

Women's Housing Company Limited

ABN 38 002 704 056

FINANCIAL REPORT

30 June 2017

WOMEN'S HOUSING COMPANY LIMITED
ABN 38 002 704 056
FINANCIAL STATEMENTS FOR THE PERIOD ENDED
30 JUNE 2017

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WOMEN'S HOUSING COMPANY LIMITED

ABN 38 002 704 056

DIRECTORS' REPORT

The Directors of the Women's Housing Company Limited present the financial statements for the year ended 30 June, 2017.

INFORMATION ON DIRECTORS

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

Jodie Blackledge
Tasha Burrell
Maree Girdler
Anna Grutzner
Leanne Hillman
Alice Spizzo

Directors have been in office since the start of the financial year to the date of this report unless otherwise stated. During the financial year, 9 meetings of Directors were held. Attendances by each Director were as follows:

Director	Board Meetings	
	Number eligible to attend	Number Attended
Alice Spizzo (Chairperson)	9	9
Jodie Blackledge	9	7
Tasha Burrell	9	7
Maree Girdler	9	8
Anna Grutzner	9	9
Leanne Hillman	9	9

Details of Directors' qualifications, experience and special responsibilities are as follows:

Jodie Blackledge

Jodie joined the board in April 2010.

Jodie has over 20 years experience in corporate finance and strategy development in financial services, investment banking and chartered accounting environments and brings established skills in corporate finance, financial analysis, accounting, strategy and program management. Jodie is the Chief Financial Officer of AUB Group Limited, an insurance distribution, specialist underwriting and risk services group.

Jodie holds a Bachelor of Business (Accountancy) and a Graduate Diploma in Applied Finance and Investment, is a Chartered Accountant, a Fellow of the Financial Services Institute of Australasia (FINSIA) and a graduate of the Australian Institute of Company Directors course.

Tasha Burrell

Tasha joined the board in November 2013.

Tasha is a property development professional with over 24 years' experience in residential and commercial property development in Sydney. Tasha brings extensive experience in implementing large scale urban renewal, housing and infrastructure projects and has an in-depth understanding of the development industry and the Sydney property market. Early in her career Tasha was an Architect for a number of leading architectural firms, was a Development Manager at St. Hilliers Property and currently holds the role of Program Director, Western Sydney at UrbanGrowth NSW.

Tasha has a Bachelor of Architecture (Hons) and has completed the Australian Institute of Company Directors program, Foundations of Directorship.

WOMEN'S HOUSING COMPANY LIMITED

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DIRECTORS' REPORT CONTINUED

Anna Grutzner

Anna joined the board in November 2013.

Anna is a marketing communications specialist and brings over 20 years of experience working with government and not-for-profit organisations on major public policy and community initiatives. Anna has worked with governments and providers on a range of community housing projects, including the development of the National Regulatory System for Community Housing. Anna is principal of Just Anna, a consultancy focusing on issues of social justice and was a director and business owner of public relations firm Fenton Communications. She is a former political journalist in the federal parliamentary press gallery.

Anna has a BA (Hons) from the University of Melbourne, a Certificate IV in Training and Assessment and CELTA (Certificate of English Language Teaching to Adults). She is a member of the Public Relations Institute of Australia (PRIA).

Maree Girdler

Maree joined the board in October 2015.

With over 25 years' experience working in local government, Maree has extensive understanding of operational program development and management relating to a range of community and recreation programs and projects including affordable and social housing. Over a 17 year period, Maree held various positions within senior and executive management at Waverley Council and became responsible for managing Council's planning and reporting obligations in a number of community areas. Maree has successfully managed the development application process for multi-million dollar projects such as recreational facilities and learning centres and brings to the Board skills in program design and delivery, budget development, governance and strategic planning.

Leanne Hillman

Leanne has been a board member since March 2009.

Leanne has over 25 years experience in State Government and has extensive management and operational experience at a senior and executive level in the NSW Department of Community Services (now the Department of Family & Community Services). Leanne offers high level business planning, financial management and project management skills. Leanne represented Women's Housing Company Ltd on the Board of BlueCHP Limited until July 2016. BlueCHP Limited is a not-for-profit community housing company of which Women's Housing Company Ltd was a founding member.

Leanne has an Executive Masters Degree in Public Administration, a Bachelor of Social Studies and has completed the Company Directors Course with the Australian Institute of Company Directors.

Alice Spizzo

Alice joined the Board in mid 2008 and has held the position of Chairperson since 24 March 2014.

Alice is a Director at Landerer & Company and specialises in planning, environmental and administrative law. She has extensive experience in government and public policy at an executive and ministerial level.

Alice has a Bachelor of Laws, a Bachelor of Arts, a Graduate Diploma in Urban Estate Management and a Graduate Diploma in Legal Practice. She is a graduate of the Australian Institute of Company Directors.

PRINCIPAL ACTIVITIES, OBJECTIVES AND STRATEGIES

The principal activity of the company is the provision of accommodation assistance and advice to single women without dependent children. The company also operates a homelessness service for single women.

