

Women's Property Initiatives Ltd

ABN 64 077 478 696

Annual Report - 30 June 2022

Women's Property Initiatives Ltd
Directors' report
30 June 2022

The directors present this report on the Women's Property Initiatives Ltd for the year ended 30 June 2022.

Directors

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

- C. Gilbertson
- D. Graham
- J. Large
- N. Lowndes
- C. McCormack
- M. McNally
- D. Mika
- L. Simms (appointed 29/09/2021 - retired 10/03/2022)
- K. Struthers

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.

Review of operations

The surplus after income tax for the year ended 30 June 2022 amounted to \$1,252,849 (2021: \$1,361,219).

Our Purpose

To create new beginnings for women by providing permanent and affordable homes and access to support networks and ongoing advocacy

Short-term Objectives

The company's short-term objectives are to:

1. Develop a Housing Growth Strategy, Revenue Strategy (now completed) and Partnership Strategy
2. Successfully progress current projects in the pipeline in the financial year 22/23 and continue to partner to develop new projects.
3. Maintain & improve where required, strong governance of the organisation.
4. Maintain and improve Tenancy and Property Management where necessary.
5. Strengthen and broaden profile and partnerships
6. Lodge a tender for the State Government's Build and Operate round.

Long Term Objectives (WPI's Strategic Initiatives 2022/23 to 2024/25) updated May 2022

1. **Deliver Housing Growth:** WPI aims to grow both its owned and managed housing stock in order to meet its vision of providing homes to vulnerable women and children.
2. **Implement the Revenue Strategy:** WPI will support and implement the new revenue strategy endorsed by the Fundraising Committee and ensure it is adequately resourced.
3. **Strengthen Corporate Profile:** WPI will continue to build and strengthen our corporate profile through mainstream (earned) and social (owned) media as a means of supporting partnerships and growing investments/fundraising.
4. **Strengthen Partnerships:** Develop and implement a Partnership Strategy which will intentionally target desirable and required partnerships across the organisation. This will include leveraging existing partners and expanding on these.
5. **Support Property Initiatives Real Estate:** Continue to support PIRE to build profile and capacity and set clear targets for profit to be returned.
6. **Work towards Achieving financial sustainability.**

We believe we have currently reached an exciting time at WPI where the organisation may be able to make a step change to grow our housing stock at scale. This could be through different approaches and partnerships with the Private Sector. We have a range of innovative projects in the pipeline. Productive partnerships and alliances will facilitate the assessment and progress of these projects. Internal resourcing will be allocated as required to progress the approved projects.

Our Housing Growth Strategy, Revenue Strategy and Partnership Strategy will ensure 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 2022/2023
1. Develop a Housing Growth Strategy, Fundraising Strategy & Partnership Strategy	All strategies developed, which align and speak to each other and result in a way forward to grow housing.
2. Successfully progress current projects in the pipeline in the financial year 2022/23 and continue to partner to develop new projects.	Current Projects in the pipeline include: • Five Units in Hastings • Three young mum's units in Mooroopna • Homes to Help Project in Ballarat • Five apartments in Ballarat (will be delivered in 2025) • Four townhouses in Daylesford (will be delivered in 2024) Partnerships that we expect will deliver housing in 2023/24 and 2024/2025 • Develop a model for purchasing housing stock at scale with a large developer • Mornington Peninsula – successful EOI for a long-term peppercorn lease of land that will provide 6 units • Purchase 10 new apartments in Altona North
3. Maintain & improve where required, strong governance of the organisation.	This will include ongoing review and improvements in the following: • Governance • Compliance • Risk Management • Asset Management • Policies and Procedures
4. Maintain and improve Tenancy and Property Management where necessary CHRISTINE GILBERTSON	This will contribute to the following: • 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
5. Strengthen and broaden profile and partnerships	Maintain our public profile and awareness raising activities, & partnerships including: • Social media • Board room lunches • Industry newsletters • Awards achieved • Current partnerships leveraged and new partnerships formed
6. Lodge a tender got the State Government's Build and Operate Program	• Source and assess suitable projects for the Build and Operate round. • Determine final projects to be lodged in the round • Prepare tender documents for lodgement and lodge by the required time.

