

**Women's Property Initiatives Ltd
(formerly known as Victorian Women's Housing
Association Ltd)**

ABN 64 077 478 696

Annual Report - 30 June 2020

Women's Property Initiatives Ltd
Directors' report
30 June 2020

Your directors present this report on the Women's Property Initiatives Ltd (formerly known as Victorian Women's Housing Association Ltd) for the year ended 30 June 2020.

Directors

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

- C. Gilbertson
- J. Large
- D. Mika
- C. McCormack
- D. Graham
- A. M Caplan
- K. Struthers
- M. Mc Nally (appointed 19/5/2020)
- N Wild (resigned 11/11/2019)
- E Schwab (resigned 11/11/2019)

Principal Activities

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

- To develop and manage not-for-profit low-cost rental housing for low income women.
- To act as a lessor of low rental or subsidised housing for low income women.
- To refer low income women facing homelessness and destitution to low rental subsidised accommodation.
- To refer women living in the company's housing to counselling, rehabilitation, and support services, where appropriate.

The surplus after income tax for the year ended 30 June 2020 amounted to \$1,913,193 (2019: \$161,246).

Short-term Objectives

The company's short-term objectives are to:

1. Successfully progress current projects in the pipeline in the financial year 2020/21 and continue to partner to develop new projects.
2. Maintain & improve where required, strong governance of the organisation.
3. Maintain and improve Tenancy and Property Management where necessary.
4. Strengthen and broaden stakeholder engagement through increased profile.
5. Develop a Fundraising Strategy.

Long Term Objectives (WPI's Strategic Initiatives 2019/20 to 2021/22)

Vision: To achieve housing for 500 women and children and be regarded as the most innovative in providing solutions for homeless women

1. WPI will develop a **Comprehensive Fundraising Strategy** for the core operations of WPI using experts to help us.
2. WPI will continue to **develop strong relationships with local Councils** and developers to facilitate new developments.
3. WPI will **build Property Initiatives Real Estate profile** and capacity with **new strategies and initiatives**
4. WPI will **form an alliance** to build scale and get access to more stock and achieve economies of scale with a complementary organisation to leverage their balance sheet and/or manage their stock to generate revenue
5. **WPI will partner with a Community Housing Organisation or Service Organisation** to manage their stock in order to generate revenue.
6. **WPI will get mainstream media coverage** (TV/radio) to raise profile to raise funds
7. **Achieve financial security and certainty**

We believe we have currently reached an exciting time at WPI where there is a range of new and innovative projects in the pipeline. In addition to this, we have several productive partnerships and alliances which can be progressed significantly with the decision to allocate the resourcing required to pursue these opportunities.

To achieve the vision of housing 500 women and children and be regarded as the most innovative in providing solutions for homeless women will require significant continuing hard work, but our strategic planning process has ensured we are clear about how we plan to get there.

Short term Strategies

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

Business Initiative	Year 2020/2021
1. Successfully progress current projects in the pipeline in the financial year 2020/21 and continue to partner to develop new projects.	Current Projects in the pipeline include: <ul style="list-style-type: none"> • Storey Drive Pakenham • Older Women's Project in Beaconsfield • Social Housing Growth Fund: Bundoora & Brunswick • Co Housing in Daylesford • Mt Atkinson 5 bedroom House
2. Maintain & improve where required, strong governance of the organisation.	This will include ongoing review and improvements inf the following: <ul style="list-style-type: none"> • Governance • Compliance • Risk Management • Asset Management
3. Maintain and improve Tenancy and Property Management where necessary.	This will ensure the following: <ul style="list-style-type: none"> • Reduced rental arrears. • Improved maintenance response for non-urgent maintenance • Maintaining excellent relationships with support organisations for our tenants • Maintaining property standards • Accurately informing WPI of budget requirements.
4. Strengthen and broaden stakeholder engagement through increased profile.	Maintain our public profile and awareness raising activities, including: <ul style="list-style-type: none"> • Social media • Board Room Lunches • Industry Newsletters • Awards achieved
5. Develop a Fundraising Strategy	Establish a fundraising sub committee Employ a .6EFT Fundraiser
6. Continue to manage the housing stock of ARV, Haven Home Safe & CEHL to generate a revenue stream AND seek further opportunities for management	Continue to provide high quality Tenancy & Property Management to the ARV, HHS & CEHL properties. Actively seek other opportunities highlighting the competency & expertise provided by WPI
7. Continue to work on all of the Long Term Strategic Initiatives as outlined in the 2019/20 to 2021/22 Strategic Business Plan	The Leadership Team incorporating the CEO, Finance Manager, Operations Manager, Communications Manager and Development Manager to actively progress the strategic Initiatives.

Key Performance Measures

The company measures its own performance through the use of both quantitative and qualitative benchmarks. The directors use the benchmarks to assess the financial sustainability of the company and whether the company's short-term and long-term objectives are being achieved.

HR = Housing Registrar (The Housing Registrar is a business unit within the Department of Treasury and Finance)

Key performance measures 2019/2020	HR Preferred Range	HR satisfactory Range	WPI
- Turnaround time (vacant tenantable)	Less than 7 days	7 to 21 days	0 days
- Turnaround time (untenantable: long term housing)	Less than 21 days	21 to 48 days	24 days
- Average Occupancy Rate	N/A	N/A	99.5%
- Rent outstanding from current tenants	Less than 1%	1% to 5%	1.3 %
- Arrears written off as bad debt	Less than 1%	1% to 5%	0%
- Evictions	Less than 5%	5%-10%	0%
- Tenancies maintained (long term housing)	More than 90%	75% - 90%	94%
- Urgent requested repairs completed within 24 hours of request	100%	90% to 99%	100%
- Non-urgent requested repairs completed within 14 days of request	More than 90%	75% to 90%	70%*

* **Note:** The decline in the percentage of non-urgent repairs completed within 14 days is due to the Stage 3 Lockdown caused by COVID-19 and the WPI COVID Risk Management framework WPI has in place.