WOMEN'S HOUSING COMPANY LIMITED

ABN 38 002 704 056

DIRECTORS' REPORT CONTINUED

The company's objectives are to:

- Provide access to affordable accommodation, support and housing assistance to women without dependent children in their care on the basis of their individual need;
- To provide the above assistance through the company negotiating with private and/or public sources to enable leasing and purchasing of property for residential purposes;
- To give priority to women on low incomes, including but not limited to, those in receipt of statutory benefits and without dependent children in their care;
- To offer information and advice on housing matters within the scope of the company's activities, and to facilitate referrals to other housing agencies where appropriate;
- To actively encourage and maintain understanding and equitable relations between the company and the women it assists;
- To educate and assist women to become independent and reliable in meeting and maintaining their obligations as tenants;
- To cooperate with, and offer support and assistance to women's services and in particular to those organisations who operate refuges for single women without dependent children in the Sydney metropolitan area;
- To undertake research into any aspects relating to the objects of the company and to publish and make recommendations on the findings thereof.

To achieve these objectives, the company has identified three key focus areas:

- Sustainable growth: WHC aims to increase its property portfolio to meet the growing need for housing single women. The company's approach will focus on exploring strategic partnerships, product innovation and collaboration with other housing organisations to deliver additional housing opportunities.
- Quality services: through influencing and advocating for housing, homelessness and support services for single women, WHC will improve the range and quality of services it provides. WHC will promote best practice in tenant engagement and the delivery of appropriate services for older women.
- Sustainable business: in a complex, changing operating environment WHC will aim to ensure that the company continues to be able to provide services to single women, in particular for those who are most vulnerable and disadvantaged.

PERFORMANCE MEASUREMENT

Management and the Board have internal reporting systems that assist in assessing performance. Reporting incorporates both operational and financial measures and key performance indicators. Internal reporting includes the analysis of arrears levels, occupancy rates, property details, tenant feedback and financial performance against budget. The company also reports to various external agencies on a quarterly and annual basis.

LIABILITY OF MEMBERS

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 \$20 each plus any unpaid membership fees towards meeting any outstanding obligations of the company. Membership fees at the reporting date are \$nil (30 June 2016: \$nil). As at 30 June 2017, the total amount that members of the company are liable to contribute if the company is wound up is \$360 (30 June 2016: \$380).

WOMEN'S HOUSING COMPANY LIMITED

ABN 38 002 704 056

AUDITOR'S INDEPENDENCE DECLARATION

The auditor's independence declaration as required under s.60-40 of the Australian Charities and Not-for-profits Commission Act 2012 is included in page 5 of this financial report and forms part of the Directors' Report.

Signed in accordance with a resolution of the Directors.

ON BEHALF OF THE BOARD



ALICE SPIZZO

DIRECTOR



LEANNE HILLMAN

DIRECTOR

Signed at SYDNEY this 23rd day of October, 2017

Level 17, 383 Kent Street
Sydney NSW 2000

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QVB Post Office
Sydney NSW 1230

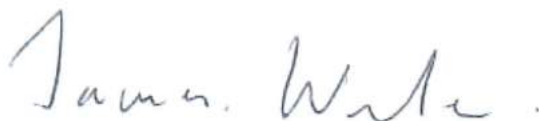
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Auditor's Independence Declaration To the Responsible Entities of Women's Housing Company Limited

In accordance with the requirements of section 60-40 of the Australian Charities and Not-for-profits Commission Act 2012, as lead auditor for the audit of Women's Housing Company Limited for the year ended 30 June 2017, I declare that, to the best of my knowledge and belief, there have been no contraventions of any applicable code of professional conduct in relation to the audit.



GRANT THORNTON AUDIT PTY LTD
Chartered Accountants



James Winter
Partner - Audit & Assurance

Sydney, 23 October 2017

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Independent Auditor's Report To the Members of Women's Housing Company Limited

Report on the Audit of the Financial Report

Opinion

We have audited the accompanying financial report of Women's Housing Company Limited (the "Entity") which comprises the statement of financial position as at 30 June 2017, and the statement of profit or loss and other comprehensive income, statement of changes in funds and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and the Responsible Entities' declaration.

In our opinion the financial report of Women's Housing Company Limited has been prepared in accordance with the requirements of the Australian Charities and Not-for-profits Commission Act 2012 ("ACNC Act"), including:

- a) giving a true and fair view of the Entity's financial position as at 30 June 2017 and of its financial performance for the year then ended; and
- b) complying with Australian Accounting Standards and Division 60 of the Australian Charities and Not-for-profits Commission Regulation 2013.

Basis for Auditor's 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 Entity in accordance with the ethical 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.