Business Initiative	Year 2022/2023
7. Continue to work on the Long-Term Strategic Initiatives as outlined in the 2022/2023 to 2024/25 Strategic Business Plan	The Leadership Team incorporating the CEO, Finance Manager, Operations Manager, Communications Manager, Fundraising and Relationships Lead, 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 2021-2022	HR Preferred Range	HR satisfactory Range	WPI
Turnaround time (vacant tenantable)	Less than 7 days	7 to 21 days	7 days
Turnaround time (untenantable: long term housing)	Less than 21 days	21 to 48 days	5.3 days
Average Occupancy Rate	N/A	N/A	99.5%
Rent outstanding from current tenants	Less than 1%	1% to 5%	0.8 %
Evictions	Less than 5%	5%-10%	0%
Tenancies maintained (long term housing)	More than 90%	75% - 90%	88%
Urgent requested repairs completed within 24 hours of request	100%	90% to 99%	77.9%*
Non-urgent requested repairs completed within 14 days of request	More than 90%	75% to 90%	78.60%*

* **Note** : The decline in the percentage of urgent repairs completed within 24 hours and non-urgent repairs completed within 14 days is due to the lockdowns in the first half of the 21-22 year caused by COVID-19 and the difficulty getting trades people.

Operational and financial

Proportion of funding provided by:

- Non-government and philanthropic grants	9.33%
- Donations	10.76%
- Investments	0.13%
- Rental income from tenants	32.82%
- Government grants	41.68%
- Management Fees	5.28%

Proportion of funding spent on

- Tenant properties	18.0%
- Additional housing projects	74.0%
- Administration and activities to increase growth and business development	8.0%

Information on Directors

Christine Gilbertson (Treasurer) is a Chartered Accountant with 30 years' experience in the profession and private sector, with particular expertise in risk and treasury management, structuring and tax. 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 is Chair of the Scalzo Foods Audit and Risk Committee.

Donna Graham (Director) has a Diploma in Law (Legal Practitioners Admission Board), Graduate Certificate in Innovation and Entrepreneurship (Adelaide University). She is a Principal at Russell Kennedy Law Firm and her areas of practice are Property Law, Aged Care and Retirement Villages, and Due Diligence. Donna is, a member of Victorian Women Lawyers, the Law Institute of Victoria and was recognised by Best Lawyers 2013 – 2021 for expertise in Retirement Villages and Senior Living Law.

Jeanette Large (CEO, Company Secretary) has a Bachelor of Behavioural Science and a Graduate Diploma in Business Management. She has extensive experience across the housing sector: from running refugees and local housing groups to management roles in government departments. Under Jeanette's leadership, WPI's housing stock has increased from 11 dwellings to 197. 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

Nicole Lowndes (Director) is an engineer whose professional experience includes 14 years with ExxonMobil across strategy, commercial, and technical roles, and earlier work in residential construction. She currently leads the Gippsland Pipelines Asset, managing the integrity of licensed oil and gas pipelines both offshore and onshore. Nic is an experienced director, previously serving as Deputy Chair and Governance Chair on the board of a member-owned credit union, and is a graduate member of the Australian Institute of Company Directors.

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

Michelle McNally (Director) has a Bachelor of Business (Property) and is currently CEO at Aware Real Estate, the property investment platform responsible for the strategic performance and management of Aware Super's directly owned \$1.7bn Australian Property portfolio of industrial, residential, office and retail spaces, with a development pipeline of \$2.3 billion. Michelle has previously held other senior executive roles including General Manager, Investor Relations at ISPT, a fund manager with \$19.6 billion invested in property on behalf of Australian industry super funds and General Manager, Property at Australia Post, overseeing one of Australia's largest property portfolios. Michelle has extensive experience in investment strategy and asset management. She is a member of the Australian Institute of Company Directors, a certified property valuer and a committee member of Property Council of Australia, and Director of Ten Women Melbourne.

Debra Mika (Deputy Chair) has extensive experience in senior leadership roles in the financial services sector. She has applied her leadership, analytical and financial skills to lead significant strategic programs in several organisations. She has led a wide variety of functional areas including strategy, policy, corporate affairs, project delivery and technology. Debra holds a Master of Business Administration and is a graduate member of the Australian Institute of Company Directors.