Operational and financial

Proportion of funding provided by:

- Non-government and philanthropic grants	31.0%
- Donations	7.0%
- Investments	0.4%
- Rental income from tenants	30.6%
- Government grants	26.0%
- Management Fees	5.0%

Proportion of funding spent on

- Tenant properties	25.0%
- Additional housing projects	64.0%
- Administration and activities to increase growth and business development	11.0%

Information on Directors

Donna Graham (known professionally as **Donna Rayner**) (Director) holds a Diploma in Law (Legal Practitioners Admission Board), Graduate Certificate in Innovation and Entrepreneurship (Adelaide University). She is a Principal in the Property and Development Team at Russell Kennedy Lawyers. Her areas of practice are Property Law, Retirement Villages and Senior Living Law and Due Diligence. Donna is a member of Victorian Women Lawyers and was recognised by Best Lawyers 2013 – 2020 for expertise in Retirement Villages and Senior Living Law. She was also the Joint Deputy Convener, Russell Kennedy Women's Network (2016-2018).

Christine Gilbertson (Treasurer) is a Chartered Accountant with 30 years' experience in the profession and private sector, with particular expertise in risk management, cashflow management, structuring and property. She is currently the CFO of a private company with an extensive property portfolio. Christine is a Director of Scalzo Food Industries and Australian Plant Proteins. Christine also has a portfolio of private clients and chairs Audit and Risk Committees in private industry.

Carmel McCormack has worked for professional membership associations for many years, including the Real Estate Institute of Victoria (REIV) and the Australian Institute of Architects (AIA). She is currently Executive Officer (Vic & Tas) for the Planning Institute Australia (PIA), responsible for a range of activities, both externally and internally focused, including policy, advocacy, education, professional development, member services, communications, marketing, sponsorship, finance and administration. Carmel has been involved with WPI for 19 years.

Debra Mika (Chair) has extensive experience in senior management roles in the financial services sector and is currently a senior executive at First State Super. She has applied her leadership, analytical and financial skills to lead a variety of functions and a range of significant change programs in various organisations and has operated her own business providing consulting services in strategic and business planning. Debra holds a Master of Business Administration and is a graduate member of the Australian Institute of Company Directors.

Katie Struthers (Vice Chair) is a Chartered Accountant with over 19 years' experience in professional practice advising clients in a number of industries and sectors both in Australia and the UK. She is currently a Partner of Assurance at Ernst and Young, one of the Big Four professional services firms. Katie has strong technical accounting knowledge, as well as a risk management focus and a deep understanding of the role, workings and challenges of boards and committees. She brings significant experience in financial management, risk management and governance.

Jeanette Large (Company Secretary) With a Bachelor of Behavioural Science and a Graduate Diploma in Business Management, Jeanette has extensive experience across the housing sector: from running refuges and local housing groups to management roles in government departments. Under Jeanette's leadership, WPI's housing stock has increased from 11 dwellings to 81. By working innovatively with public, corporate and non-government partners, Jeanette has increased the organisation's size and influence. Jeanette facilitated WPI's certification as a registered Housing Agency and has moved WPI into a highly visible space in the government and public arenas, through constant advocacy for more affordable housing for women and their children.

Alyssa Caplan (Director) holds a Bachelor of Laws (Honours) and a Bachelor of Commerce with a Major in Economics. She is a senior commercial lawyer with over 17 years' experience in the law, both in private practice at Allens Arthur Robinson and as a corporate lawyer at Accenture, a multinational professional services company. Alyssa has held several roles on Accenture's executive leadership teams, including as Director of Legal Services for Australia & New Zealand and as Director of Legal Services for North APAC. She is a graduate member of the Australian Institute of Company Directors and a Fellow of the Governance Institute of Australia.

Michelle McNally (Director) is General Manager, Property at Australia Post and manages one of Australia's largest and most geographically distributed property portfolios. She is responsible for the delivery of strategic and operational benefits through the day to day management of the portfolio and supply of services to the business. With extensive experience in commercial services, investment strategy and asset management across the property sector, Michelle has held senior roles at ISPT and JLL. Michelle has a Bachelor of Business – Property, is a Certified Practising Valuer, a graduate member of the Australian Institute of Company Directors and is a committee member of the Property Council of Australia.

Events Subsequent to the End of the Reporting Period

WPI has terminated its lease agreement with Cowely William Pty Ltd on 31 July 2020.

Likely Developments and Expected Results of Operations

Likely developments in the operations of the company and the expected results of those operations in future financial years are included in the above section of the report under "Short-term and Long-term Objectives."

Environmental Regulation

The company's operations are not regulated by any significant environmental regulation under a law of the Commonwealth or of a state or territory.

Indemnification of Officers

The Company paid an insurance premium in respect of a contract insuring each of the directors and officers of the company against all liabilities and expenses arising as a result of work performed in their respective capabilities, to the extent permitted by the law.