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

Responsibilities of the Responsible Entities for the Financial Report

The Responsible Entities of the Entity are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards and the ACNC Act, and for such internal control as the Responsible Entities 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 Responsible Entities are responsible for assessing the Entity'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 Responsible Entities either intend to liquidate the Entity or to cease operations, or have no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Entity's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the 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:

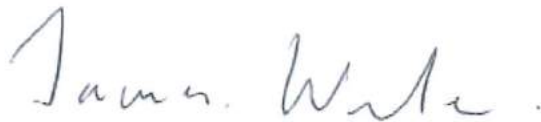
- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a 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 Entity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Responsible Entities.

- Conclude on the appropriateness of the Responsible Entities' 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 Registered Entity'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 audit report. However, future events or conditions may cause the Entity 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.
- Obtain sufficient appropriate evidence regarding the financial information of the entities or business activities within the Entity to express an opinion on the financial report. We are responsible for the direction, supervision, and performance of the Entity's audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance 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.



GRANT THORNTON AUDIT PTY LTD
Chartered Accountants



James Winter
Partner - Audit & Assurance
Sydney, 23 October 2017

WOMEN'S HOUSING COMPANY LIMITED

ABN 38 002 704 056

RESPONSIBLE ENTITIES' DECLARATION

In the opinion of the Responsible Entities ("Directors") of Women's Housing Company Limited:

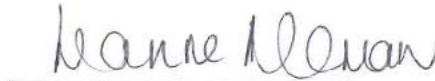
- a. The financial statements and notes of Women's Housing Company Limited are in accordance with the Australian Charities and Not-for-profits Commission Act 2012, including:
 - i. Giving a true and fair view of its financial position as at 30 June 2017 and of its performance for the financial year ended on that date; and
 - ii. Complying with Australian Accounting Standards and the Australian Charities and Not-for-profits Commission Regulation 2013, and
- b. There are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of the Responsible Entities.



Alice Spizz

RESPONSIBLE ENTITY



LEANNE HILLMAN

RESPONSIBLE ENTITY

Signed at SYDNEY this 23rd day of October, 2017

WOMEN'S HOUSING COMPANY LIMITED

ABN 38 002 704 056

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
for the year ended 30 June 2017

		2017	2016
		\$	\$
REVENUE	NOTE		
Rent Revenue		6,499,506	6,617,374
Government Grant Income		3,751,773	3,602,937
Other Income	4	759,194	1,610,257
Net gain on sale of fixed assets		1,047,250	1,664
Total Revenue		<u>12,057,723</u>	<u>11,832,232</u>
EXPENSES			
Tenancy & Property Management	5	7,158,169	7,073,246
Administration	6	<u>2,833,191</u>	<u>2,955,450</u>
Total Expenses		<u>9,991,360</u>	<u>10,028,696</u>
Operating surplus for the year		2,066,363	1,803,536
Other Comprehensive Income for the year		-	-
Total Comprehensive Income for the year		<u><u>2,066,363</u></u>	<u><u>1,803,536</u></u>

The accompanying notes form part of these financial statements.

WOMEN'S HOUSING COMPANY LIMITED

ABN 38 002 704 056

STATEMENT OF FINANCIAL POSITION

As at 30 June 2017

	NOTE	2017 \$	2016 \$
CURRENT ASSETS			
Cash & Cash Equivalents	7	6,370,909	6,202,816
Other Financial Assets	8	9,149,701	5,295,518
Trade Receivables	8	34,589	41,462
Other Current Assets & Prepayments	8	399,662	1,693,469
TOTAL CURRENT ASSETS		<u>15,954,861</u>	<u>13,233,265</u>
NON-CURRENT ASSETS			
Property, Plant & Equipment	9	9,611,556	9,545,598
Non-Current Receivables & Other	10	586,511	274,693
TOTAL NON-CURRENT ASSETS		<u>10,198,067</u>	<u>9,820,291</u>
TOTAL ASSETS		<u>26,152,928</u>	<u>23,053,556</u>
CURRENT LIABILITIES			
Trade Creditors & Payables		232,398	368,626
Other Current Liabilities	11	1,914,913	759,525
Current Provisions	12	205,105	190,987
TOTAL CURRENT LIABILITIES		<u>2,352,416</u>	<u>1,319,138</u>
NON-CURRENT LIABILITIES			
Non-Current Provisions	12	29,122	29,391
TOTAL NON-CURRENT LIABILITIES		<u>29,122</u>	<u>29,391</u>
TOTAL LIABILITIES		<u>2,381,538</u>	<u>1,348,529</u>
NET ASSETS		<u>23,771,390</u>	<u>21,705,027</u>
FUNDS			
Accumulated Funds		<u>23,771,390</u>	<u>21,705,027</u>
TOTAL FUNDS		<u>23,771,390</u>	<u>21,705,027</u>

The accompanying notes form part of these financial statements.

WOMEN'S HOUSING COMPANY LIMITED

ABN 38 002 704 056

**STATEMENT OF CHANGES IN FUNDS
for the year ended 30 June 2017**

	2017	2016
	\$	\$
Opening Balance-Accumulated Funds	21,705,027	19,901,491
Operating surplus for the year	2,066,363	1,803,536
Other Comprehensive Income for the year	-	-
	<hr/>	
Closing Balance-Accumulated Funds	23,771,390	21,705,027

The accompanying notes form part of these financial statements.