Lucy Simms (Director) has a Bachelor of Civil Engineering and is a property professional with almost 15 years' experience in the development industry. Lucy has worked in consulting, client-side and advisory roles across community infrastructure, land development, multi-unit residential, and commercial projects. Lucy was previously a Senior Associate with Catalyst Development Services, and a Senior Development Manager at Perri Projects, leading two major inner urban mixed-use projects. Lucy is a Director of Bellarine Community Health.

Katie Struthers (Chair) is a Chartered Accountant with over 20 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 in 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.

Events Subsequent to the End of the Reporting Period

Women's Property Initiatives Ltd sold a property at Auburn Close Pakenham. The property settled on the 1st July 2022.

No other matter or circumstance has arisen since 30 June 2022 that has significantly affected, or may significantly affect the company's operations, the results of those operations, or the company's state of affairs in future financial years.

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.

Indemnity 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.

Directors' Meetings

Name	Number Eligible to Attend	Number Attended
Christine Gilbertson	9	9
Donna Graham	9	8
Jeanette Large	9	9
Nic Lowndes	9	9
Carmel McCormack	9	8
Michelle McNally	9	8
Debra Mika	9	8
Lucy Simms	5	5
Katie Struthers	9	9

Women's Property Initiatives Ltd
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30 June 2022

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 procedures 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 8 of this financial report and forms part of the Directors' Report.

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



Director Katie Struthers

Dated: 20 October 2022



Director CHRISTINE GILBERTSON

Dated: 20th October 2022

Crowe Melbourne

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Auditor Independence Declaration to the Directors of Women's Property Initiatives Ltd

I declare that, to the best of my knowledge and belief, during the year ended 30 June 2022 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**
PartnerMelbourne Victoria
20th October 2022

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 external audit, conducted via the Crowe Australasia external audit division and Unison SMSF Audit. 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.

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Women's Property Initiatives Ltd
Statement of profit and loss and other comprehensive income
For the year ended 30 June 2022

	Note	2022 \$	2021 \$
Revenue	3	4,107,477	5,516,839
Expenses			
Employee benefits expense		(979,485)	(771,653)
Property expenses		(566,924)	(444,284)
Depreciation and amortisation expenses	4	(911,977)	(728,679)
Finance cost	4	(181,592)	(82,835)
Rent expense		(11,573)	(22,325)
Audit, legal and consultancy fees		(30,880)	(42,123)
Other expenses		(172,197)	(183,210)
Impairment of loans receivable	7	-	(1,880,511)
Surplus for the year		<u>1,252,849</u>	<u>1,361,219</u>
Other comprehensive income			
<i>Items that will not be reclassified subsequently to profit or loss</i>			
Gain on revaluation of land and buildings	9	<u>-</u>	<u>-</u>
Other comprehensive income for the year		<u>-</u>	<u>-</u>
Total comprehensive income for the year		<u>1,252,849</u>	<u>1,361,219</u>

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 2022

	Note	2022 \$	2021 \$
Assets			
Current assets			
Cash and cash equivalents	5	2,761,272	2,100,122
Trade and other receivables	6	587,616	949,553
Other financial assets	7	-	200,000
Non-current assets held for sale	11	332,752	-
Total current assets		<u>3,681,640</u>	<u>3,249,675</u>
Non-current assets			
Financial assets	8	10	10
Other financial assets	7	219,300	219,250
Property, plant and equipment	9	46,200,609	42,248,978
Right-of-use asset	10	189,060	-
Total non-current assets		<u>46,608,979</u>	<u>42,468,238</u>
Total assets		<u>50,290,619</u>	<u>45,717,913</u>
Liabilities			
Current liabilities			
Trade and other payables	12	87,550	135,772
Amounts received in advance	13	1,413,243	1,140,857
Provisions	14	120,746	106,112
Borrowings	15	355,408	163,425
Lease liabilities	16	62,423	-
Total current liabilities		<u>2,039,370</u>	<u>1,546,166</u>
Non-current liabilities			
Amounts received in advance	13	-	-
Borrowings	15	9,825,520	7,143,455
Lease liabilities	16	144,571	-
Total non-current liabilities		<u>9,970,091</u>	<u>7,143,455</u>
Total liabilities		<u>12,009,461</u>	<u>8,689,621</u>
Net assets		<u>38,281,158</u>	<u>37,028,292</u>
Member's Funds			
Retained Surpluses		21,261,973	20,009,107
Reserves	17	17,019,185	17,019,185
Total equity		<u>38,281,158</u>	<u>37,028,292</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 2022