Proceedings on Behalf of the Company

No person has applied for leave of court to bring proceedings on behalf of the company or intervene in any proceedings to which the company is a party for the purpose of taking responsibility on behalf of the company for all or any part of those proceedings. The company was not a party to any such proceedings during the year.

Women's Property Initiatives Ltd
Directors' report
30 June 2020

Directors' Meetings

	Number Eligible to Attend	Number Attended
Donna Graham	11	8
Carmel McCormack	11	8
Katie Struthers	11	8
Christine Gilbertson	11	10
Debra Mika	11	11
Noral Wild	5	4
Jeanette Large	11	11
Alyssa Caplan	11	9
Ellie Schwab	5	3
Michelle Mc Nally	3	3


Corporate governance

All directors, other than Jeanette Large, are non-executive and provide their services to Women's Property Initiatives Ltd on a voluntary basis. The Board facilitates the identification of significant areas of business risk, implements procedure to manage such risks and develops policies regarding the establishment and maintenance of appropriate ethical standards. The Board develops the overall strategic direction of the company and monitors the achievement of this, and the management of the company, using policy governance framework. Their specific role is to ensure compliance in legal, statutory, and ethical matters; monitor the business environment; identify business risk areas; identify business opportunities; and monitor systems established to ensure prompt and appropriate responses to customer complaints and enquiries.

Auditor's Independence Declaration

A copy of the auditor's independence declaration as required under section 60-40 of the *Australian Charities and Not-for-Profits Commission Act 2012* is included in page 9 of this financial report and forms part of the Directors' Report

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



Director

Dated 27 October 2020



Director

Dated 27 October 2020

Auditor Independence Declaration to the Directors of Women's Property Initiatives Ltd (formerly known as Victorian Women's Housing Association Ltd)

I declare that, to the best of my knowledge and belief, during the year ended 30 June 2020 there have been no contraventions of:

- 1) The auditor independence requirements as set out in Section 60-40 of the *Australian Charities and Not-for-profits Commission Act 2012* in relation to the audit; and
- 2) Any applicable code of professional conduct in relation to the audit.



CROWE MELBOURNE



GORDON ROBERSTON
Partner

Melbourne Victoria
27 October 2020

Liability limited by a scheme approved under Professional Standards Legislation.

The title 'Partner' conveys that the person is a senior member within their respective division, and is among the group of persons who hold an equity interest (shareholder) in its parent entity, Findex Group Limited. The only professional service offering which is conducted by a partnership is the Crowe Australasia external audit division. All other professional services offered by Findex Group Limited are conducted by a privately owned organisation and/or its subsidiaries.

Findex (Aust) Pty Ltd, trading as Crowe Australasia is a member of Crowe Global, a Swiss verein. Each member firm of Crowe Global is a separate and independent legal entity. Findex (Aust) Pty Ltd and its affiliates are not responsible or liable for any acts or omissions of Crowe Global or any other member of Crowe Global. Crowe Global does not render any professional services and does not have an ownership or partnership interest in Findex (Aust) Pty Ltd. Services are provided by Crowe Melbourne, an affiliate of Findex (Aust) Pty Ltd.

Women's Property Initiatives Ltd
Statement of profit or loss and other comprehensive income
For the year ended 30 June 2020

	Note	2020	2019
		\$	\$
Revenue	3	3,884,333	1,918,640
Expenses			
Employee benefits expense		(710,043)	(476,957)
Property expenses		(361,177)	(407,589)
Depreciation and amortisation expenses	4	(460,185)	(460,123)
Finance cost	4	(122,484)	(185,271)
Rent expense		(72,291)	(63,608)
Audit, legal and consultancy fees		(37,554)	(20,528)
Other expenses		(207,406)	(143,318)
Surplus for the year		1,913,193	161,246
Other comprehensive income			
<i>Items that will not be reclassified subsequently to profit or loss</i>			
Gain on the revaluation of land and buildings	10	13,962,811	-
Other comprehensive income for the year		13,962,811	-
Total comprehensive income for the year		15,876,004	161,246

The above statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes

Women's Property Initiatives Ltd
Statement of financial position
As at 30 June 2020

	Note	2020 \$	2019 \$
Assets			
Current assets			
Cash and cash equivalents	5	1,177,063	1,298,767
Trade and other receivables	6	1,178,677	184,549
Other financial assets	7	-	300,000
Total current assets		<u>2,355,740</u>	<u>1,783,316</u>
Non-current assets			
Financial assets	8	10	10
Other financial assets	7	19,250	19,250
Loans receivable	9	2,080,512	1,905,823
Property, plant and equipment	10	37,464,085	22,491,681
Total non-current assets		<u>39,563,857</u>	<u>24,416,764</u>
Total assets		<u>41,919,597</u>	<u>26,200,080</u>
Liabilities			
Current liabilities			
Trade and other payables	11	123,505	47,895
Amounts received in advance	12	925,965	1,168,205
Provisions	13	82,326	79,928
Borrowings	14	7,573	292,164
Total current liabilities		<u>1,139,369</u>	<u>1,588,192</u>
Non-current liabilities			
Amounts received in advance	12	1,851,092	1,695,667
Borrowings	14	3,262,063	3,125,152
Total non-current liabilities		<u>5,113,155</u>	<u>4,820,819</u>
Total liabilities		<u>6,252,524</u>	<u>6,409,011</u>
Net assets		<u>35,667,073</u>	<u>19,791,069</u>
Member's Funds			
Retained surpluses		18,647,888	16,734,695
Reserves	15	<u>17,019,185</u>	<u>3,056,374</u>
Total Member's Funds		<u>35,667,073</u>	<u>19,791,069</u>

