

**LODDON MALLEE HOUSING SERVICES LTD**  
**TRADING AS HAVEN; HOME, SAFE**  
**A.B.N. 28 081 883 623**  
**STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME**  
**FOR THE YEAR ENDED 30 JUNE 2017**

	Note	2017 \$	2016 \$
<b>REVENUES FROM OPERATING ACTIVITIES</b>			
Operating grants		11,627,811	10,057,334
Capital grants	3	5,916,589	231,085
Rent		13,409,013	13,194,462
Fair value gains on investment properties		1,017,434	3,418,124
Other income		5,622,089	5,938,470
<b>TOTAL REVENUES FROM OPERATING ACTIVITIES</b>		<b>37,592,936</b>	<b>32,839,475</b>
<b>EXPENSES FROM OPERATING ACTIVITIES</b>			
Employee salaries, benefits and on-costs		10,866,335	10,336,390
Travel and training		377,594	510,630
Office costs		497,440	496,015
Vehicle costs		213,003	214,301
Communication costs		162,606	194,339
Support service delivery		239,215	34,568
Administration		1,362,733	1,397,670
Insurance		361,833	330,638
Client costs		2,425,689	2,076,403
Property costs		5,332,827	5,138,476
Rent to owners		2,971,191	2,843,720
Depreciation and amortisation		710,102	805,963
Interest		1,923,033	2,144,893
<b>TOTAL EXPENSES FROM OPERATING ACTIVITIES</b>		<b>27,443,601</b>	<b>26,524,006</b>
<b>NET RESULT FOR THE YEAR</b>		<b>10,149,335</b>	<b>6,315,469</b>
Other comprehensive income			
Net gain/(loss) on effective part of cash flow hedge		303,445	(411,423)
Other comprehensive income for the year		303,445	(411,423)
<b>TOTAL COMPREHENSIVE INCOME FOR THE YEAR</b>		<b>10,452,780</b>	<b>5,904,046</b>

The above Statement of Profit or Loss and Other Comprehensive Income should be read in conjunction with the accompanying notes.

**LODDON MALLEE HOUSING SERVICES LTD**  
**TRADING AS HAVEN; HOME, SAFE**  
**A.B.N. 28 081 883 623**  
**STATEMENT OF FINANCIAL POSITION**  
**AS AT 30 JUNE 2017**

	Note	2017 \$	2016 \$
<b>CURRENT ASSETS</b>			
Cash and cash equivalents	5	4,650,719	5,255,564
Tax assets	12	115,205	-
Receivables	6	3,411,293	3,140,969
<b>TOTAL CURRENT ASSETS</b>		<b>8,177,217</b>	<b>8,396,533</b>
<b>NON-CURRENT ASSETS</b>			
Property, plant and equipment	8	16,294,134	18,114,023
Investment property	9	274,686,429	261,906,419
Other assets	10	1,158,359	1,321,612
<b>TOTAL NON-CURRENT ASSETS</b>		<b>292,138,922</b>	<b>281,342,054</b>
<b>TOTAL ASSETS</b>		<b>300,316,139</b>	<b>289,738,587</b>
<b>CURRENT LIABILITIES</b>			
Accounts payable	11	2,442,083	1,576,479
Tax liability	12	-	386,158
Employee benefits	13	1,402,181	1,422,267
Interest bearing liabilities	15	26,577	20,342
Interest rate swap - cashflow hedge	7	278,158	229,524
Other	14	5,148,104	6,269,924
<b>TOTAL CURRENT LIABILITIES</b>		<b>9,297,103</b>	<b>9,904,694</b>
<b>NON-CURRENT LIABILITIES</b>			
Employee benefits	13	129,955	234,335
Interest bearing liabilities	15	50,460,251	49,271,428
Interest rate swap - cashflow hedge	7	179,041	531,121
<b>TOTAL NON-CURRENT LIABILITIES</b>		<b>50,769,247</b>	<b>50,036,884</b>
<b>TOTAL LIABILITIES</b>		<b>60,066,350</b>	<b>59,941,578</b>
<b>NET ASSETS</b>		<b>240,249,789</b>	<b>229,797,009</b>
<b>EQUITY</b>			
Accumulated surplus		240,249,789	229,797,009
<b>TOTAL EQUITY</b>		<b>240,249,789</b>	<b>229,797,009</b>

The above Statement of Financial Position should be read in conjunction with the accompanying notes.

**LODDON MALLEE HOUSING SERVICES LTD**  
**TRADING AS HAVEN; HOME, SAFE**  
**A.B.N. 28 081 883 623**  
**STATEMENT OF CHANGES IN EQUITY**  
**FOR THE YEAR ENDED 30 JUNE 2017**

	Accumulated Surplus \$	Revaluation Surplus Reserve \$	Total \$
<b>2017</b>			
Balance at beginning of the financial year	229,797,009	-	229,797,009
Total comprehensive income for the year	10,452,780	-	10,452,780
<b>Balance at end of the financial year</b>	<b>240,249,789</b>	<b>-</b>	<b>240,249,789</b>

	Accumulated Surplus \$	Revaluation Surplus Reserve \$	Total \$
<b>2016</b>			
Balance at beginning of the financial year	223,892,963	-	223,892,963
Total comprehensive income for the year	5,904,046	-	5,904,046
Write back of revaluation decrement	-	-	-
Change in Accounting Policy - Investment Property	-	-	-
<b>Balance at end of the financial year</b>	<b>229,797,009</b>	<b>-</b>	<b>229,797,009</b>

The above Statement of Changes in Equity should be read in conjunction with the accompanying notes.