WOMEN'S HOUSING COMPANY LIMITED

ABN 38 002 704 056

**STATEMENT OF CASH FLOWS
for the year ended 30 June 2017**

	NOTE	2017 \$	2016 \$
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from tenants and others		6,873,423	7,003,787
Payments to suppliers & employees		(10,331,566)	(10,208,585)
Receipts from grants		5,289,864	3,868,120
Interest received		271,128	279,043
Net cash from operating activities	13	2,102,849	942,365
CASH FLOWS FROM INVESTING ACTIVITIES			
Loans repaid by BlueCHP Limited		1,344,124	-
Investments in/proceeds of Term Deposits		(3,854,183)	1,414,434
Payments for other fixed assets/Investments		(310,648)	(163,833)
Deposit paid for property		(302,200)	-
Proceeds from sale of fixed assets		-	1,664
Proceeds from sale of property		1,188,151	-
Net cash from investing activities		(1,934,756)	1,252,265
NET INCREASE IN CASH		168,093	2,194,630
CASH AT BEGINNING OF YEAR		6,202,816	4,008,186
CASH AT END OF YEAR		6,370,909	6,202,816

The accompanying notes form part of these financial statements.

WOMEN'S HOUSING COMPANY LIMITED

ABN 38 002 704 056

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

a. Basis of Preparation

The financial statements are general purpose financial statements that have been prepared in accordance with Australian Accounting Standards – Reduced Disclosure Requirements, other authoritative pronouncements of the Australian Accounting Standards Board and the Australian Charities and Not-for-profits Commission Act 2012.

The company complies with Australian Accounting Standards – Reduced Disclosure Requirements (RDR) as issued by the Australian Accounting Standards Board.

Women's Housing Company Limited is a Not-for-profit company limited by guarantee, incorporated and domiciled in NSW, Australia, and registered with the Australian Charities and Not-for-profits Commission.

The financial statements have been prepared on an accruals basis in accordance with the historical cost convention and except where stated do not take into account changing money values or current valuations of assets.

The following significant accounting policies have been adopted in the preparation and presentation of the financial statements:

b. Revenue Recognition

Revenue is recognised at the fair value of consideration received or receivable. Amounts disclosed as revenue are net of returns, trade allowances and duties and taxes paid. The following specific recognition criteria must also be met before revenue is recognised:

Rental Income

Rental Income is recognised as income in the period within which it is earned.

Government Grants

Grants from the government are recognised at their fair value where there is reasonable assurance that the grant will be received and the company will comply with all the attached conditions. Government grants relating to costs are deferred and recognised in profit or loss over the period necessary to match them with the costs that they are intended to compensate. If conditions are attached to a grant which must be satisfied before the company is eligible to receive the contribution, the recognition as revenue will be deferred until those conditions are satisfied.

Rendering of Services

Revenue from fees received for services and management fees is recognised when the service is provided.

Interest

Revenue is recognised as interest accrues using the effective interest method.

c. Cash and Cash Equivalents

For the purposes of the Statement of Cash Flows, cash and cash equivalents includes cash on hand and at bank, deposits held at call with financial institutions, other short term, highly liquid investments with maturities of three months or less, that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value and bank overdrafts.

WOMEN'S HOUSING COMPANY LIMITED

ABN 38 002 704 056

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES continued

d. Trade Receivables and Other Receivables

Trade Receivables

Trade receivables are recognised at original invoice amounts less an allowance for uncollectible amounts. Collectability of trade receivables is assessed on an ongoing basis. Debts which are known to be uncollectible are written off. An allowance is made for doubtful debts where there is objective evidence that the company will not be able to collect all amounts due according to the original terms. On confirmation that the trade receivable will not be collectible the gross carrying value of the asset is written off against the associated provision.

Other Current Assets and Non-Current Receivables

Other Current Assets and Non-current receivables include loans due from related parties. These are accounted for on an amortised cost basis using the effective interest method. For non-interest bearing loans, fair value at initial recognition requires an adjustment to discount these loans using a market-rate of interest for a similar instrument with a similar credit rating. The discount is debited on initial recognition to the statement of comprehensive income. The amortised cost is subsequently measured as the fair value amount initially recognised, plus interest accrued using the effective interest method, less any principal repayments.

Available-for-sale financial assets

Available-for-sale financial assets comprise investments in listed and unlisted entities and any non-derivatives that are not classified as any other category of financial assets, and are classified as non-current assets (unless management intends to dispose of the investment within 12 months of the end of the reporting period). Available-for-sale financial assets are measured at fair value, with changes in fair value recognised in other comprehensive income.

e. Fair Values

Fair values may be used for financial asset and liability measurement as well as for sundry disclosures.

