(s).

In the case of financial assets carried at amortised cost, loss events may include: indications that the debtors or a group of debtors are experiencing significant financial difficulty, default or delinquency in interest or principal payments; indications that they will enter bankruptcy or other financial reorganisation; and changes in arrears or economic conditions that correlate with defaults.

For financial assets carried at amortised cost (including loans and receivables), a separate allowance account is used to reduce the carrying amount of financial assets impaired by credit losses. After having taken all possible measures of recovery, if management establishes that the carrying amount cannot be recovered by any means, at that point the written-off amounts are charged to the allowance account or the carrying amount of impaired financial assets is reduced directly if no impairment amount was previously recognised in the allowance account.

When the terms of financial assets that would otherwise have been past due or impaired have been renegotiated, the Company recognises the impairment for such financial assets by taking into account the original terms as if the terms have not been renegotiated so that the loss events that have occurred are duly considered.

Derecognition

Financial assets are derecognised where the contractual rights to receipt of cash flows expire or the asset is transferred to another party whereby the Company no longer has any significant continuing involvement in the risks and benefits associated with the asset. Financial liabilities are derecognised when the related obligations are discharged, cancelled or have expired. The difference between the carrying amount of the financial liability, which is extinguished or transferred to another party, and the fair value of consideration paid, including the transfer of non-cash assets or liabilities assumed, is recognised in profit or loss.

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2018

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(f) Impairment of Assets

At the end of each reporting period, the Company assesses whether there is any indication that an asset may be impaired. If such an indication exists, an impairment test is carried out on the asset by comparing the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use, to the asset's carrying amount. Any excess of the asset's carrying amount over its recoverable amount is recognised immediately in profit or loss.

Where it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

(g) Employee Benefits

Provision is made for the Company's liability for employee benefits arising from services rendered by employees to the end of the reporting period. Employee benefits that are expected to be settled within one year have been measured at the amounts expected to be paid when the liability is settled inclusive of on-costs. Employee benefits payable later than one year have been measured at the present value of the estimated future cash outflows to be made for those benefits. In determining the liability, consideration is given to employee wage increases and the probability that the employee may not satisfy vesting requirements. Those cash outflows are discounted using market yields on national government bonds with terms to maturity that match the expected timing of cash flows. Contributions are made by the Company to an employee superannuation fund and are charged as expenses when incurred.

(h) Cash and Cash Equivalents

Cash and cash equivalents include cash on hand, deposits held at-call with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within short-term borrowings in current liabilities on the statement of financial position.

(i) Goods and Services Tax (GST)

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

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the ATO is included with other receivables or payables in the statement of financial position.

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to, the ATO are presented as operating cash flows included in receipts from customers or payments to suppliers.

(j) Income Tax

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

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2018

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(k) Comparative Figures

Where required by Accounting Standards comparative figures have been adjusted to conform to changes in presentation for the current financial year.

(l) Trade and Other Payables

Trade and other payables represent the liabilities for goods and services received by the Company during the reporting period that remain unpaid at the end of the reporting period. The balance is recognised as a current liability with the amounts normally paid within 30 days of recognition of the liability.

(m) Critical Accounting Estimates and Judgments

The directors evaluate estimates and judgments incorporated into the financial statements based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and within the Company.

Key Estimates

Valuation of Investment Properties

The Investment Properties were independently valued by the Board of 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/(decrement) of \$4,028,896 (2017: (\$1,885,000)) being recognised for the year ended 30 June 2018.

At 30 June 2018 the directors have performed a directors' valuation on certain freehold land and buildings. The directors have reviewed the key assumptions adopted by the valuers and do not believe there has been a significant change in the assumptions at 30 June 2018. The directors therefore believe the carrying amount of the freehold land and buildings reflects the fair value at 30 June 2018.

(n) Derivative Financial Instruments

Derivate instruments are initially recognised at fair value on the date the derivative contract is entered into and are subsequently remeasured to their fair value at the end of the reporting period.