**LODDON MALLEE HOUSING SERVICES LTD**  
**TRADING AS HAVEN; HOME, SAFE**  
**A.B.N. 28 081 883 623**  
**STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED 30 JUNE 2017**

	Note	2017 \$	2016 \$
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Grants received		18,990,509	10,638,621
Other income		18,726,415	18,589,235
Payments to suppliers and employees		(26,474,049)	(24,827,697)
Amounts (paid)/received from Australian Tax Office - GST		(782,496)	403,405
Interest received		124,871	22,355
Interest paid		(1,916,798)	(2,155,056)
Net cash provided by operating activities	16	8,668,452	2,670,863
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Proceeds from sale of property, plant and equipment		121,763	168,062
Purchase of property, plant and equipment		(1,639,459)	(621,742)
Proceeds from sale of investment properties		185,828	1,899,077
Purchase of investment properties		(9,130,252)	(6,037,708)
Purchase of other non-current assets		-	(293,074)
Net cash used in investing activities		(10,462,120)	(4,885,385)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Proceeds received from borrowings		1,188,823	74,941
Net cash received from financing activities		1,188,823	74,941
Net decrease in cash held		(604,845)	(2,139,581)
Cash and cash equivalents at beginning of financial year		5,255,564	7,395,145
<b>Cash and cash equivalents at end of year</b>	<b>5</b>	<b>4,650,719</b>	<b>5,255,564</b>

The above Statement of Cash Flows should be read in conjunction with the accompanying notes.

**LODDON MALLEE HOUSING SERVICES LTD**  
**TRADING AS HAVEN; HOME, SAFE**  
**A.B.N. 28 081 883 623**  
**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2017**

**NOTE 1: SIGNIFICANT ACCOUNTING POLICIES**

**(a) Basis of preparation**

Loddon Mallee Housing Services Ltd, trading as Haven; Home, Safe (HHS) applies Australian Accounting Standards - Reduced Disclosure Requirements as set out in AASB 1053: Application of Tiers of Australian Accounting Standards.

The financial statements are general purpose financial statements that have been prepared in accordance with Australian Accounting Standards - Reduced Disclosure Requirements of the Australian Accounting Standards Board (AASB) and the *Australian Charities and Not-for-profits Commission Act 2012*. The company is a not-for-profit entity for financial reporting purposes under Australian Accounting Standards.

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

The financial statements have been prepared on an accrual basis and are based on historical costs, modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and financial liabilities.

The financial statements are presented in Australian dollars, which is also the company's functional currency.

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

**(b) Property, plant and equipment**

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

*Land and buildings*

Freehold land and buildings are carried at their fair value (being the amount for which an asset could be exchanged between knowledgeable willing parties in an arm's length transaction), less accumulated depreciation for buildings. Municipal rate assessments are reviewed annually to consider the fair value of these assets, and this information is supplemented by external property valuations obtained in accordance with the debt facility agreement held with the bank.

Where the asset is purchased or constructed during the current financial year, the directors have assessed that cost reflects fair value.

The cost of fixed assets constructed within the company includes the cost of materials, direct labour, borrowing costs and an appropriate proportion of fixed and variable overheads.

Increases in the carrying amount arising on revaluation of land and buildings are credited to a revaluation surplus in equity. Decreases that offset previous increases of the same asset are recognised against revaluation surplus directly in equity; all other decreases are recognised in profit or loss. Each year the difference between depreciation based on the revalued carrying amount of the asset charged to the statement of profit or loss and other comprehensive income and depreciation based on the asset's original cost is transferred from the revaluation surplus to retained earnings.

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

*Plant and equipment*

Plant and equipment are measured on the cost basis and therefore carried at cost less accumulated depreciation and any accumulated impairment. In the event the carrying amount of plant and equipment is greater than the estimated recoverable amount, the carrying amount is written down immediately to the estimated recoverable amount and impairment losses are recognised either in profit or loss or as a revaluation decrease if the impairment losses relate to a revalued asset.

A formal assessment of recoverable amount is made when impairment indicators are present.

The carrying amount of plant and equipment is reviewed annually by directors to ensure it is not in excess of the recoverable amount from these assets. The recoverable amount is assessed on the basis of the expected net cash flows that will be received from the asset's employment and subsequent disposal. The expected net cash flows have been discounted to their present values in determining recoverable amounts.

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

*Depreciation*

The depreciable amount of all fixed assets including buildings and capitalised lease assets, but excluding freehold land, is depreciated on a straight-line basis over the asset's useful life to the company commencing from the time the asset is held ready for use. Leasehold improvements are depreciated over the shorter of either the unexpired period of the lease or the estimated useful lives of the improvements.

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

<i>Class of Fixed Asset</i>	<i>Depreciation Rate</i>
Motor Vehicles	20%
Furniture	10%
Computer Equipment	33%
Other Office Equipment	20%
Buildings - Non Affordable Housing Association Properties - Offices	2%
Buildings - Non Affordable Housing Association Properties - Other	3%
Leasehold Improvements	10%

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

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains and losses are included in the statement of comprehensive income. When revalued assets are sold, amounts included in the revaluation surplus relating to that asset are transferred to retained earnings.

**(c) Employee benefits**

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

**(d) Cash and cash equivalents**

For the purpose of the Statement of Cash Flows, cash includes cash on hand and at call deposits with banks, but excludes cash investments with more than 90 days to maturity.