The carrying value less impairment provision of trade receivables and payables are assumed to approximate their fair values due to their short-term nature. The fair value of financial liabilities for disclosure purposes is estimated by discounting the future contractual cash flows at the current market interest rate that is available to the group for similar financial instruments.

f. Property, Plant and Equipment

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

Plant and equipment is recognised at historic cost, including costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management, less depreciation and any impairment.

Land and buildings transferred to the company for nil consideration are measured at the fair value of the contribution received, and carried at deemed cost. This takes into account any restrictions on use imposed by the transferor.

Land is not depreciated. Depreciation on other assets is calculated on a straight-line method so as to write off the net cost of the assets over their estimated useful lives, as follows:

Buildings	50 years
Vehicles	5 - 7 years
Furniture, fittings and equipment	2 - 10 years

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

WOMEN'S HOUSING COMPANY LIMITED

ABN 38 002 704 056

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES continued

Gains and losses on disposals are calculated as the difference between the net disposal proceeds and the asset's carrying amount and are included in profit or loss in the year that the item is derecognised.

g. Leases

Leases of property, plant and equipment where the company has substantially all the risks and rewards of ownership are classified as finance leases and capitalised at inception of the lease at the fair value of the leased property, or if lower, at the present value of the minimum lease payments. Lease payments are apportioned between the finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

Leases where the lessor retains substantially all the risks and rewards of ownership of the net asset are classified as operating leases. Payments made under operating leases are charged to profit or loss on a straight-line basis over the period of the lease.

h. Impairment of Assets

At the end of each reporting period the company assesses whether there is any indication that individual assets are impaired. Where impairment indicators exist, recoverable amount is determined and impairment losses are recognised in profit or loss where the asset's carrying value exceeds its recoverable amount. Recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purpose of assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

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

i. Trade and Other Payables

Trade and other payables represent liabilities for goods and services provided to the company prior to the year end and which are unpaid. These amounts are unsecured and have 14-60 day payment terms. The carrying amount of the creditors and payables is deemed to reflect fair value.

j. Provisions

Provisions for legal claims and make good obligations are recognised when the company has a present legal or constructive obligation as a result of a past event, it is probable that an outflow of economic resources will be required to settle the obligation and the amount can be reliably estimated.

Where the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows at a rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability.

k. Employee Benefits

Provision is made for the company's liability for employee benefits arising from services rendered by employees to balance date.

Employee entitlements arising from wages, salaries and annual leave have been calculated based on current remuneration rates plus related on-costs. The entitlements which are payable later than one year are not materially different from the liability measured at the present value of the estimated future cash outflows to be made for those benefits.

The Long Service Leave Liability has been calculated based on current remuneration rates plus related on costs, which provides an estimate of the long service leave not materially different from the liability measured at the present value of the estimated future cash outflows to be made for those benefits.

No provision is made for personal leave entitlements.

WOMEN'S HOUSING COMPANY LIMITED

ABN 38 002 704 056

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *continued*

l. Income Tax

The Company is exempted from income tax under Divisions 51 of the Income Tax Assessment Act 1997 and accordingly no provision for income tax is required.

m. GST

Revenues, expenses and assets are recognised net of GST except where GST incurred on a purchase of goods and services is not recoverable from the taxation authority, in which case the GST is recognised as part of the cost of acquisition of the asset or as part of the expense item.

Receivables and payables are stated with the amount of GST included. The net amount of GST recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the statement of financial position.

n. Significant Accounting Estimates and Judgements

The directors evaluate estimates and judgements incorporated into the financial report based on historic 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.

The directors have assessed the impact of the restrictions on the freehold property as outlined in note 9.

Provisions for employee benefits payable after 12 months from the reporting date are based on future wage and salary levels, experience of employee departures and periods of service. The amounts of these provisions would change should any of these factors change in the next 12 months.

o. Economic Dependency

The company is dependent upon the ongoing receipt of funding from, and the renewal of contracts by, the NSW government department of Family and Community Services to ensure the continued provision of housing and accommodation assistance to tenants.

p. New Accounting Standards and Interpretations

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

Any new, revised or amending Accounting Standards or Interpretations that are not yet mandatory have not been early adopted. Accounting Standards issued that have not yet been early adopted are discussed below.