The above statement of financial position should be read in conjunction with the accompanying notes

Women's Property Initiatives Ltd
Statement of changes in equity
For the year ended 30 June 2020

	Reserves	Retained Surpluses	Total Equity
	\$	\$	\$
Balance at 1 July 2018	3,056,374	16,573,449	19,629,823
Surplus after income tax expense for the year	-	161,246	161,246
Other comprehensive income for the year, net of tax	-	-	-
Total comprehensive income for the year	-	161,246	161,246
Balance at 30 June 2019	<u>3,056,374</u>	<u>16,734,695</u>	<u>19,791,069</u>
Balance at 1 July 2019	3,056,374	16,734,695	19,791,069
Surplus after income tax expense for the year	-	1,913,193	1,913,193
Other comprehensive income for the year, net of tax	13,962,811	-	13,962,811
Total comprehensive income for the year	<u>13,962,811</u>	<u>1,913,193</u>	<u>15,876,004</u>
Balance at 30 June 2020	<u><u>17,019,185</u></u>	<u><u>18,647,888</u></u>	<u><u>35,667,073</u></u>

The above statement of changes in equity should be read in conjunction with the accompanying notes

Women's Property Initiatives Ltd
Statement of cash flows
For the year ended 30 June 2020

	Note	2020 \$	2019 \$
Cash flows from operating activities			
Receipts from government and other grants		2,047,015	1,743,750
Receipts from customers and other sources		1,420,649	1,018,800
Payments to suppliers and employees		(1,266,488)	(1,095,935)
Interest received		13,445	22,175
Finance costs		<u>(122,484)</u>	<u>(185,271)</u>
Net cash from operating activities	20	<u>2,092,137</u>	<u>1,503,519</u>
Cash flows from investing activities			
Net proceeds from/payments for financial assets		300,000	(19,250)
Payments for property, plant and equipment	10	(1,469,778)	(365,311)
Deposits paid for property acquisition		<u>(896,383)</u>	<u>-</u>
Net cash used in investing activities		<u>(2,066,161)</u>	<u>(384,561)</u>
Cash flows from financing activities			
Net repayment of borrowings		<u>(147,680)</u>	<u>(277,806)</u>
Net cash used in financing activities		<u>(147,680)</u>	<u>(277,806)</u>
Net (decrease)/ increase in cash and cash equivalents		(121,704)	841,152
Cash and cash equivalents at the beginning of the financial year		<u>1,298,767</u>	<u>457,615</u>
Cash and cash equivalents at the end of the financial year	5	<u><u>1,177,063</u></u>	<u><u>1,298,767</u></u>

The above statement of cash flows should be read in conjunction with the accompanying notes

Note 1. Significant accounting policies

The principal accounting policies adopted in the preparation of the financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

New, revised or amending Accounting Standards and Interpretations adopted

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. The adoption of these standards has not had a material impact on the financial statements.

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

Impact of adoption

AASB 15, AASB 16 and AASB 1058 were adopted using the modified retrospective approach and as such comparatives have not been restated. There was no impact on opening retained profits as at 1 July 2019.

Basis of preparation

In the directors' opinion, the company is not a reporting entity because there are no users dependent on general purpose financial statements.

These are special purpose financial statements that have been prepared for the purposes of complying with the Australian Charities and Not-for-profits Commission Act 2012 and Victorian legislation the Fundraising Appeals Act 1998 and associated regulations requirements to prepare and distribute financial statements to the members of Women's Property Initiatives Ltd. The directors have determined that the accounting policies adopted are appropriate to meet the needs of the members of Women's Property Initiatives Ltd.

These financial statements have been prepared in accordance with the recognition and measurement requirements specified by the Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') and the disclosure requirements of AASB 101 'Presentation of Financial Statements', AASB 107 'Statement of Cash Flows', AASB 108 'Accounting Policies, Changes in Accounting Estimates and Errors', AASB 1048 'Interpretation of Standards' and AASB 1054 'Australian Additional Disclosures', as appropriate for not-for-profit oriented entities.

AASB 10: Consolidated Financial Statements

Women's Property Initiatives Ltd is the sole beneficiary of the Property Initiatives Fixed Trust. Under the Property Initiatives Fixed Trust, Women's Property Initiatives Ltd is entitled to 100% of accounting profits earned by Property Initiatives Real Estate Agency Pty Ltd. Women's Property Initiatives Ltd effectively controls the Property Initiatives Fixed Trust. The Property Initiatives Fixed Trust however has not been consolidated as the Company has not complied with AASB10: Consolidated Financial Statements as it is not required to as a non-reporting entity.

The significant accounting policies are disclosed below, which the directors have determined are appropriate to meet the needs of members. Such accounting policies are consistent with those of previous periods unless stated otherwise.

Historical cost convention

The financial statements have been prepared under the historical cost convention.

Critical accounting estimates

The preparation of the financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the company's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in note 2.

Women's Property Initiatives Ltd
Notes to the financial statements
For the year ended 30 June 2020

Revenue recognition

Rental Income

Rental income is brought to account when received, and to the extent that it related to the subsequent period it is disclosed as a liability.

Grant Income

Income from grants that are enforceable and with sufficiently specific performance obligations are accounted for under AASB 15 as revenue from contracts with customers, with revenue recognised as these performance obligations are met.