**(e) Comparative figures**

Comparative figures for the previous year have been included as required.

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

**(f) Revenue recognition**

*Grants*

Operating and capital grants are recognised on an accrual basis in accordance with Accounting Standard AASB 118 - Revenue. Where grants received during the financial year were obtained on the condition that they be expended in a particular manner or used over a particular period, and those conditions were undischarged at balance date, the unused grant amount has been recognised as committed income for the subsequent period and disclosed at note 14 as a current liability.

*Rent*

Rental income derived from properties managed by, but not owned by, HHS is recognised on a cash basis.  
Rental income derived from properties managed and owned by HHS is recognised on an accrual basis.

*Other income*

Interest revenue is recognised on a proportional basis when the payment is due, or the payment is received, whichever occurs first. Profit or loss on disposal of property, plant & equipment is determined when control of the asset has irrevocably passed to the buyer. All other revenues, including subsidies and other fees for service, are recognised when the service has been provided, or the payment is received, whichever occurs first.

**(g) Interest bearing liabilities**

Interest bearing liabilities are recognised at the face value payable at the expiration of the agreed term.  
Interest expense is recognised when payable.

**(h) Financial instruments**

*Initial Recognition And Measurement*

Financial assets and financial liabilities are recognised when the entity becomes a party to the contractual provisions to the instrument. For financial assets, this is equivalent to the date that the company commits itself to either purchase or sell the asset (ie: trade date accounting is adopted). Financial instruments are initially measured at fair value plus transaction costs except where the instrument is classified 'at fair value through profit or loss' in which case transaction costs are expensed to profit or loss immediately.

*Classification And Subsequent Measurement*

Finance instruments are subsequently measured at either fair value, amortised cost using the effective interest rate method or cost. Fair value represents the amount for which an asset could be exchanged or a liability settled, between knowledgeable, willing parties. Where available, quoted prices in an active market are used to determine fair value. In other circumstances, valuation techniques are adopted.

Amortised cost is calculated as:

- i. the amount at which the financial asset or financial liability is measured at initial recognition;
- ii. less principal repayments;
- iii. plus or minus the cumulative amortisation of the difference, if any, between the amount initially recognised and the maturity amount calculated using the effective interest method; and
- iv. less any reduction for impairment.

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

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

- i. **Financial assets at fair value through profit or loss**  
Financial assets are classified at 'fair value through profit or loss' when they are held for trading for the purpose of short-term profit taking, or where they are derivatives not held for hedging purposes, or when they are designated as such to avoid an accounting mismatch or to enable performance evaluation where a group of financial assets is managed by key management personnel on a fair value basis in accordance with a documented risk management or investment strategy. Such assets are subsequently measured at fair value with changes in carrying value being included in profit or loss.
- ii. **Loans and receivables**  
Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and are subsequently measured at amortised cost.
- iii. **Held-to-maturity investments**  
Held-to-maturity investments are non-derivative financial assets that have fixed maturities and fixed or determinable payments, and it is the entity's intention to hold these investments to maturity. They are subsequently measured at amortised cost.
- iv. **Available-for-sale financial assets**  
Available-for-sale financial assets are non-derivative financial assets that are either not capable of being classified into other categories of financial assets due to their nature, or they are designated as such by management. They comprise investments in the equity of other entities where there is neither a fixed maturity nor fixed or determinable payments.
- v. **Financial liabilities**  
Non-derivative financial liabilities (excluding financial guarantees) are subsequently measured at amortised cost.
- vi. **Derivative Instruments**  
Derivatives are held for hedging purposes and they are measured at net present value (refer to Note 7).

The company designates certain derivatives as either:

- (i) hedges of the fair value of recognised assets or liabilities or a firm commitment (fair value hedge); or
- (ii) hedges of highly probable forecast transactions (cash flow hedges).

At the inception of the transaction the relationship between hedging instruments and hedged items, as well as the company's risk management objective and strategy for undertaking various hedge transactions, is documented.

Assessments, both at hedge inception and on an ongoing basis, of whether the derivatives that are used in hedging transactions have been and will continue to be highly effective in offsetting changes in fair values or cash flows of hedged items, are also documented.

**(i) Fair value hedge**

Changes in the fair value of derivatives that are designated and qualify as fair value hedges are recognised in the statement of comprehensive income, together with any changes in the fair value of hedged assets or liabilities that are attributable to the hedged risk.

**(ii) Cash flow hedge**

The effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges is deferred to a hedge reserve in equity. Amounts accumulated in the hedge reserve in equity are transferred to the statement of comprehensive income in the periods when the hedged item will affect profit or loss and included in 'other comprehensive income'.

The gain or loss relating to any ineffective portion is recognised immediately in the statement of comprehensive income as an item of revenue or expense from operating activities.

**Fair Value**

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

**Impairment**

At each reporting date, the entity assesses whether there is objective evidence that a financial instrument has been impaired.

In the case of available-for-sale financial instruments, a prolonged decline in the value of the instrument is considered to determine whether an impairment has arisen. Impairment losses are recognised in the Statement of Profit or Loss and Other Comprehensive Income.



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

*Derecognition*

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

**(i) New Accounting Standards for application in future periods**

At the date of authorisation of the financial report, a number of Standards and Interpretations were in issue but not yet effective.