	Reserves \$	Retained surpluses \$	Total equity \$
Balance at 1 July 2020	17,019,185	18,647,888	35,667,073
Surplus after income tax expense for the year	-	1,361,219	1,361,219
Other comprehensive income for the year, net of tax	-	-	-
Total comprehensive income for the year	-	1,361,219	1,361,219
Balance at 30 June 2021	<u>17,019,185</u>	<u>20,009,107</u>	<u>37,028,292</u>
	Reserves \$	Retained surpluses \$	Total equity \$
Balance at 1 July 2021	17,019,185	20,009,107	37,028,292
Surplus after income tax expense for the year	-	1,252,849	1,252,849
Other comprehensive income for the year, net of tax	-	-	-
Total comprehensive income for the year	-	1,252,849	1,252,849
Balance at 30 June 2022	<u>17,019,185</u>	<u>21,261,973</u>	<u>38,281,158</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 2022

	Note	2022 \$	2021 \$	
Cash flows from operating activities				
Receipts from government and other grants		2,097,441	2,483,024	
Receipts from customers and other sources		2,517,565	1,126,985	
Payments to suppliers and employees		(1,783,066)	(1,423,551)	
Interest received		4,953	3,196	
Interest on lease liabilities		(11,582)	-	
Finance costs		<u>(181,592)</u>	<u>(82,835)</u>	
Net cash from operating activities	22	<u>2,643,719</u>	<u>2,106,819</u>	
Cash flows from investing activities				
Net proceeds from/(payments for) financial assets		199,950	(200,000)	
Payments for property, plant and equipment	9	(1,902,483)	(1,980,503)	
Deposits paid for property acquisition		<u>-</u>	<u>(17,000)</u>	
Net cash used in investing activities		<u>(1,702,533)</u>	<u>(2,197,503)</u>	
Cash flows from financing activities				
Repayment of borrowings		(234,952)	(4,936)	
Principal payment of lease liabilities		(45,084)		
Proceeds from borrowings		<u>-</u>	<u>1,018,679</u>	
Net cash from / (used in) financing activities		<u>(280,036)</u>	<u>1,013,743</u>	
Net increase in cash and cash equivalents		661,150	923,059	(
Cash and cash equivalents at the beginning of the financial year		<u>2,100,122</u>	<u>1,177,063</u>	1
Cash and cash equivalents at the end of the financial year	5	<u><u>2,761,272</u></u>	<u><u>2,100,122</u></u>	<u>1</u>

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

Women's Property Initiatives Ltd
Notes to the financial statements
For the year ended 30 June 2022

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 or amended 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 or amended Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

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 2022

Note 1. Significant accounting policies (continued)

Revenue recognition

The company recognises revenue as follows:

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.

Women's Property Initiatives Ltd
Notes to the financial statements
For the year ended 30 June 2022

Note 1. Significant accounting policies (continued)

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.

Trade and other receivables

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

Property, plant and equipment

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 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.

Valuations are performed with sufficient frequency to ensure that the carrying amount of a revalued asset does not differ materially from its fair value. At a minimum land and buildings will be revalued in accordance with bank covenant requirements.

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 revalued 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.

Note 1. Significant accounting policies (continued)

Non-current assets held for sale

Non-current assets are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continued use. They are measured at the lower of their carrying amount and fair value less costs of disposal. For non-current assets to be classified as held for sale, they must be available for immediate sale in their present condition and their sale must be highly probable. An impairment loss is recognised for any initial or subsequent write down of the non-current assets to fair value less costs of disposal. A gain is recognised for any subsequent increases in fair value less costs of disposal of a non-current asset, but not in excess of any cumulative impairment loss previously recognised. Non-current assets classified as held for sale are presented separately on the face of the statement of financial position, in current assets.

Right-use-of Asset

A right-of-use asset is recognised at the commencement date of a lease. The right-of-use asset is measured at cost, which comprises the initial amount of the lease liability, adjusted for, as applicable, any lease payments made at or before the commencement date net of any lease incentives received, any initial direct costs incurred, and, except where included in the cost of inventories, an estimate of costs expected to be incurred for dismantling and removing the underlying asset, and restoring the site or asset.