Income from grants without any sufficiently specific performance obligations, or that are not enforceable are recognised when received.

Deferred Income

The liability for deferred income is recognised when performance obligations under the contract with customers are not satisfied.

Interest Revenue

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

Donations

Donation income is recognised when the entity obtains control over the funds which is generally at the time of receipt.

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

Income tax

As the company is a charitable institution in terms of subsection 50-5 of the Income Tax Assessment Act 1997, as amended, it is exempt from paying income tax.

Current and non-current classification

Assets and liabilities are presented in the statement of financial position based on current and non-current classification.

An asset is classified as current when: it is either expected to be realised or intended to be sold or consumed in the company's normal operating cycle; it is held primarily for the purpose of trading; it is expected to be realised within 12 months after the reporting period; or the asset is cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least 12 months after the reporting period. All other assets are classified as non-current.

A liability is classified as current when: it is either expected to be settled in the company's normal operating cycle; it is held primarily for the purpose of trading; it is due to be settled within 12 months after the reporting period; or there is no unconditional right to defer the settlement of the liability for at least 12 months after the reporting period. All other liabilities are classified as non-current.

Deferred tax assets and liabilities are always classified as non-current.

Cash and cash equivalents

Cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original 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.

Women's Property Initiatives Ltd
Notes to the financial statements
For the year ended 30 June 2020

Trade and loan receivables

Trade and loan receivables are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method, less any allowance for expected credit losses. Trade receivables are generally due for settlement within 30 days.

Property, plant and equipment

The company re-assessed its accounting for property, plant and equipment with respect to measurement of a certain class of property, plant and equipment after initial recognition. The company had previously measured all property, plant and equipment using the cost model whereby, after initial recognition of the asset classified as property, plant and equipment, the asset was carried at cost less accumulated depreciation and accumulated impairment losses.

On 30 June 2020, the company elected to change the method of accounting for land and buildings classified as property, plant and equipment, as the company believes that the revaluation model provides more relevant information to the users of its financial statements. In addition, available valuation techniques provide reliable estimates of the properties' fair value. The company applied the revaluation model prospectively.

After initial recognition, land and buildings in Australia are measured at fair value at the date of the revaluation less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

Land and buildings are measured using the cost and revaluation models. In the current financial year, land and buildings are measured at fair value. The fair value was determined based on revaluations performed by CBRE in June 2020. Any revaluation increment is credited to equity under reserves except to the extent that it reverses a previous revaluation decrement of the same asset that was recognised in statement of profit and loss.

Plant and equipment is stated at historical cost less accumulated depreciation and impairment. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Any accumulated depreciation as at the revaluation date is eliminated against the gross carrying amount of the asset and the asset restated to the revaluated amount.

Depreciation is calculated to write off the net cost of each item of property, plant and equipment (excluding land) over their expected useful lives as follows:

Buildings	Straight Line Method	40 years
Office equipment	Reducing Balance Method	3-4 years

The residual values, useful lives and depreciation methods are reviewed, and adjusted if appropriate, at each reporting date.

An item of property, plant and equipment is derecognised upon disposal or when there is no future economic benefit to the company. Gains and losses between the carrying amount and the disposal proceeds are taken to profit or loss.

Impairment of non-financial assets

Non-financial assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount.

Recoverable amount is the higher of an asset's fair value less costs of disposal and value-in-use. The value-in-use is the present value of the estimated future cash flows relating to the asset using a pre-tax discount rate specific to the asset or cash-generating unit to which the asset belongs. Assets that do not have independent cash flows are grouped together to form a cash-generating unit.

Women's Property Initiatives Ltd
Notes to the financial statements
For the year ended 30 June 2020

Trade and other payables

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

Employee entitlements

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 amount expected to be paid when the liability is settled. Employee benefits payable later than one year have been measured at the present value of estimated future cash outflows to be made for those benefits. Provision is made for the entity's liability for long service leave when an employee reaches 5 years of continuous service.

Fair value measurement

When an asset or liability, financial or non-financial, is measured at fair value for recognition or disclosure purposes, the fair value is based on the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date; and assumes that the transaction will take place either: in the principal market; or in the absence of a principal market, in the most advantageous market.

Fair value is measured using the assumptions that market participants would use when pricing the asset or liability, assuming they act in their economic best interests. For non-financial assets, the fair value measurement is based on its highest and best use. Valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, are used, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

Goods and Services Tax ('GST') and other similar taxes

Revenues, expenses and assets are recognised net of the amount of associated GST, unless the GST incurred is not recoverable from the tax authority. In this case it is recognised as part of the cost of the acquisition of the asset or as part of the expense.

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 tax authority is included in other receivables or other 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 tax authority, are presented as operating cash flows.

Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the tax authority.

New Accounting Standards and Interpretations not yet mandatory or early adopted

Australian Accounting Standards and Interpretations that have recently been issued or amended but are not yet mandatory, have not been early adopted by the company for the annual reporting period ended 30 June 2020. The company has not yet assessed the impact of these new or amended Accounting Standards and Interpretations.

Note 2. Critical accounting judgements, estimates and assumptions

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts in the financial statements. Management continually evaluates its judgements and estimates in relation to assets, liabilities, contingent liabilities, revenue and expenses. Management bases its judgements, estimates and assumptions on historical experience and on other various factors, including expectations of future events, management believes to be reasonable under the circumstances. The resulting accounting judgements and estimates will seldom equal the related actual results. The judgements, estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities (refer to the respective notes) within the next financial year are discussed below.