Standard/Interpretation	Effective For Annual Reporting Periods Beginning On Or After	Expected To Be Initially Applied In the Financial Year Ending
AASB 9 'Financial Instruments', and the relevant amending standards.	1 January 2018	30 June 2018
AASB 15 'Revenues from contracts with customers'.	1 January 2019	30 June 2019
AASB 1058 'Income of Not-for-profit Entities'	1 January 2019	30 June 2019
AASB 16 'Leases'.	1 January 2019	30 June 2019

These standards are not expected to materially impact the organisation.

**(j) Leases**

Leases of fixed assets, where substantially all the risks and benefits incidental to the ownership of the asset – but not the legal ownership – are transferred to entities in the company, are classified as finance leases.

Finance leases are capitalised by recognising an asset and a liability at the lower of the amounts equal to the fair value of the leased property or the present value of the minimum lease payments, including any guaranteed residual values. Lease payments are allocated between the reduction of the lease liability and the lease interest expense for the period.

Leased assets are depreciated on a straight-line basis over the shorter of their estimated useful lives or the lease term.

Lease payments for operating leases, where substantially all the risks and benefits remain with the lessor, are recognised as expenses in the periods in which they are incurred.

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

**(k) Impairment of assets**

At the end of each reporting period, the Company assesses whether there is any indication that an asset may be impaired. If such an indication exists, an impairment test is carried out on the asset by comparing the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use, to the asset's carrying amount. Any excess of the asset's carrying amount over its recoverable amount is recognised immediately in profit or loss, unless the asset is carried at a revalued amount in accordance with another Standard (eg in accordance with the revaluation model in AASB 116). Any impairment loss of a revalued asset is treated as a revaluation decrease in accordance with that other Standard.

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

**(l) Trade and other receivables**

Trade and other receivables include amounts due from customers for goods sold and services performed in the ordinary course of business. Receivables expected to be collected within 12 months of the end of the reporting period are classified as current assets. All other receivables are classified as non-current assets.

Trade and other receivables are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method, less any provision for impairment.

**(m) Trade and other payables**

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

**(n) Borrowing costs**

Borrowing costs directly attributable to the acquisition, construction or production of assets (including affordable housing properties) that necessarily take a substantial period of time to prepare for their intended use or sale are capitalised to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

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

**(o) Goods and Services Tax (GST)**

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

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

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

**(p) Income Tax**

Loddon Mallee Housing Services Ltd is a not-for-profit public benevolent institution, endorsed as an income tax exempt charitable entity under subdivision 50-B of the *Income Tax Assessment Act 1997*, and as such is exempt from payment of income tax.

**(q) Critical accounting estimates and judgments**

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

**Key estimates**

*(i) Impairment – general*

The Company assesses impairment at each reporting date by evaluation of conditions and events specific to the Company that may be indicative of impairment triggers. Where an impairment trigger exists, the recoverable amount of the asset is determined. Value-in-use calculations performed in assessing the recoverable amounts incorporate a number of key estimates.

**Key judgments**

*(i) Provision for impairment of receivables*

Included in receivables at the end of the reporting period is an amount receivable from tenants in respect of rent in arrears amounting to \$115,785. While there is inherent uncertainty in relation to the collectability of this debt, the directors understand that the full amount of the debt is unlikely to be recoverable from the tenants, and therefore a provision for impairment has been made.

**(r) New and amended standards**

The Company have not added any new or amended standards which have impacted on these financial statements.

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

**NOTE 2: COMPREHENSIVE INCOME**

	2017	2016
	\$	\$
Comprehensive Income has been determined after:		
(a) Charging as expenses:		
Depreciation of property, plant and equipment	535,573	484,476
Amortisation of property, plant and equipment	174,529	321,487
<i>Movements in provisions</i>		
Annual leave expense	(43,838)	130,935
Long service leave expense	(80,628)	76,400
(b) Crediting as income:		
Interest received	124,871	22,355
Profit / (loss) on disposal of property, plant and equipment	27,416	(187,200)

**NOTE 3: CAPITAL GRANTS**

During the year specific purpose capital grants were received and either expended on non - current assets or unspent at year end. In accordance with Australian Accounting Standard AASB 118 - Revenue, these grants have been recognised as operating income and the assets, where purchased, have been capitalised and depreciated. The amount recognised as operating revenue are:

	2017	2016
	\$	\$
Grants to acquire affordable housing properties	5,916,589	231,085
	<u>5,916,589</u>	<u>231,085</u>

**NOTE 4: REMUNERATION AND RETIREMENT BENEFITS**

	2017	2016
	\$	\$
Total remuneration paid to directors, included in employee salaries, benefits and on-costs	128,757	131,000
	<u>128,757</u>	<u>131,000</u>

**NOTE 5: CASH AND CASH EQUIVALENTS**

	2017	2016
	\$	\$
Cash at bank	1,184,496	1,680,352
Money held in trust	-	10,964
Term deposit	3,466,223	3,564,248
	<u>4,650,719</u>	<u>5,255,564</u>

Money held in trust represents funds held on behalf of the Community Enterprise Foundation Pty Ltd that are being applied to a Tsunami reconstruction project in Sri Lanka.