AASB 16: Leases

This standard is applicable to annual reporting periods beginning on or after 1 January 2019. When effective, this Standard will replace the current accounting requirements applicable to leases in AASB 117: Leases and related Interpretations. AASB 16 requires all leases to be accounted for 'on-balance sheet' by lessees, other than short-term and low value asset leases. It requires the recognition of right-to-use assets in line with AASB 116: Property, Plant and Equipment in the profit and loss and an unwinding of the liability in principal and interest components. It also requires new and different disclosures. The company is yet to undertake a detailed assessment of the impact of AASB 16, however based on the company's preliminary assessment, the likely impact on the first time adoption of the Standard for the year ending 30 June 2020 includes:

- there will be a significant increase in lease assets and financial liabilities recognised on the balance sheet
- EBIT in the statement of profit or loss and other comprehensive income will be higher as the implicit interest in lease payments for former off balance sheet leases will be presented as part of finance costs rather than being included in operating expenses

WOMEN'S HOUSING COMPANY LIMITED

ABN 38 002 704 056

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES continued

- Operating cash outflows will be lower and financing cash flows will be higher in the statement of cash flows as principal repayments on all lease liabilities will now be included in financing activities rather than operating activities

Certain other new accounting standards and interpretations have been published that are not mandatory for 30 June 2017 reporting periods. The company is yet to undertake a detailed assessment of the impact of these standards, however their impact is not expected to be material.

NOTE 2 - LIMITATION OF LIABILITY

Every member of the company undertakes to contribute to the assets of the company, in the event of the company being wound up while she is a member, or within one year after she ceases to be a member, for payment of the debts and liabilities of the company (contracted before she ceases to be a member) and of the costs, charges, and expenses of winding up and for the adjustment of the rights of the contributions among themselves such as any be required, the amount undertaken by each member not exceeding one year's membership subscription fee, plus a maximum of \$20. The current subscription fee is \$Nil (2016: \$Nil). As at 30 June 2017, the total amount that members of the company are liable to contribute if the company is wound up is \$360(30 June 2016: \$380).

NOTE 3 - AUDITORS' REMUNERATION

The amounts received or due and receivable by the auditors for their services to the company were as follows: -

	2017 \$	2016 \$
a) To Grant Thornton Audit Pty Ltd for auditing the financial report	26,520	26,000
b) For other services	-	-

No other benefits were received by the auditors.

NOTE 4 - OTHER INCOME

	2017 \$	2016 \$
Interest Income from banks	306,629	289,135
Management fees	116,602	138,509
Unwind of Receivable discount	20,268	873,712
Sundry Income	315,695	308,901
Total Other Income	759,194	1,610,257

NOTE 5 - TENANCY & PROPERTY MANAGEMENT EXPENSES

	2017 \$	2016 \$
Operating Leases	4,667,533	4,587,847
Repairs & Maintenance	1,360,423	1,335,765
Rates	662,885	666,626
Insurance	147,127	156,403
Bad & Doubtful Debts	39,807	36,631
Other	280,394	289,974
Total Tenancy & Property Management Expenses	7,158,169	7,073,246

WOMEN'S HOUSING COMPANY LIMITED

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NOTES TO AND FORMING PART OF THE FINANCIAL
STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017

NOTE 6 – ADMINISTRATION EXPENSES

	2017	2016
	\$	\$
Salaries & related costs	1,796,297	1,701,105
Payments to support service providers	184,780	236,131
Rent	152,385	129,226
Depreciation	103,789	68,385
Office Expenses	99,274	94,525
Consultants	37,589	174,319
Contractors	32,897	137,638
Other	426,180	414,121
Total Administration Expenses	<u>2,833,191</u>	<u>2,955,450</u>

NOTE 7 – CASH & CASH EQUIVALENTS

	2017	2016
	\$	\$
Cash on hand and at bank	1,438,360	409,608
Cash investments at call	4,932,549	5,793,208
Total Cash & Cash Equivalents	<u>6,370,909</u>	<u>6,202,816</u>

NOTE 8 – CURRENT ASSETS

	2017	2016
	\$	\$
OTHER FINANCIAL ASSETS		
Term Deposits	<u>9,149,701</u>	<u>5,295,518</u>
TRADE RECEIVABLES		
Rental Debtors	114,919	96,744
Less: Provision for Doubtful Debts	(80,330)	(55,282)
Total Trade Receivables	<u>34,589</u>	<u>41,462</u>
OTHER CURRENT ASSETS & PREPAYMENTS		
Receivable from BlueCHP Limited	-	1,323,856
Sundry Debtors and Prepayments	273,417	278,869
Accrued Interest	126,245	90,744
Total Other Current Assets & Prepayments	<u>399,662</u>	<u>1,693,469</u>

WOMEN'S HOUSING COMPANY LIMITED

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NOTES TO AND FORMING PART OF THE FINANCIAL
STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017

NOTE 9 – PROPERTY, PLANT AND EQUIPMENT

	2017 \$	2016 \$
Freehold Land & Buildings (subject to restrictions)	8,438,000	8,573,000
Less accumulated depreciation on buildings	(444,462)	(402,230)
	<u>7,993,538</u>	<u>8,170,770</u>
Freehold Land & Buildings	1,212,000	1,212,000
Less accumulated depreciation on buildings	(30,462)	(20,166)
	<u>1,181,538</u>	<u>1,191,834</u>
Construction in Progress	188,694	-
Less accumulated depreciation	-	-
	<u>188,694</u>	<u>-</u>
Office Furniture & Equipment	311,067	275,812
Less accumulated depreciation	(140,231)	(149,831)
	<u>170,836</u>	<u>125,981</u>
Computer Software	64,840	40,788
Less accumulated depreciation	-	-
	<u>64,840</u>	<u>40,788</u>
Motor Vehicles	30,483	30,483
Less accumulated depreciation	(18,373)	(14,258)
	<u>12,110</u>	<u>16,225</u>
Total Property, Plant and Equipment	<u>9,611,556</u>	<u>9,545,598</u>