Right-of-use assets are depreciated on a straight-line basis over the unexpired period of the lease or the estimated useful life of the asset, whichever is the shorter. Where the entity expects to obtain ownership of the leased asset at the end of the lease term, the depreciation is over its estimated useful life. Right-of use assets are subject to impairment or adjusted for any remeasurement of lease liabilities.

The company has elected not to recognise a right-of-use asset and corresponding lease liability for short-term leases with terms of 12 months or less and leases of low-value assets. Lease payments on these assets are expensed to profit or loss as incurred.

Class of Fixed Asset	Annual Depreciation Rate (%)
Right-of-use assets	<i>Period of lease <u>plus</u> any lease option renewal periods, if applicable</i>

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.

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.

Note 1. Significant accounting policies (continued)

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.

Lease liabilities

A lease liability is recognised at the commencement date of a lease. The lease liability is initially recognised at the present value of the lease payments to be made over the term of the lease, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the entity's incremental borrowing rate. Lease payments comprise of fixed payments less any lease incentives receivable, variable lease payments that depend on an index or a rate, amounts expected to be paid under residual value guarantees, exercise price of a purchase option when the exercise of the option is reasonably certain to occur, and any anticipated termination penalties. The variable lease payments that do not depend on an index or a rate are expensed in the period in which they are incurred.

Lease liabilities are measured at amortised cost using the effective interest method. The carrying amounts are remeasured if there is a change in the following: future lease payments arising from a change in an index or a rate used; residual guarantee; lease term; certainty of a purchase option and termination penalties. When a lease liability is remeasured, an adjustment is made to the corresponding right-of use asset, or to profit or loss if the carrying amount of the right-of-use asset is fully written down.

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 2022. 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 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.

Note 3. Revenue

	2022 \$	2021 \$
<i>Operating Revenue</i>		
- Rental Income	1,209,668	1,076,645
- Other Income	796,915	695,970
	<u>2,006,583</u>	<u>1,772,615</u>
<i>Other revenue</i>		
- Interest received from financial institutions	4,953	3,196
- Assets acquired below market value	421,857	-
- Other revenue	1,674,084	3,741,028
	<u>2,100,894</u>	<u>3,744,224</u>
Revenue	<u><u>4,107,477</u></u>	<u><u>5,516,839</u></u>

Women's Property Initiatives Ltd
Notes to the financial statements
For the year ended 30 June 2022

Note 4. Expenses

	2022	2021
	\$	\$
Surplus before income tax includes the following specific expenses:		
<i>Depreciation & amortisation</i>		
Office equipment	5,765	3,466
Website	1,080	1,080
Land and buildings	842,112	724,133
Right-of-Use assets	63,020	-
	<u>911,977</u>	<u>728,679</u>
Total depreciation & amortisation		
	<u>911,977</u>	<u>728,679</u>
Finance costs	<u>181,592</u>	<u>82,835</u>

Note 5. Current assets - cash and cash equivalents

	2022	2021
	\$	\$
Cash on hand	200	200
Cash at bank	<u>2,761,072</u>	<u>2,099,922</u>
	<u>2,761,272</u>	<u>2,100,122</u>

Note 6. Current assets - trade and other receivables

	2022	2021
	\$	\$
Rent in arrears	19,445	14,397
Deposit- Vendor Trust Account	201,999	493,814
Sundry debtors	7,070	22,538
GST receivable	286,598	347,311
Others	37,774	35,390
Allowance for expected credit losses	(3,963)	(2,563)
Trade and other receivables excluding related party receivables	<u>548,950</u>	<u>910,887</u>
Related Party receivable	265,666	265,666
Allowance for expected credit losses	(227,000)	(227,000)
Net related party receivable	<u>38,666</u>	<u>38,666</u>
Total trade and other receivables	<u>587,616</u>	<u>949,553</u>

Women's Property Initiatives Ltd
Notes to the financial statements
For the year ended 30 June 2022

Note 7. Other financial assets at amortised cost

	2022	2021
	\$	\$
<i>Current:</i>		
Other financial assets	-	200,000
	<u>-</u>	<u>200,000</u>
 <i>Non-current:</i>		
Term Deposit	200,600	200,000
Bank Guarantee	-	19,250
Bond term deposits	18,700	-
	<u>219,300</u>	<u>219,250</u>
	<u><u>219,300</u></u>	<u><u>419,250</u></u>