Interest rate swaps entered into by the Company have been deemed as ineffective hedges and the gain or loss relating to the fair value measurement is recognised in the profit and loss for that reporting period.

WOMEN'S HOUSING LIMITED
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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2018

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(o) New Accounting Standards for Application in future periods

Standard Name	Effective date for entity	Requirements	Impact
AASB 15 Revenue from contracts with customers	Annual reporting periods beginning on or after 1 January 2019	<p>AASB 15 introduces a five step process for revenue recognition with the core principle of the new Standard being for entities to recognise revenue to depict the transfer of goods or services to customers in amounts that reflect the consideration (that is, payment) to which the entity expects to be entitled in exchange for those goods or services.</p> <p>Accounting policy changes will arise in timing of revenue recognition, treatment of contracts costs and contracts which contain a financing element.</p> <p>AASB 15 will also result in enhanced disclosures about revenue, provide guidance for transactions that were not previously addressed comprehensively (for example, service revenue and contract modifications) and improve guidance for multiple-element arrangements.</p>	The changes in revenue recognition requirements in AASB 15 is likely to result in immaterial changes to the timing and amount of revenue recorded in the financial statements.
AASB 1058 Income of NFP Entities	Annual reporting periods beginning on or after 1 January 2019	<p>AASB 1058 supersedes all the income recognition requirements relating to private sector NFP entities, and the majority of income recognition requirements relating to public sector NFP entities, previously in AASB 1004 Contribution. The timing of income recognition depends on whether such a transaction gives rise to a liability or other performance obligation (a promise to transfer a good or service), or a contribution by owners, related to an asset (such as cash or another asset) received by an entity.</p> <p>AASB 1058 applies when a NFP entity receives volunteer services or enters into other transactions where the consideration to acquire an asset is significantly less than the fair value of the asset principally to enable the entity to further its objectives. In the latter case, the entity recognises and measures the asset at fair value in accordance with the applicable Australian Accounting Standard (eg AASB 116 Property, Plant and Equipment).</p> <p>Upon initial recognition of the asset, this Standard requires the entity to consider whether any other financial statement elements (called 'related amounts') should be recognised in accordance with the applicable Accounting Standard, such as:</p>	<p>We anticipate that some capital construction grant agreements which were previously recognised immediately on receipt will be deferred as the performance obligation is satisfied.</p> <p>During the year ended 30 June 2018, a capital grant has been recognised as revenue. However, when AASB1058 is applied during the year ending 30 June 2020, this funding will instead be recognised as revenue as the</p>

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2018

		<p>(a) contributions by owners; (b) revenue, or a contract liability arising from a contract with a customer; (c) a lease liability; (d) a financial instrument; or (e) a provision.</p> <p>If the transaction is a transfer of a financial asset to enable an entity to acquire or construct a recognisable non-financial asset to be controlled by the entity (ie an in-substance acquisition of a non-financial asset), the entity recognises a liability for the excess of the fair value of the transfer over any related amounts recognised. The entity recognises income as it satisfies its obligations under the transfer similarly to income recognition in relation to performance obligations under AASB 15.</p> <p>If the transaction does not enable an entity to acquire or construct a recognisable non-financial asset to be controlled by the entity, then any excess of the initial carrying amount of the recognised asset over the related amounts is recognised as income.</p>	<p>performance obligation is met. It is anticipated that this will result in a decrease in revenue of \$1.4m on initial application and an increase in liabilities of \$1.4m.</p>
AASB 9 Financial Instruments	Annual reporting periods beginning on or after 1 January 2018	The key changes include the simplified requirements for the classification and measurement of financial assets, a new hedging accounting model and a revised impairment loss model to recognise impairment losses earlier, as opposed to the current approach that recognises impairment only when incurred.	No impact on reported financial performance or position is expected.
AASB 16 Leases	Annual reporting period beginning on or after 1 January 2019	<p>AASB 16 will cause the majority of leases of an entity to be brought onto the statement of financial position. There are limited exceptions relating to short-term leases and low value assets which may remain off-balance sheet.</p> <p>The calculation of the lease liability will take into account appropriate discount rates, assumptions about lease term and increases in lease payments.</p> <p>A corresponding right to use asset will be recognised which will be amortised over the term of the lease.</p> <p>Rent expense will no longer be shown, the profit and loss impact of the leases will be through amortisation and interest charges.</p>	The expected value of such assets and liabilities as at 30 June 2018 is approximately \$123,000 and the company has not brought such assets and liability to account.