Estimation of useful lives of assets

The company determines the estimated useful lives and related depreciation and amortisation charges for its property, plant and equipment and finite life intangible assets. The useful lives could change significantly as a result of technical innovations or some other event. The depreciation and amortisation charge will increase where the useful lives are less than previously estimated lives, or technically obsolete or non-strategic assets that have been abandoned or sold will be written off or written down.

Impairment of non-financial assets other than goodwill and other indefinite life intangible assets

The company assesses impairment of non-financial assets other than goodwill and other indefinite life intangible assets at each reporting date by evaluating conditions specific to the company and to the particular asset that may lead to impairment. If an impairment trigger exists, the recoverable amount of the asset is determined. This involves fair value less costs of disposal or value-in-use calculations, which incorporate a number of key estimates and assumptions.

Employee benefits provision

As discussed in note 1, the liability for employee benefits expected to be settled more than 12 months from the reporting date are recognised and measured at the present value of the estimated future cash flows to be made in respect of all employees at the reporting date. In determining the present value of the liability, estimates of attrition rates and pay increases through promotion and inflation have been taken into account.

Fair value measurement of Melbourne Apartment Project Loan Book

The company has determined the fair value of the loan book gifted for Melbourne Apartment Project (MAP) using the income approach. After initial recognition these are measured at amortised cost. The company has prepared cash flow projections for 30 years discounted using a 2.24% interest rate (2019: 4.94% interest rate). Non recoverability of 40% (2019: 20%) of the loans has also been incorporated into cash flow projections.

Fair value of land and buildings

The company measures land and buildings at revalued amounts, with changes in fair value being recognised in Other Comprehensive Income. The land and buildings were valued by reference to transactions involving properties of a similar nature, location and condition. The company engaged an independent valuation specialist to assess the fair values as at 30 June 2020

Women's Property Initiatives Ltd
Notes to the financial statements
For the year ended 30 June 2020

Note 3. Revenue

	2020	2019
	\$	\$
<i>Operating Revenue</i>		
- Core Grants	89,262	241,632
- Rental Income	1,031,096	1,018,018
- Other Income	681,012	432,585
	<u>1,801,370</u>	<u>1,692,235</u>
<i>Other revenue</i>		
- Interest received from financial institutions	13,445	22,175
- Other revenue	2,069,518	204,230
	<u>2,082,963</u>	<u>226,405</u>
 Revenue	 <u>3,884,333</u>	 <u>1,918,640</u>

Note 4. Expenses

	2020	2019
	\$	\$
Surplus before income tax includes the following specific expenses:		
<i>Depreciation & amortisation</i>		
Office equipment	2,405	1,659
Website	1,080	3,167
Land and buildings	456,700	455,297
	<u>460,185</u>	<u>460,123</u>
Total depreciation & amortisation		
	<u>460,185</u>	<u>460,123</u>
 Finance costs	 <u>122,484</u>	 <u>185,271</u>

Note 5. Current assets - cash and cash equivalents

	2020	2019
	\$	\$
Cash on hand	200	200
Cash at bank	1,176,863	1,298,567
	<u>1,177,063</u>	<u>1,298,767</u>

Women's Property Initiatives Ltd
Notes to the financial statements
For the year ended 30 June 2020

Note 6. Current assets - trade and other receivables

	2020	2019
	\$	\$
Rent in arrears	13,862	11,501
Deposit - vendor trust account	986,383	90,000
Sundry debtors	271	-
Bonds paid	5,000	5,000
GST receivable	112,797	37,173
Others	30,673	2,209
Trade and other receivables excluding related party receivables	<u>1,148,986</u>	<u>145,883</u>
Related Party receivable	265,666	228,666
Allowance for expected credit losses	<u>(235,975)</u>	<u>(190,000)</u>
Net related party receivable	29,691	38,666
Total trade and other receivables	<u><u>1,178,677</u></u>	<u><u>184,549</u></u>

Note 7. Other financial assets at amortised cost

	2020	2019
	\$	\$
<i>Current:</i>		
Term Deposit	<u>-</u>	<u>300,000</u>
	-	300,000
<i>Non-Current</i>		
Bank Guarantee	<u>19,250</u>	<u>19,250</u>
	<u><u>19,250</u></u>	<u><u>319,250</u></u>

Women's Property Initiatives Ltd
Notes to the financial statements
For the year ended 30 June 2020

Note 8. Non-current assets – financial assets

	2020	2019
	\$	\$
Unlisted investments-shares in related entity – at cost	10	10
	<u>10</u>	<u>10</u>

Note 9. Non-current assets – loans receivable

	2020	2019
	\$	\$
Melbourne Apartment Project loan book	2,080,512	1,905,823
	<u>2,080,512</u>	<u>1,905,823</u>

Note 10. Non-current assets - property, plant and equipment

	2020	2019
	\$	\$
Land and buildings - at cost	-	25,091,799
Land and buildings – at fair value	35,395,000	-
Less: Accumulated depreciation	-	(3,243,570)
	<u>35,395,000</u>	<u>21,848,229</u>
Leasehold Improvements - at cost	236,226	236,226
Less: Accumulated depreciation	(15,753)	(9,812)
	<u>220,473</u>	<u>226,414</u>
Assets under construction - at cost	1,839,777	401,998
Less: Accumulated depreciation	(10,974)	-
	<u>1,828,803</u>	<u>401,998</u>
Office equipment - at cost	71,222	62,968
Less: Accumulated depreciation	(63,002)	(60,597)
	<u>8,220</u>	<u>2,371</u>
Website – at cost	15,836	15,836
Less: accumulated amortisation	(4,247)	(3,167)
	<u>11,589</u>	<u>12,669</u>
	<u>37,464,085</u>	<u>22,491,681</u>