**NOTE 6: RECEIVABLES**

	2017	2016
	\$	\$
Accrued income	2,967,178	2,814,778
Debtors and prepayments	559,900	424,319
Less Provision for impairment of receivables	(115,785)	(98,128)
	<u>3,411,293</u>	<u>3,140,969</u>
Impairment of receivables		
The ageing of the impaired receivables recognised above are as follows :		
1 to 3 months	55,571	69,482
3 to 6 months	60,214	28,646
	<u>115,785</u>	<u>98,128</u>
Movements in the provision for impairment of receivables are as follows :		
Opening Balance	98,128	66,076
Additional provisions recognised	84,085	86,811
Receivables written off during the year as uncollectable	(66,428)	(54,759)
	<u>115,785</u>	<u>98,128</u>

**LODDON MALLEE HOUSING SERVICES LTD**  
**TRADING AS HAVEN; HOME, SAFE**  
**A.B.N. 28 081 883 623**  
**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2017**

**Past due but not impaired**

Customers with balances past due but without provision for impairment of receivables amount to \$112,919 at 30 June 2017 (\$56,324 at 30 June 2016). Management did not consider a credit risk on the aggregate balances after reviewing agency credit information and credit terms of customers based on recent collection practices.

The ageing of the past due but not impaired receivables are as follows :

1 to 3 months	100,066	31,124
3 to 6 months	4,215	2,861
over 6 months overdue	8,638	19,455
	<u>112,919</u>	<u>53,440</u>

**NOTE 7: DERIVATIVES**

The company is party to derivative financial instruments in the normal course of business in order to hedge exposure to fluctuations in cash flow due to fluctuations in interest rates in accordance with HHS's financial risk management policies. HHS has entered into an interest rate swap contract, which requires settlement of net interest receivable or payable at 30 day intervals. The fair value of the interest rate swaps at reporting date are recognised in the Statement of Financial Position as follows:

	2017 \$	2016 \$
Interest rate swap - cash flow hedge - Current Liability	278,158	229,524
Interest rate swap - cash flow hedge - Non Current Liability	179,041	531,121
	<u>457,199</u>	<u>760,645</u>

Interest rate swaps are used to hedge cash flow risk associated with future transactions. Gains and losses arising from changes in the fair value of derivatives are initially recognised directly in a hedge reserve in the equity section of the statement of financial position. At the date of the transaction, amounts included in the hedge reserve are transferred from equity and included in either the statement of profit or loss and other comprehensive income or the cost of assets. The statement of changes in equity includes any transfers to and from the hedge reserve.

**NOTE 8: PROPERTY PLANT AND EQUIPMENT**

	Note	2017 \$	2016 \$
Land at directors' valuation		1,392,232	1,321,362
	8(a)	<u>1,392,232</u>	<u>1,321,362</u>
Buildings at directors' valuation		5,603,432	5,060,659
Less accumulated depreciation		(654,679)	(543,975)
	8(a)	<u>4,948,753</u>	<u>4,516,684</u>
Land held for sale	8(b)	3,200,927	4,425,973
		<u>3,200,927</u>	<u>4,425,973</u>
Leasehold improvements at cost		114,861	113,875
Less accumulated depreciation		(54,363)	(43,087)
	8(b)	<u>60,498</u>	<u>70,788</u>
Plant & Equipment at cost		2,822,628	2,720,493
Less accumulated depreciation		(1,441,090)	(1,180,411)
	8(b)	<u>1,381,538</u>	<u>1,540,082</u>
Work In Progress at cost		5,310,186	6,239,134
	8(b)	<u>5,310,186</u>	<u>6,239,134</u>
<b>Total Property, Plant and Equipment</b>		<u><b>16,294,134</b></u>	<u><b>18,114,023</b></u>

(a) Land and buildings (other than Affordable Housing Assets classified as Investment Property) are carried at their fair value, less accumulated depreciation on buildings to reporting date since date of last revaluation. Land and buildings were last re-valued on 30 June 2010 based on council rates notices valuations undertaken in 2010. As at reporting date, the Directors have assessed objective evidence to determine that the carrying value of land and buildings is fair, based on current market data and subsequent appraisal of properties.

(b) Reconciliation of the carrying amounts of each class of assets:

	LAND HELD FOR SALE	LEASEHOLD IMPROVEMENTS	PLANT & EQUIPMENT	LAND	BUILDINGS	WIP	TOTAL
<b>2017</b>							
Carrying value at beginning of year	4,425,973	70,788	1,540,082	1,321,362	4,516,684	6,239,134	18,114,023
Plus additions at cost	-	986	359,947	2,333	611,309	1,889,929	2,864,504
Less disposals	(1,225,046)	-	(93,621)	-	-	(2,818,878)	(4,137,545)
Plus / (Less) Transfers	-	-	-	68,537	(68,537)	-	-
Less depreciation/amortisation	-	(11,276)	(424,870)	-	(110,703)	-	(546,849)
Asset revaluation	-	-	-	-	-	-	-
Carrying value at end of year	<u>3,200,927</u>	<u>60,498</u>	<u>1,381,538</u>	<u>1,392,232</u>	<u>4,948,753</u>	<u>5,310,186</u>	<u>16,294,134</u>
<b>2016</b>							
Carrying value at beginning of year	5,532,466	64,360	1,198,062	1,318,811	4,608,847	3,774,705	16,497,251
Plus additions at cost	-	16,989	780,867	2,551	11,588	2,464,429	3,276,424
Less disposals	(1,106,493)	-	(58,103)	-	-	-	(1,164,596)
Plus / (Less) Transfers	-	-	-	-	-	-	-
Less depreciation/amortisation	-	(10,561)	(380,744)	-	(103,751)	-	(495,056)
Asset revaluation	-	-	-	-	-	-	-
Carrying value at end of year	<u>4,425,973</u>	<u>70,788</u>	<u>1,540,082</u>	<u>1,321,362</u>	<u>4,516,684</u>	<u>6,239,134</u>	<u>18,114,023</u>