WOMEN'S HOUSING LIMITED
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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2018

NOTE 2 REVENUE AND OTHER INCOME

	2018	2017
	\$	\$
Rent	2,377,668	2,487,577
Interest received	10,513	18,741
Operating grants	1,999,969	1,855,987
Capital grants	4,576,348	4,157,752
Total Revenue	<u>8,964,498</u>	<u>8,520,057</u>
Other income	24,406	32,405
Total other income	<u>24,406</u>	<u>32,405</u>
Total revenue and other income	<u><u>8,988,904</u></u>	<u><u>8,552,462</u></u>

NOTE 3 SURPLUS FOR THE YEAR

Expenses	2018	2017
	\$	\$
Employee benefits expense		
– contributions to defined contribution superannuation funds	136,678	129,902
	<u>136,678</u>	<u>129,902</u>
Depreciation and amortisation		
– motor vehicle	10,994	5,561
– furniture and equipment	11,726	14,795
Total depreciation and amortisation	<u>22,720</u>	<u>20,356</u>
Interest expense on financial liabilities not at fair value through profit and loss	265,253	247,256
Bad and doubtful debts	40,000	73,280
Rental expense on operating leases		
– minimum lease payments	105,387	107,790
Total rental expenses	<u>105,387</u>	<u>107,790</u>
Auditor's fees		
– audit services	16,915	15,000
Total auditor fees	<u>16,915</u>	<u>15,000</u>

WOMEN'S HOUSING LIMITED
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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2018

NOTE 4 CASH AND CASH EQUIVALENTS

	2018	2017
	\$	\$
CURRENT		
Cash at bank	1,837,758	1,292,080
Total cash and cash equivalents as stated in the statement of cash flow	<u>1,837,758</u>	<u>1,292,080</u>

WHL had received capital funding of \$1.6m for the development and construction of 658 Mountain Highway, Bayswater in February 2018. At the 30 June 2018 the company had only expended only \$168,000 of these funds.

NOTE 5 ACCOUNTS RECEIVABLE AND OTHER DEBTORS

	2018	2017
	\$	\$
CURRENT		
Accounts receivable	84,684	86,917
Provision for doubtful debts	(80,000)	(60,000)
	<u>4,684</u>	<u>26,917</u>
Other debtors	249,649	1,053,305
Total current accounts receivables and other debtors	<u>254,333</u>	<u>1,080,222</u>

Provision for Doubtful Debts

Movement in the provision for doubtful debts is as follows:

	\$
Provision for doubtful debts as at 1 July 2016	40,000
– Charge for year	73,280
– Written off	(53,280)
Provision for doubtful debts as at 30 June 2017	<u>60,000</u>
– Charge for year	40,000
– Written off	(20,000)
Provision for doubtful debts as at 30 June 2018	<u>80,000</u>

WOMEN'S HOUSING LIMITED
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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2018

NOTE 6 OTHER CURRENT ASSETS

	2018	2017
	\$	\$
CURRENT		
Prepayments	47,420	16,258
	<u>47,420</u>	<u>16,258</u>