Women's Property Initiatives Ltd
Notes to the financial statements
For the year ended 30 June 2020

Note 10. Non-current assets - property, plant and equipment (continued)

Reconciliations

Reconciliations of the written down values at the beginning and end of the current and previous financial year are set out below:

	Land and Buildings \$	Leasehold Improvement \$	Asset under Construction \$	Office Equip \$	Website \$	Total \$
Balance at 1 July 2018	21,987,890	232,319	349,176	1,272	15,836	22,586,493
Additions	309,731	-	52,822	2,758	-	365,311
Depreciation expense	(449,392)	(5,905)	-	(1,659)	(3,167)	(460,123)
Balance at 30 June 2019	21,848,229	226,414	401,998	2,371	12,669	22,491,681
Additions	23,745	-	1,437,779	8,254	-	1,469,778
Depreciation expense	(439,785)	(5,941)	(10,974)	(2,405)	(1,080)	(460,185)
Revaluation	13,962,811	-	-	-	-	13,962,811
Balance at 30 June 2020	35,395,000	220,473	1,828,803	8,220	11,589	37,464,085

Note 11. Current liabilities - trade and other payables

	2020 \$	2019 \$
Sundry creditors and accruals	91,420	29,583
Tenants bonds and rent in advance	32,085	18,312
	<u>123,505</u>	<u>47,895</u>

Women's Property Initiatives Ltd
Notes to the financial statements
For the year ended 30 June 2020

Note 12. Amounts received in advance

	2020	2019
	\$	\$
Current		
Deferred income - operational grants (i)	44,042	247,321
Deferred income - capital projects (i)	681,919	920,884
Deferred income – WINC (iii)	200,004	-
	<u>925,965</u>	<u>1,168,205</u>
Non-Current		
Deferred income – Melbourne Apartment Project loan book (ii)	<u>1,851,092</u>	<u>1,695,667</u>

(i) The liability for deferred income is the unutilised amounts of grants received on the condition that specified services are delivered or conditions are fulfilled. The services are usually provided, or the conditions usually fulfilled within 12 months of receipt of the grant. Where the amount received is in respect of services to be provided over a period that exceeds 12 months after the reporting date or the conditions will only be satisfied more than 12 months after the reporting date, the liability is presented as non-current.

(ii) The liability for deferred income represents the fair value of the Melbourne Apartment Project loan book that is required to be utilised towards affordable home ownership construction and sale projects as per the conditions set out in the deed of assignment of advance agreements signed between WPI and MAP.

(iii) The liability for deferred income represents the funds contributed by Older Women in Cohousing Inc. towards a property development project.

Note 13. Provisions

	2020	2019
	\$	\$
Provision for annual leave	30,206	21,205
Provision for long service leave	52,120	58,723
	<u>82,326</u>	<u>79,928</u>

Women's Property Initiatives Ltd
Notes to the financial statements
For the year ended 30 June 2020

Note 14. Borrowings

	2020	2019
	\$	\$
Current		
Bank Loans- secured	<u>7,573</u>	<u>292,164</u>
Non-Current		
Bank Loans-secured	<u>3,262,063</u>	<u>3,125,152</u>

- a) Bank loans are secured by a registered first mortgage over the freehold properties.
b) The facilities were entered into on:
- NAB - 23 April 2008 (Termination date 23 April 2028)
 - Bank Australia (Consolidated) – 19 December 2016 (Termination date 360 months from date of execution of Agreement)

Under the borrowing terms and conditions of the facilities, the Directors identify that the Bank Australia borrowing facilities are subject to an annual review to determine if there has been a material change in the credit risk of the Company from the perspective of the lender. The Directors of the Company have assessed that no such deterioration has occurred and accordingly continue to recognise the non-current component of the borrowing facility consistent with the document terms.

Note 15. Reserves

	2020	2019
	\$	\$
Capital reserves	3,056,374	3,056,374
Asset revaluation reserve	13,962,811	-
	<u>17,019,185</u>	<u>3,056,374</u>

Note 16. Remuneration of auditors

During the financial year the following fees were paid or payable for services provided by Crowe, the auditor of the company:

	2020	2019
	\$	\$
<i>Audit services – Crowe</i>		
Audit of the financial statements	<u>15,900</u>	<u>14,500</u>

Note 17. Contingent liabilities

The company had no contingent liabilities as at 30 June 2020 and 30 June 2019.

Women's Property Initiatives Ltd
Notes to the financial statements
For the year ended 30 June 2020

Note 18. Commitments

	2020 \$	2019 \$
Capital commitments (inclusive of GST)		
Committed at the reporting date but not recognised as liabilities, payable: For the purchase and development of various properties	<u>9,045,021</u>	<u>-</u>

Note 19. Events after the reporting period

On 31 July 2020 the Company surrendered its existing lease for the office premises at Level 1, 22 William Street, Melbourne.