**LODDON MALLEE HOUSING SERVICES LTD**  
**TRADING AS HAVEN; HOME, SAFE**  
**A.B.N. 28 081 883 623**  
**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2017**

**NOTE 9: INVESTMENT PROPERTY**

Reconciliation of the carrying amounts of Investment Property:

	2017	2016
	\$	\$
<b>INVESTMENT PROPERTY</b>		
Balance at the beginning of the year	261,906,419	256,505,919
Acquisition of investment property	13,532,229	3,088,869
Disposal of investment property	(1,769,653)	(1,106,493)
Change in fair value of investment property	1,017,434	3,418,124
Balance at the end of the year	<u>274,686,429</u>	<u>261,906,419</u>

(a) Affordable Housing Assets (classified as Investment Property) are carried at their fair value at reporting date. Fair value has been determined based on council rates notices valuations undertaken in 2016, or alternative valuation sources where council valuations are not available. As at reporting date, 97% of investment property (by value) has been included at council valuation, 2% (property still under construction) is included at cost, and the remaining 1% is based on other independent valuations undertaken in July 2014. As at reporting date the Directors have assessed objective evidence to determine that the carrying value of Investment Property is fair, based on current market data and subsequent appraisal of properties.

(b) The Director of Housing has a registered interest on the titles of the company's affordable housing association properties. A registration of the Director's interest under the provisions of the *Housing Act 1983* has the effect of preventing dealings in the title without the consent of the Director of Housing. It is intended that the company will still be able to borrow against the asset and secure borrowing by mortgage. The company has a first registered mortgage over nominated affordable housing association titles with The Bendigo and Adelaide Bank Limited.

**NOTE 10: OTHER NON CURRENT ASSETS**

	2017	2016
	\$	\$
Housing subsidy management rights	<u>1,158,359</u>	<u>1,321,612</u>

**NOTE 11: ACCOUNTS PAYABLE**

	2017	2016
	\$	\$
Unsecured liabilities		
Creditors and other payables	1,368,729	1,296,509
Accrued expenses	<u>1,073,354</u>	<u>279,970</u>
	<u>2,442,083</u>	<u>1,576,479</u>

Refer to Note 22 for detailed information on financial instruments.

**NOTE 12: TAX LIABILITY / (ASSET)**

	2017	2016
	\$	\$
GST (Receivable)/payable	(115,206)	195,674
PAYG Tax Payable	<u>1</u>	<u>190,484</u>
	<u>(115,205)</u>	<u>386,158</u>

**NOTE 13: EMPLOYEE BENEFITS**

	2017	2016
	\$	\$
<b>CURRENT</b>		
Provision for annual leave	704,316	748,154
Provision for long service leave	<u>697,865</u>	<u>674,113</u>
	<u>1,402,181</u>	<u>1,422,267</u>
<b>NON-CURRENT</b>		
Provision for long service leave	<u>129,955</u>	<u>234,335</u>
	<u>129,955</u>	<u>234,335</u>

Movements in the provision for employee benefits are as follows :

	2017	2016
	\$	\$
Opening balance	1,656,602	1,449,267
Additional provisions recognised	539,324	871,125
Amounts used	<u>(663,790)</u>	<u>(663,790)</u>
	<u>1,532,136</u>	<u>1,656,602</u>

Provision for employee benefits represents amounts accrued for annual leave and long service leave.

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

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

In calculating the present value of future cash flows in respect of long service leave, the probability of long service leave being taken is based upon historical data. The measurement and recognition criteria for employee benefits have been discussed in Note 1(c).

**LODDON MALLEE HOUSING SERVICES LTD**  
**TRADING AS HAVEN; HOME, SAFE**  
**A.B.N. 28 081 883 623**  
**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2017**

**NOTE 14: OTHER CURRENT LIABILITIES**

	2017	2016
	\$	\$
Rents owing to owners	215,267	213,130
Committed income	4,932,837	6,056,794
	<u>5,148,104</u>	<u>6,269,924</u>

**NOTE 15: INTEREST BEARING LIABILITIES**

	2017	2016
	\$	\$
Current	26,577	20,342
Non Current	50,460,251	49,271,428
	<u>50,486,828</u>	<u>49,291,770</u>
Loans to be paid as follows :		
Within One year	26,577	20,342
One to five years	50,460,251	49,271,428
	<u>50,486,828</u>	<u>49,291,770</u>

The interest-bearing debt is secured by a first registered mortgage over nominated freehold properties owned by HHS.

**NOTE 16: CASH FLOW INFORMATION**

Reconciliation of net cash provided by operating activities with net result for the year

	2017	2016
	\$	\$
Net result for the year	10,149,335	6,315,469
Non - cash flows in net result for the year		
Amortisation	174,529	321,487
Depreciation	535,573	484,476
(Profit) / loss on disposal of Assets	(27,416)	187,200
Fair value gains on Investment Properties	(1,017,434)	(3,418,124)
Changes in assets & liabilities		
Decrease (increase) in receivables	(270,324)	(727,895)
Increase (decrease) in accounts payable	865,604	516,855
Increase (decrease) in tax liabilities / asset	(501,363)	440,617
Increase (decrease) in employee benefits provisions	(124,466)	207,335
Increase (decrease) in other liabilities	(1,115,586)	(1,656,557)
Net cash provided by operating activities	<u>8,668,452</u>	<u>2,670,863</u>

**NOTE 17: MEMBERS GUARANTEE**

The company is limited by guarantee. If the company is wound up, the Memorandum and Articles of Association states that every member is required to contribute a maximum of \$10 each towards meeting any outstanding obligations of the company. As at reporting date there were 10 full members (30/6/2016: 10 full members) to which the above provision applies. The maximum amount that the members of the company are required to contribute is \$100 (2016: \$100).