NOTE 7 INVESTMENT PROPERTIES

	2018	2017
	\$	\$
Investment Properties		
Opening Balance at 1 July	33,408,368	33,550,000
Net Gain/(Loss) from Fair Value Adjustment	4,028,896	(905,000)
Newport Property Completion	5,560,097	-
Newport Property Write-off	-	(980,000)
Bayswater, 658 Mountain Highway Acquisition	-	920,000
Domestic Violence Properties Acquired	1,402,639	823,368
Closing Balance at 30 June	<u>44,400,000</u>	<u>33,408,368</u>
Investment Properties held:		
Meadow Heights	2,690,000	2,600,000
Werribee	2,125,000	1,725,000
Bayswater, 656 Mountain Highway	9,750,000	8,555,000
Newport	8,850,000	1,470,000
Bentleigh	17,315,000	17,315,000
Tarneit	500,000	434,217
Cobblebank	450,000	389,151
Craigieburn	1,400,000	-
Strathtulloh	400,000	-
Bayswater, 658 Mountain Highway	920,000	920,000
Closing Balance at 30 June	<u>44,400,000</u>	<u>33,408,368</u>
Investment Property – Work in Progress	2018	2017
	\$	\$
Capital work in progress at cost		
Opening Balance at 1 July	3,019,696	39,444
Additions	4,111,444	2,980,252
Completed Properties	(6,962,736)	-
Closing Balance at 30 June	<u>168,404</u>	<u>3,019,696</u>
Total Investment Properties	<u>44,568,404</u>	<u>36,428,064</u>

WOMEN'S HOUSING LIMITED
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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2018

NOTE 7 INVESTMENT PROPERTIES (CONTINUED)

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

	2018	2017
	\$	\$
Rental Income	1,072,947	997,971
Direct operating expenses from the property that generated rental income	(419,800)	(355,400)
	653,147	642,571

(b) Valuation basis

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

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

The company engaged Hollingsworth St Clair Property to perform a valuation of 656 Mountain Highway, Bayswater, Meadow Heights and Werribee properties as at 30 June 2018. The most recent acquisitions to the investment portfolio at Bradley Street Newport, Cobblebank, Tarneit and Strathulloh properties have been valued by Westlink Consulting at August 2018. The company had previously engaged WBP Property Group to perform a valuation of the Bentleigh Property as at 30 June 2017. The directors have determined that the valuation as at 30 June 2017 would not be materially different as at 30 June 2018.

(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) Covenant – Bradley Street Newport

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

WOMEN'S HOUSING LIMITED
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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2018

NOTE 7 INVESTMENT PROPERTIES (CONTINUED)

(e) Secured Liabilities and assets pledged as security

Security is held for the bank loans as detailed in Note 10. These loans are secured by first mortgages over the following investment properties, 656 Mountain Highway Bayswater, Bentleigh and Meadow Heights.

NOTE 8 PROPERTY, PLANT AND EQUIPMENT

Plant and Equipment	2018	2017
	\$	\$
Office and equipment		
At cost	188,583	188,583
Less accumulated depreciation	(164,659)	(152,933)
	<u>23,924</u>	<u>35,650</u>
Motor vehicles		
At cost	54,488	58,074
Less accumulated depreciation	(15,544)	(17,161)
	<u>38,944</u>	<u>40,913</u>
Total Plant and Equipment	<u>62,868</u>	<u>76,563</u>

Movements in Carrying Amounts

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

	Plant and Equipment	Motor Vehicle	Total
	\$	\$	\$
2017			
Balance at the beginning of the year	46,349	27,838	74,187
Additions at cost	4,096	18,636	22,732
Depreciation expense	(14,795)	(5,561)	(20,356)
Carrying amount at end of year	<u>35,650</u>	<u>40,913</u>	<u>76,563</u>
2018			
Balance at the beginning of the year	35,650	40,913	76,563
Additions at cost	-	19,340	19,340
Disposals	-	(10,315)	(10,315)
Depreciation expense	(11,726)	(10,994)	(22,720)
Carrying amount at end of year	<u>23,924</u>	<u>38,944</u>	<u>62,868</u>

WOMEN'S HOUSING LIMITED
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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2018