Note 8. Non-current assets – financial assets

	2022	2021
	\$	\$
Unlisted investments- shares in related entity – at cost	10	10
	<u>10</u>	<u>10</u>
	<u><u>10</u></u>	<u><u>10</u></u>

Women's Property Initiatives Ltd
Notes to the financial statements
For the year ended 30 June 2022

Note 9. Non-current assets - property, plant and equipment

	2022 \$	2021 \$
Land and Buildings – at fair value	46,594,813	42,075,333
Less: Accumulated depreciation	(1,519,531)	(718,193)
	<u>45,075,282</u>	<u>41,357,140</u>
Leasehold improvements - at cost	256,835	236,226
Less: Accumulated depreciation	(28,828)	(21,693)
	<u>228,007</u>	<u>214,533</u>
Assets under construction – at cost	860,463	645,720
Less: Accumulated depreciation	-	-
	<u>860,463</u>	<u>645,720</u>
Office equipment – at cost	86,468	75,544
Less: accumulated depreciation	(71,039)	(66,468)
	<u>15,428</u>	<u>9,076</u>
Website – at cost	27,836	27,836
Less: accumulated depreciation	(6,407)	(5,327)
	<u>21,429</u>	<u>22,509</u>
	<u><u>46,200,609</u></u>	<u><u>42,248,978</u></u>

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 Improvements \$	Assets under Construction \$	Office Equipment \$	Website \$	Total \$
Balance at 1 July 2020	35,395,000	220,473	1,828,803	8,220	11,589	37,464,085
Additions	4,694,175	-	803,075	4,322	12,000	5,513,572
Transfers	1,986,158	-	(1,986,158)	-	-	-
Depreciation expense	(718,193)	(5,940)	-	(3,466)	(1,080)	(728,679)
Balance at 30 June 2021	41,357,140	214,533	645,720	9,076	22,509	42,248,978
Additions	4,887,065	20,609	214,743	10,923	-	5,133,340
Transfers	-	-	-	-	-	-
Transfer to assets held for sale	(332,752)	-	-	-	-	-
Depreciation expense	(836,171)	(7,135)	-	(4,571)	(1,080)	(848,957)
Balance at 30 June 2022	<u><u>45,075,282</u></u>	<u><u>228,007</u></u>	<u><u>860,463</u></u>	<u><u>15,428</u></u>	<u><u>21,429</u></u>	<u><u>46,200,609</u></u>

Women's Property Initiatives Ltd
Notes to the financial statements
For the year ended 30 June 2022

Note 10. Right-of-use asset

	2022 \$	2021 \$
Right-of-use Asset – at cost	252,080	-
Less: accumulated depreciation	(63,020)	-
	<u>189,060</u>	<u>-</u>

The company leases land and building for a period of 4 years, with fixed 3% annual increase.

Note 11. Non-current assets classified as held for sale

As of 30 June 2022, the property at 1 Auburn Close, Pakenham, Victoria 3810 was classified as an asset "held for sale" at its carrying value of \$332,752. The contract of sale was entered on 18 May 2022 and the property was sold on 1 July 2022 for \$435,000.

Note 12. Current liabilities - trade and other payables

	2022 \$	2021 \$
Sundry creditors and accruals	57,883	105,588
Tenants bonds and rent in advance	29,717	30,184
	<u>87,550</u>	<u>135,772</u>

Note 13. Amounts received in advance

	2022 \$	2021 \$
Current		
Deferred income - operational grants (i)	10,791	86,903
Deferred income - capital projects (i)	562,142	418,410
Deferred income – WINC (ii)	-	200,004
Deferred income – Social Housing Growth Fund (SHGF) (iii)	840,310	435,540
	<u>1,413,243</u>	<u>1,140,857</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 funds contributed by Older Women in Cohousing Inc. towards a property development project. These funds were returned in the current financial year.

(iii) The SHGF funds are funds received from the State Contribution Agreement between the Director of Housing and Women's Property Initiatives Ltd that was signed on 25th February 2020. These funds have been received for the ongoing repairs and maintenance costs for the apartments funded by the Agreement in Bundoora and Brunswick Nightingale Village apartments.