**NOTE 18: RELATED PARTY DISCLOSURES**

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

Mr Andrew Cairns, a director, is an employee of Bendigo and Adelaide Bank Ltd which is the primary bank of HHS.

(b) The names of those who held a position as director of the company at any time during the year are as follows:

Sue Clarke	Linda Dewar
Ken Belfrage	Tony Bridge
William O'Neil	Jan Boynton
Melanie Rogers	David Brant
Andrew Cairns	Warwick Cavanagh
John Murphy	Candy Broad

**LODDON MALLEE HOUSING SERVICES LTD**  
**TRADING AS HAVEN; HOME, SAFE**  
**A.B.N. 28 081 883 623**  
**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2017**

**NOTE 19: AUDITOR'S REMUNERATION**

	2017	2016
	\$	\$
Remuneration of the auditor, Andrew Frewin Stewart, of HHS:		
(i) for audit of the accounts	24,600	23,765
(ii) for other services provided	660	660
	<u>25,260</u>	<u>24,425</u>

**NOTE 20: OPERATING LEASES**

	2017	2016
	\$	\$
At the reporting date, HHS had the following obligations under non-cancellable operating leases for the commercial leasing of office premises by the company (these obligations are not recognised as liabilities at reporting date):		
Within one year	340,678	139,313
One to five years	836,688	155,733
Five years plus	837,088	-
	<u>2,014,454</u>	<u>295,046</u>

At reporting date, HHS has no finance leases.

**NOTE 21: COMMITMENTS**

	2017	2016
	\$	\$
At the reporting date, HHS had entered into the following commitments in respect of construction and land acquisition contracts relating to affordable housing properties (these obligations are not recognised as liabilities at reporting date):		
Within one year	4,376,121	1,706,898
One to five years	-	-
Five years plus	-	-
	<u>4,376,121</u>	<u>1,706,898</u>

**NOTE 22: FINANCIAL RISK MANAGEMENT**

The company's financial instruments consist mainly of deposits with banks, local money market instruments, short-term investments, accounts receivable and payable, borrowings and leases.

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

	2017	2016
	\$	\$
<i>Financial Assets</i>		
Cash and cash equivalents	4,650,719	5,255,564
Trade and other receivables	3,411,293	3,140,969
	<u>8,062,012</u>	<u>8,396,533</u>
<i>Financial Liabilities</i>		
Trade and other payables	2,442,083	1,576,479
Interest bearing liabilities	50,486,828	49,291,770
	<u>52,928,911</u>	<u>50,868,249</u>
<i>Net Fair Values</i>		

The carrying value of financial assets and liabilities are equivalent to their net fair values.

**NOTE 23: DOMICILE AND LEGAL FORM**

Loddon Mallee Housing Services Ltd is a company limited by guarantee that is incorporated in Australia and operates under the trading name Haven; Home, Safe (HHS). The registered office is located at 61 Bull Street, Bendigo, and the principal place of business (head office) is located at 10-16 Forest Street Bendigo.

**NOTE 24: CONTINGENT LIABILITIES AND CONTINGENT ASSETS**

HHS is party to a "Funding Deed" with the Director of Housing. The Funding Deed provides the mechanism with which HHS obtains funding from the Victorian State Government for the purpose of funding capital projects to achieve the Victorian State Government's and HHS's objective of providing affordable rental housing to tenants on low incomes. HHS received capital grants during the year. These amounts are included at note 3 - Capital Grants. The Funding Deed provides that if the Funding Deed or any project funded under the Funding Deed is terminated for any reason, HHS is required to repay to the Director of Housing within 30 days of termination, the Director's proportion of the market value of the terminated projects and properties acquired under the Funding Deed. The Director's proportion is calculated as the "Total funds by the Director/Market value at the time funding provided of property and assets acquired with funding x current market value of property and assets acquired with funding." The directors are not aware of any circumstances that currently exist to cause the Funding Deed to be terminated.

**LODDON MALLEE HOUSING SERVICES LTD**  
**HAVEN; HOME, SAFE**  
**28 081 883 623**  
**DIRECTORS' DECLARATION**

The directors of the company declare that:

1. The financial statements and notes, as set out on pages XX to XX  
are in accordance with the *Australian Charities and Not-for-profits Commission Act 2012* and:
  - (a) comply with Accounting Standards being the Australian  
equivalent to International Financial Reporting Standards  
(A-IFRS) and the Corporations Regulations 2011; and
  - (b) give a true and fair view of the company's financial position  
as at 30 June 2017 and of its performance for the year  
ended on that date; and
2. In the director's 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.



Sue Clarke- Chairperson

Dated this day 27 October 2017



**LODDON MALLEE HOUSING SERVICES LTD**  
**HAVEN; HOME, SAFE**  
**28 081 883 623**  
**DIRECTORS' REPORT**

The directors submit the financial accounts of the company for the year ended 30 June 2017.