NOTE 9 ACCOUNTS PAYABLE AND OTHER PAYABLES

	Note	2018 \$	2017 \$
CURRENT			
Trade and other payables		402,323	1,309,979
Rent in Advance/Deferred income		88,324	101,411
Funding Grants		314,790	284,856
	9(a)	805,437	1,696,246
 (a) Financial liabilities at amortised cost classified as trade and other payables			
Trade and other payables			
– Total current		805,437	1,696,246
– Total non-current		-	-
		805,437	1,696,246
 Less : Funding Grants			
Rent in Advance/Deferred income		(314,790)	(284,856)
Financial liabilities as trade and other payables	18	402,323	1,309,979

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2018

NOTE 10 BORROWINGS

	Note	2018 \$	2017 \$
CURRENT			
Bank loans – secured		155,916	155,916
		155,916	155,916
NON-CURRENT			
Bank loans – secured		4,289,340	4,445,257
		4,289,340	4,445,257
Total borrowing liabilities	18	4,445,256	4,601,173

The Bank loans total consists of:

- (a) Bank Australia Loan \$3,578,287
- (b) Community Banking Loan \$866,970

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

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

Financing Arrangements

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

Assets Pledged as Security

Bank of Australia hold a registered 1st mortgage over the Bentleigh property which is valued at \$17,315,000.

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

No other assets are pledged as security.

There were no defaults during the year (2017:nil).

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2018

NOTE 11 EMPLOYEE PROVISIONS

	Note	2018 \$	2017 \$
CURRENT			
Short-term Employee Benefits			
– Balance at the beginning of the year		201,607	232,376
– Additional provisions raised during year		162,495	78,737
– Amounts used		(99,182)	(109,506)
Balance at the end of the year		264,920	201,607
 NON-CURRENT			
Long-term Employee Benefits			
– Opening balance		9,143	11,353
– Additional provisions raised during year		7,868	13,312
– Amounts transferred to current provision		-	(15,522)
Closing Balance		17,011	9,143
 Analysis of Employee Provisions			
Current			
– Annual leave		180,242	133,721
– Long service leave		84,678	67,886
		264,920	201,607
 Non-current			
– Long service leave		17,011	9,143
Total Employee Provisions		281,931	210,750

Employee Provisions

Employee provisions represent amounts accrued for annual leave and long service leave.

The current portion for this provision includes the total amount accrued for annual leave entitlements and the amounts accrued for long service leave entitlements that have vested due to employees having completed the required period of service. Based on past experience the Company does not expect the full amount of annual leave or long service leave balances classified as current liabilities to be settled within the next 12 months. However, these amounts must be classified as current liabilities since the Company does not have an unconditional right to defer the settlement of these amounts in the event employees wish to use their leave entitlement.

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

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2018

NOTE 12 DERIVATIVE FINANCIAL INSTRUMENTS

	2018	2017
	\$	\$
CURRENT		
Interest Rate Swap Contracts	15,552	
NON CURRENT		
Interest Rate Swap Contracts	77,964	121,545
Total Interest Rate Swap	<u>93,516</u>	<u>121,545</u>

The company has interest rate swap arrangements maturing in April 2019 and April 2022. The arrangement results in fixed interest payments being made by the company, in respect of variable interest loans.

These derivative financial instruments are recognised at fair value.

NOTE 13 CAPITAL AND LEASING COMMITMENTS

Operating Lease Commitments

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

	2018	2017
	\$	\$
Payable - minimum lease payments		
– no later than 12 months	121,527	118,221
– later than 12 months but no later than 5 years	21,582	139,251
– later than 5 years	-	-
	<u>143,109</u>	<u>257,472</u>

The property lease commitments are non-cancellable operating leases contracted for but not recognised in the financial statements with a three-year term. Increase in lease commitments may occur in line with the Consumer Price Index (CPI).

The motor vehicle and equipment lease commitments are non-cancellable operating leases contracted for three to five year terms.