WOMEN'S HOUSING COMPANY LIMITED

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NOTES TO AND FORMING PART OF THE FINANCIAL
STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017

NOTE 9 – PROPERTY, PLANT AND EQUIPMENT continued

Movements in carrying amounts for each class of property, plant and equipment:

2017	Balance at beginning of the year \$	Additions \$	Disposals \$	Depreciation \$	Balance at end of the year \$
Freehold land and buildings (subject to restrictions)	8,170,770	-	(135,000)	(42,232)	7,993,538
Freehold land and buildings	1,191,834	-	-	(10,296)	1,181,538
Construction in Progress	-	188,694	-	-	188,694
Office Furniture & Equipment	125,981	97,902	(5,902)	(47,145)	170,836
Computer Software	40,788	24,052	-	-	64,840
Motor Vehicles	16,225	-	-	(4,115)	12,110
Total	9,545,598	310,648	(140,902)	(103,788)	9,611,556

Movements in carrying amounts for each class of property, plant and equipment continued:

2016	Balance at beginning of the year \$	Additions \$	Disposals \$	Depreciation \$	Balance at end of the year \$
Freehold land and buildings (subject to restrictions)	8,205,725	-	-	(34,955)	8,170,770
Freehold land and buildings	1,202,130	-	-	(10,296)	1,191,834
Construction in Progress	-	-	-	-	-
Office Furniture & Equipment	38,223	107,653	-	(19,895)	125,981
Computer Software	-	40,788	-	-	40,788
Motor Vehicles	4,071	15,393	-	(3,239)	16,225
Total	9,450,149	163,834	-	(68,385)	9,545,598

WOMEN'S HOUSING COMPANY LIMITED

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NOTES TO AND FORMING PART OF THE FINANCIAL
STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017

NOTE 9 – PROPERTY, PLANT AND EQUIPMENT continued

Freehold Land and Buildings (Subject to restrictions)

The titles for all Freehold property are held subject to the provisions of section 67L of the Housing Act 2001 (NSW). The Act imposes the following restrictions on the company (as a Community Housing Provider) regarding dealings in the property:

(1) A community-housing provider must not transfer or otherwise deal with land in which the Corporation (the New South Wales Land and Housing Corporation) has an interest unless:

(a) the Corporation consents to the transfer or other dealing, or

(b) the transfer or other dealing is authorised, or is of a class that is authorised, by a community housing agreement with that community housing provider ("an exempt transaction"), or

(c) a community housing agreement with the community housing provider provides that this section does not apply to the land concerned.

(2) The Corporation must not unreasonably withhold consent under subsection (1) (a).

Title to freehold land and buildings was transferred from NSW Land and Housing Corporation to the company on 18th April 2011 in accordance with the Community Housing Asset Ownership program. The transfer of title was for NIL consideration and NSW Land and Housing Corporation has registered an interest in the title to land that has vested. The NSW Land and Housing Corporation will also hold an interest in land acquired using the proceeds of sale or disposal of land in which it holds an interest. This registered interest imposes restrictions on the transfer of, or other dealings in regard to the land.

The contribution of properties was recognised as income in accordance with Australian Accounting Standard 1004 "Contributions" and was measured at the fair value of the contribution received. The fair value of the contribution received was calculated taking into account the restriction on their use for the provision of community housing and the impact that this will have on the economic benefits received by the company. This calculation of fair value has therefore applied an appropriate capitalisation rate to the below market rates of rent that are expected in regards to these properties to arrive at an aggregate fair value of \$8,573,000. This assessment by directors of fair value was recognised as income and was the amount at which the land and buildings were originally recognised as assets.

An equivalent valuation performed by BlueCHP Limited in June 2011 that incorporated market rates of rent arrived at a market value of \$29,295,000 on acquisition. This valuation was determined by reference to market based evidence, being the amount for which the assets could have been exchanged between a knowledgeable willing buyer and a knowledgeable willing seller in an arm's length transaction, assuming the restrictions on title were lifted.

The company sold one of the properties subject to restrictions in June 2017. The company also entered into a contract to purchase a block of units, the settlement of which occurred in July 2017.