Note 20. Reconciliation of surplus after income tax to net cash from operating activities

	2020 \$	2019 \$
Surplus after income tax expense for the year	1,913,193	161,246
Adjustments for:		
Depreciation & amortisation expense	460,185	460,123
Melbourne Apartment Project contribution (income)/expense	(19,264)	65,439
Change in operating assets and liabilities:		
Increase in trade and other receivables	(97,745)	(123,196)
Increase/(decrease) in trade and other creditors	75,610	(4,500)
(Decrease)/Increase in amount received in advance	(242,240)	931,473
Increase in provisions	<u>2,398</u>	<u>12,934</u>
Net cash from operating activities	<u><u>2,092,137</u></u>	<u><u>1,503,519</u></u>

Note 21. Company Details

The registered office and principal place of business of the company is:
 Women's Property Initiatives Ltd
 Level 1, 22 William Street Melbourne Vic 3008

Women's Property Initiatives Ltd
Directors' declaration
30 June 2020

The directors have determined that the company is not a reporting entity and that this special purpose financial report should be prepared in accordance with the accounting policies described in Note 1 to the financial statements.

In accordance with a resolution of the directors of Women's Property Initiatives Ltd, the directors declare that:

1. The financial statements and notes, as set out on pages 11 to 25, are in accordance with the *Australian Charities and Not-for-Profits Commission Act 2012*, including:
 - a. Complying with the Accounting Standards applicable to the extent described in Note 1 to the financial statements and complying with the Australian Charities and Not-for-Profits Commission Regulation 2013; and
 - b. Giving a true and fair view of the financial position as at 30 June 2020 and of the performance of the company 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.

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

Christine Gilbertson

Director

Dated: 27 October 2020

[Signature]

Director

Dated: 27 October 2020

Independent Auditor's Report to the Directors of Women's Property Initiatives Ltd (formerly known as Victorian Women's Housing Association Ltd)

Report on the Audit of the Financial Report

Qualified Opinion

We have audited the financial report of Women's Property Initiatives Ltd (the Company), which comprises the statement of financial position as at 30 June 2020, the statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and the directors' declaration.

In our opinion, except for the effects of the matter described in the *Basis for Qualified Opinion* section of our report, the accompanying financial report of the Company has been prepared in accordance with Division 60 of the *Australian Charities and Not-for-profits Commission Act 2012*, including:

- (a) giving a true and fair view of the Company's financial position as at 30 June 2020 and of its financial performance and cash flows for the year then ended; and
- (b) complying with Australian Accounting Standards to the extent described in Note 1 and Division 60 of the *Australian Charities and Not-for-profits Commission Regulation 2013*.

Basis for Qualified Opinion

As disclosed within Note 12: *Amounts received in advance* to the financial statements, the Company has recorded non-current deferred income of \$1,851,092 in the statement of financial position as at 30 June 2020 and \$1,695,667 as at 30 June 2019. These amounts relate to a gifted loan book of \$1,413,461 received by the Company during the year ended 30 June 2017. In accordance with the requirements of *AASB 1058 Income of Not-for-Profit Entities*, the gifted loan book acquired significantly less than fair value should have been recognised as income in the statement of profit or loss and other comprehensive income during the year ended 30 June 2017. As such, for the year ended 30 June 2020 other revenue and the surplus for the year are understated by \$155,425, non-current deferred income as disclosed within Note 12 to the statement of financial position is overstated by \$1,851,092 and opening retained surpluses are understated by \$1,695,667.

Similarly, for the year ended 30 June 2019 other revenue and the surplus for the year are understated by \$216,090, non-current deferred income as disclosed within Note 12 to the statement of financial position is overstated by \$1,695,667 and opening retained surpluses are understated by \$1,479,577.

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 *Corporations Act 2001* and 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.

Liability limited by a scheme approved under Professional Standards Legislation.

The title 'Partner' conveys that the person is a senior member within their respective division, and is among the group of persons who hold an equity interest (shareholder) in its parent entity, Findex Group Limited. The only professional service offering which is conducted by a partnership is the Crowe Australasia external audit division. All other professional services offered by Findex Group Limited are conducted by a privately owned organisation and/or its subsidiaries.

Findex (Aust) Pty Ltd, trading as Crowe Australasia is a member of Crowe Global, a Swiss Verein. Each member firm of Crowe Global is a separate and independent legal entity. Findex (Aust) Pty Ltd and its affiliates are not responsible or liable for any acts or omissions of Crowe Global or any other member of Crowe Global. Crowe Global does not render any professional services and does not have an ownership or partnership interest in Findex (Aust) Pty Ltd. Services are provided by Crowe Melbourne, an affiliate of Findex (Aust) Pty Ltd.

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

Emphasis of Matter – Basis of Accounting

We draw attention to Note 1 to the financial report, which describes the basis of accounting. The financial report has been prepared for the purpose of fulfilling the directors' financial reporting responsibilities under the *Australian Charities and Not-for-profits Commission Act 2012*. As a result, the financial report may not be suitable for another purpose. Our opinion is not modified in respect of this matter.

Other Information

The directors are responsible for the other information. The other information comprises the information included in the Company's annual report for the year ended 30 June 2020, 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.

Responsibilities of the Directors 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 Australian Accounting Standards to the extent described in Note 1 to the financial report and the *Australian Charities and Not-for-profits Commission Act 2012* (ACNC Act) and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the ability of the Company 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 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 Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

We communicate with directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during the audit.



CROWE MELBOURNE



GORDON ROBERTSON
Partner

Dated at Melbourne this 28th day of October 2020