Building Contract

WHL had contracted with a builder in August 2016 to redevelop the Bradley street Newport site with Victorian State Government funding via the Victorian Property Fund. This was completed in April 2018.

WOMEN'S HOUSING LIMITED
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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2018

NOTE 13 CAPITAL AND LEASING COMMITMENTS (CONTINUED)

	2018	2017
	\$	\$
Payable - minimum payments		
– no later than 12 months	-	3,444,176
– later than 12 months but no later than 5 years	-	-
	-	3,444,176

NOTE 14 CONTINGENT LIABILITIES AND CONTINGENT ASSETS

The Company did not have any contingent liabilities or contingent assets as at 30 June 2018 (2017:Nil).

NOTE 15 EVENTS AFTER THE REPORTING PERIOD

In August 2018 the Company signed a building contract for \$6.9m with ARC3 Pty Ltd (Buildcorp Commercial) for the design and construction of 658 Mountain Highway, Bayswater. Construction funding for this development has been sourced from the Victorian State Government through the Victorian Property Fund and Department of Health and Human Services. The directors are not aware of any other significant events that have occurred since the end of the reporting period.

WOMEN'S HOUSING LIMITED
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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2018

NOTE 16 RELATED PARTY TRANSACTIONS

(a) Key Management Personnel

Any person(s) having authority and responsibility for planning, directing and controlling the activities of the Company, directly or indirectly, including any director (whether executive or otherwise) is considered key management personnel.

	2018	2017
	\$	\$
Key Management Personnel Compensation		
– Short-term benefits	643,257	575,633
– Post-employment benefits	61,058	54,332
– Other long-term benefits	-	-
	<u>704,315</u>	<u>629,965</u>

None of the directors were entitled to receive any remuneration.

(b) Other Related Parties

There has been no other related parties transactions with family members of Key Management Personnel or directors, and entities that are controlled or jointly controlled by those Key Management Personnel or Directors individually or collectively with their close family members.

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

WOMEN'S HOUSING LIMITED
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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2018

NOTE 17 CASH FLOW INFORMATION

Reconciliation of Cashflow from Operating Activities with Current Year Surplus

	2018	2017
	\$	\$
Net Surplus	8,881,170	2,413,368
Non cash flows and other		
– Depreciation and amortisation expense	22,720	20,356
– Fair value (gain)/loss on financial derivative	(28,029)	(49,419)
– Fair value (gains)/loss on investment properties	(4,028,896)	1,885,000
– Bad and doubtful debts	40,000	73,280
– Capital Grant	(4,576,348)	(4,157,752)
– (Gain)/Loss on Disposal of Plant and Equipment	3,317	-
Changes in assets and liabilities		
– (Increase) in accounts receivable and other debtors	95,889	(233,269)
– Increase /(Decrease) in accounts payable and other payables	(98,154)	(31,025)
– Increase/(Decrease) in provisions for employee benefits	71,181	32,979
– Decrease /(Increase) in prepayments	(31,162)	(8,508)
	<u>351,686</u>	<u>(54,990)</u>

WOMEN'S HOUSING LIMITED
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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2018

NOTE 18 FINANCIAL RISK MANAGEMENT

The Company's financial statements consist mainly of deposits with banks, local money market instruments, short-term investments and long-term investments, receivables and payables, and derivatives.

The totals for each category of financial instruments, measured in accordance with AASB 139 as detailed in the accounting policies these financial statements, are as follows:

	Note	2018	2017
		\$	\$
Financial Assets			
Cash and cash equivalents	4	1,837,758	1,292,080
Accounts receivable and other debtors	5	254,333	1,080,222
Total Financial Assets		2,092,091	2,732,302
Financial Liabilities			
Financial liabilities at amortised cost			
– Accounts payable and other payables	9(a)	402,323	1,309,979
– Bank loans - secured	10	4,445,256	4,601,173
Financial Liabilities at fair value			
– Derivatives	12	93,516	121,545
Total Financial Liabilities		4,941,095	6,032,697

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

WOMEN'S HOUSING LIMITED
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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2018

NOTE 19 FAIR VALUE MEASUREMENTS

The Company has the following assets and liabilities as set out in the table below, that are measured at fair value on a recurring basis after their initial recognition. The Company has no assets or liabilities that are measured at fair value on a non-recurring basis.