NOTE 10 – NON-CURRENT RECEIVABLES & OTHER

	2017	2016
	\$	\$
Deposit on property	302,200	-
Bonds on Deposit	242,386	234,666
Other Deposits	39,023	37,125
Available for sale assets – Shares in IAG Limited	2,902	2,902
Total Non-Current Receivables & Other	586,511	274,693

WOMEN'S HOUSING COMPANY LIMITED

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NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017

NOTE 11 – OTHER CURRENT LIABILITIES

	2017	2016
	\$	\$
Grants received in advance	1,386,094	323,178
Tenants' Prepaid Rent	280,658	308,495
GST Owing	133,604	20,902
Other Creditors	114,559	106,950
Total Other Current Liabilities	<u>1,914,913</u>	<u>759,525</u>

NOTE 12 – PROVISIONS

	2017	2016
	\$	\$
Current		
Annual Leave	142,542	139,605
Long Service Leave	62,563	39,215
Other	-	12,167
Total Current Provisions	<u>205,105</u>	<u>190,987</u>
Non-Current		
Long Service Leave	16,122	29,391
Other	13,000	-
Total Non-Current Provisions	<u>29,122</u>	<u>29,391</u>

NOTE 13 – RECONCILIATION OF CASH FLOWS FROM OPERATING ACTIVITIES WITH OPERATING SURPLUS

	2017	2016
	\$	\$
Operating Surplus	2,066,363	1,803,536
<i>Non-cash flows in operating profit</i>		
Depreciation	103,789	68,385
Unwind of Receivable discount	(20,268)	(873,712)
(Profit)/Loss on Sale of Fixed Assets	(1,047,250)	(1,664)
<i>Changes in assets and liabilities</i>		
(Increase)/Decrease in Receivables	(27,074)	(174,715)
Increase/(Decrease) in Payables	(43,754)	152,827
Increase/(Decrease) in Grants in Advance/Receivable	1,057,196	(86,464)
Increase/(Decrease) in Provisions	13,847	54,172
Cash flows from operating activities	<u>2,102,849</u>	<u>942,365</u>

WOMEN'S HOUSING COMPANY LIMITED

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NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017

NOTE 14 – AFTER BALANCE DATE EVENT

Subsequent to the balance date the company completed the purchase of a block of six units at Belmore. A deposit of \$302,200 was paid in June 2017 and the balance paid upon the settlement date of 10 July 2017 was \$2,719,800.

On 17 October 2017 the NSW government announced the result of the Social Housing Management Transfer Program tender process. Women's Housing Company Limited is a member of a consortium which was successful in securing the transfer of a package of properties to be managed for 20 years. This is expected to result in a significant increase in the number of properties and tenancies under management in future years. The Board believes that this will result in a positive financial impact over the period of the contract.

NOTE 15 – LEASE COMMITMENTS

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

	2017 \$	2016 \$
Minimum lease payments payable:		
Within one year	529,562	1,329,557
Later than one year but not later than 5 years	949,618	1,280,674
Later than 5 years but not later than 10 years	-	-
	-----	-----
Total minimum lease payments payable	1,479,180 =====	2,610,231 =====

The leases are non-cancellable leases with terms ranging from 6 months to 10 years. Rent is payable monthly in advance. All commitments are shown exclusive of GST. Cancellable leases for property tenancies with termination notice periods of less than 30 days have not been included in the above.

NOTE 16 – OTHER COMMITMENTS

Other than the settlement referred to in Note 14 above, the company had no capital or other commitments at 30 June 2017.

NOTE 17 – CONTINGENT LIABILITIES

There is a security deposit guarantee of \$37,125 for the office premises (2016: \$37,125). The Company had no other contingent liabilities at 30 June 2017.

NOTE 18 – CONTINGENT ASSETS

The Company had no contingent assets at 30 June 2017.

NOTE 19 – RELATED PARTY TRANSACTIONS

	2017 \$	2016 \$
a) Directors' Remuneration	Nil =====	Nil =====

Directors' remuneration refers to the aggregate remuneration (excluding reimbursements) received by directors during the year.

WOMEN'S HOUSING COMPANY LIMITED

ABN 38 002 704 056

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017

NOTE 19 – RELATED PARTY TRANSACTIONS continued

	2017 \$	2016 \$
b) Key Management Personnel compensation	642,127 =====	553,039 =====

Key management personnel are those having authority for planning, directing and controlling the company's activities, directly or indirectly, including Directors (who act in an honorary capacity), Chief Executive Officer, Housing Services Manager, Senior Asset Manager, Homelessness Service Manager and Chief Financial Officer.

c) Transactions with other related parties

The company withdrew from the membership of BlueCHP Limited in July 2016, as a result of which BlueCHP Limited is no longer a related party. During the financial year ending 30 June 2016, the company paid \$742,796 in rent to BlueCHP Limited. At the reporting date of 30 June 2016, there was a loan of \$1,344,124 receivable from BlueCHP Limited. This was paid to the company in July 2016.

NOTE 20 – COMPANY DETAILS

The financial report of Women's Housing Company Limited for the year ended 30 June 2017 was authorised for issue in accordance with a resolution of the Directors on the 23rd of October 2017.

The financial report is presented in Australian currency.

The current address of the registered office and principal place of business is:

Suite 901, Level 9, 418A Elizabeth Street
Surry Hills, NSW, 2010