Women's Property Initiatives Ltd
Notes to the financial statements
For the year ended 30 June 2022

Note 14. Provisions

	2022	2021
	\$	\$
Provision for annual leave	56,828	51,987
Provision for long service leave	63,917	54,125
	<u>120,745</u>	<u>106,112</u>

Note 15. Borrowings

	2022	2021
	\$	\$
Current		
Bank loans - secured	<u>355,408</u>	<u>163,425</u>
Non-current		
Bank loans - secured	<u>9,825,520</u>	<u>7,143,455</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)
 - Treasury Corporation of Victoria – 28 June 2021 (Termination date 27 June 2036 – note the Loan is a fixed interest loan for the first 15 years after which a new rate will be determined and the loan extended for a further 15 years at the new rate)

Under the borrowing terms and conditions of the facilities, the Directors identify that the Bank Australia and the Treasury Corporation of Victoria 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.

In addition, Treasury Corporation of Victoria have a number of covenants which need to be met. These are set out in the signed Facility Agreement dated 30th June 2020. Women's Property met all the covenants at June 2022.

Note 16. Lease liabilities

	2022	2021
	\$	\$
<i>Current:</i>		
Lease liabilities	<u>62,423</u>	-
<i>Non-current:</i>		
Lease liabilities	<u>144,571</u>	-
Total lease liabilities	<u>206,994</u>	-

Women's Property Initiatives Ltd
Notes to the financial statements
For the year ended 30 June 2022

Note 17. Reserves

	2022	2021
	\$	\$
Capital reserves	3,056,374	3,056,374
Asset revaluation reserve	<u>13,962,811</u>	<u>13,962,811</u>
	<u><u>17,019,185</u></u>	<u><u>17,019,185</u></u>

Note 18. Remuneration of auditors

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

	2022	2021
	\$	\$
<i>Audit services - Crowe</i>		
Audit of the financial statements	<u>17,500</u>	<u>16,200</u>

Note 19. Contingent liabilities

The company had no contingent liabilities as at 30 June 2022 and 30 June 2021.

Note 20. Commitments

	2022	2021
	\$	\$
Capital commitments		
Committed at the reporting date but not recognised as liabilities payable for the purchase and development of various properties	<u>2,020,000</u>	<u>6,571,901</u>

Note 21. Events after the reporting period

As set out in note 11, Women's Property Initiatives Ltd sold a property at Auburn Close Pakenham. The property settled on the 1st July 2022.

No other matters or circumstances have arisen since 30 June 2022 that has significantly affected, or may significantly affect the company's operations, the results of those operations, or the company's state of affairs in future financial years.

Women's Property Initiatives Ltd
Notes to the financial statements
For the year ended 30 June 2022

Note 22. Reconciliation of profit after income tax to net cash from operating activities

	2022	2021
	\$	\$
Surplus after income tax expense for the year	1,252,849	1,361,219
Depreciation & amortisation expense	911,977	728,679
Melbourne Apartment Project contribution (income)/expense	-	-
Deferred income written off – MAP loan	-	(1,851,092)
Impairment of loans receivable– MAP loan	-	1,880,512
Assets acquired below market value	(421,857)	-
Change in operating assets and liabilities:		
(Increase) / decrease in trade and other receivables	361,954	(263,445)
Increase / (decrease) in trade and other payables	(48,222)	12,267
Increase / (decrease) in amount received in advance	572,384	214,893
Increase / (decrease) in provisions	14,634	23,786
Net cash from operating activities	<u>2,643,719</u>	<u>2,106,819</u>

Note 20. Company Details

The registered office and principal place of business of the company is:
Women's Property Initiatives Ltd
Level 4, 124 Exhibition Street, Melbourne Vic 3000

Women's Property Initiatives Ltd
Directors' declaration
30 June 2022

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 9 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 2022 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.



Director Katie Struthers

20 October 2022



Director Christine Gilbertson

20th October 2022

Independent Auditor's Report to the Directors of Women's Property Initiatives Ltd

Report on the Audit of the Financial Report

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 2022, the statement of profit and loss and other comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and the directors' declaration.

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

- (a) giving a true and fair view of the Company's financial position as at 30 June 2022 and of its financial performance 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 Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Company in accordance with the auditor independence requirements of the *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.

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

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 external audit, conducted via the Crowe Australasia external audit division and Unison SMSF Audit. All other professional services offered by Findex Group Limited are conducted by a privately owned organisation and/or its subsidiaries.

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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 2022 but does not include the financial report and our auditor's report thereon.

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

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

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 24th day of October 2022