Recurring fair value measurements	Note	2018	2017
		\$	\$
Investment property	(i)	44,568,404	36,428,064
Derivative financial instrument	(ii)	93,516	121,545

- (i) For investment property, the fair values are based on the directors' valuation taking into account recent external independent valuations performed, which had used comparable market data for similar properties.
- (ii) For derivative financial instruments, the fair value of interest rate swaps is calculated as the present value of the estimated future cashflows based on the observable yield curve.

NOTE 20 CORPORATE INFORMATION

The registered office of the Company is:	Women's Housing Limited Suite 1, Level 1 21 Cremorne Street Cremorne Victoria 3121
The principal place of business is:	Women's Housing Limited Suite 1, Level 1 21 Cremorne Street Cremorne Victoria 3121
Bankers:	Commonwealth Bank 214 Swan Street Richmond 3121
Auditor:	HLB Mann Judd Level 9 575 Bourke Street Melbourne 3000

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2018

NOTE 21 MEMBERS' GUARANTEE

The Company is incorporated under the *Corporations Act 2001* and is a Company limited by guarantee. If the Company is wound up, the constitution states that each member is required to contribute a maximum of \$50 each towards meeting any outstandings and obligations of the Company. At 30 June 2018 the number of members was six (2017: six).

WOMEN'S HOUSING LIMITED
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DIRECTORS' DECLARATION

In accordance with a resolution of the directors of Women's Housing Limited, the directors of the Company declare that:

1. The financial statements and notes, as set out on pages 10 to 37 are in accordance with *Australian Charities and Not-for-profits Commissions Act 2012* and:
 - (a) comply with Australian Accounting Standards - Reduced Disclosure Requirements and the *Australian Charities and Not-for-Profits Commission Regulation 2013*; and
 - (b) give a true and fair view of the financial position of the Company as at 30 June 2018 and its performance for the year ended on that date.
2. In the directors' opinion there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

Director



Valerie Mosley

Dated: 24 October 2018

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 2018, the statement of comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and other explanatory information and the directors' declaration.

In our opinion, the accompanying financial report of the Company is in accordance with Division 60 of the *Australian Charities and Not-for-profits Commission Act 2012*, including:

- a) giving a true and fair view of the Company's financial position as at 30 June 2018 and of its financial performance and cash flows for the year then ended; and
- b) complying with Australian Accounting Standards- Reduced Disclosure Requirements and Division 60 of the *Australian Charities and Not-for-profits Commission regulation 2013*.

Basis for Opinion

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

We 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 of the Company are responsible for the other information. The other information comprises the information included in the annual report for the year ended 30 June 2018, but does not include the financial report and our auditor's report thereon. Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon. In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

HLB Mann Judd (VIC Partnership)

Level 9, 575 Bourke Street, Melbourne VIC 3000 | GPO Box 2850, Melbourne VIC 3001 | Tel: +61 (0)3 9606 3888 | Fax: +61 (0)3 9606 3800

Email: mailbox@hlbvic.com.au | Website: www.hlbvic.com.au

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Responsibilities of Director's for the Financial Report

The directors of the Company are responsible for the preparation of the financial report that gives a true and fair view in accordance with the relevant Australian Accounting Standards – Reduced Disclosure Requirements and the *Australian Charities and Not-for-profits Commission Act 2012* and for such internal control as the directors determine is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

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

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by 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 the director's 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
HLB Mann Judd
Chartered Accountants

Jude Lau
Jude Lau
Partner

Melbourne
25 October 2018