**DIRECTORS**

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

Sue Clarke	Andrew Cairns	Janet Boynton
Ken Belfrage	John Murphy (Resigned 31/12/16)	David Brant
William O'Neil	Linda Dewar (Resigned 30/11/16)	Warwick Cavanagh (Appointed 06/04/17)
Melanie Rogers	Tony Bridge	Candy Broad (Appointed 01/06/17)

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

**PRINCIPAL ACTIVITIES & OBJECTIVES**

The principal activities of the company in the course of the year were to provide assistance to those who are homeless or at risk of becoming homeless; providing direct relief to those in poverty. This support was provided in the form of: -

- (i) Short-term housing through our Transitional Housing Program,
- (ii) Direct client support through a range of support programs including Homeless Case Management, Home Based Psychiatric Programs, Community Connections, Housing Support for the Aged, Intensive Case Management, Saverplus & Supported Residential Services Programs,
- (iii) Direct financial assistance through our Housing Establishment Fund, Emergency Relief grants and Flexible Care Funds,
- (iv) Provision of affordable housing to low and moderate-income families in Victoria.

No significant change in the nature of these activities occurred during the year.

**REVIEW OF OPERATIONS**

A review of the operations of the company during the financial year and the results of those operations is as follows:

The operating surplus for the company for the year ended 30 June 2017 was \$10,149,335. This result has been determined after application of Australian Accounting Standard AASB 118 - Revenue.

**SIGNIFICANT CHANGES IN STATE OF AFFAIRS**

There have been no significant changes in the state of affairs during the year.

**AFTER BALANCE DATE EVENTS**

There are no matters or circumstances that have arisen since the end of the financial year that have significantly affected or may significantly affect the operations of the company or the state of affairs of the company in future years.

**ENVIRONMENTAL ISSUES**

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

## MEMBER'S GUARANTEE

The company is limited by guarantee. If the company is wound up, the Memorandum and Articles of Association states that each member is required to contribute a maximum of \$10 each towards meeting any outstanding obligations of the company. As at 30 June 2017 there were 10 full members to which the above provision applies. The total amount the members of the company are required to contribute is \$100.

## DIRECTOR'S PARTICULARS

(a) Qualifications, experience, and other information.

<b>Sue Clarke</b>	Chairperson
<b>Qualifications:</b>	Grad Dip. Business, Grad Dip. S.Science, FAICD, Executive Fellow ANZSOG, Graduate AMC CMC.
<b>Experience:</b>	Non Executive Director of Loddon Mallee Housing Services Ltd since November 2010, also currently a Non Executive Director and Deputy Chair of Bendigo Health Care Group, Non Executive Director Loddon Mallee Medicare Locals Ltd trading as Murray PHN, Non Executive Director Ambulance Victoria, Member of AICD Bendigo Advisory Board, and Owner & Director of Nillumbik Australia P/L trading as The Light Switch, and Director of G & S Clarke Superannuation Pty Ltd. Over thirty five years experience in Community Sector Leadership and Management, sixteen years experience as a company director and governance.
<b>John Murphy</b>	Director
<b>Qualifications:</b>	Bachelor Of Arts, University of Melbourne, MAICD
<b>Experience:</b>	Director since 2001, Army Officer, 40 years experience in public administration, community service delivery and the Defence Force.
<b>William O'Neil</b>	Director
<b>Qualifications:</b>	Bachelor of Arts (Urban & Regional Studies), Curtin University, Western Australia, MAICD
<b>Experience:</b>	Director since 2012, Owner/Director O'Neil Pollock & Associates Pty Ltd for 19 years providing specialist services in the fields of strategic town planning and local and regional economic development facilitation. Director on the Board of Coliban Water Corporation, Director of Mount View Properties (Vic) P/L, Director of WOMP P/L and Senior Sessional Member of Planning panels Victoria.
<b>Tony Bridge</b>	Director
<b>Qualifications:</b>	B. Bus. (Econ), MBA (Monash), FAICD
<b>Experience:</b>	Director, Bridge Advisory Group Pty Ltd, Director, Bridge Sinclair Brook Pty Ltd. Director of LMHS since 2007 and Director of Active Community Housing.. Founding Partner - Burns Bridge Group (now Currie & Brown), strategic advisory and project management business since 1986. Involvement in strategic advisory in various sectors, but with specific interest in affordable housing, retirement/aged care, health, church/not for profits, and others. In 2013 founded Bridge Advisory Group, an entity that provides specialist advisory and transaction services for the aged care and seniors living sector in Australia, China and other parts of Asia.
<b>Melanie Rogers</b>	Director
<b>Qualifications:</b>	B.Sc Dip.Bus. Grad Cert. H.I. Grad Cert Prof. Acc., GAICD
<b>Experience:</b>	Director since 2012. Director, Active Community Housing. Trust Member, Geelong Cemeteries Trust. Formerly Governance Manager, Mount Alexander Shire Council, 25 years experience in public administration, human resources and governance. Ten years previous Board experience. Currently Director Bellarine Bayside Foreshore Committee of Management.
<b>Ken Belfrage</b>	Director
<b>Qualifications:</b>	Dip.Bus. Studies, FCA, GAICD
<b>Experience:</b>	Director since 2010. Company director with current roles on a number of boards and committees. Chartered Accountant with 34 years experience in public practice.
<b>Andrew Cairns</b>	Director
<b>Qualifications:</b>	Bachelor of Engineering (Electrical), GAICD
<b>Experience:</b>	Director since November 2010, 19 years experience in senior management roles, currently Chief Executive Officer of Community Sector Banking which is a joint venture between Bendigo and Adelaide Bank Limited and Community 21 Pty Ltd that specialises in providing financial solutions to the Not For Profit Sector. Currently the Chairman of the Western Water Corporation.
<b>Linda Dewar</b>	Director
<b>Qualifications:</b>	Grad Dip. Arts CMC (Monash), MAICD.
<b>Experience:</b>	Director since November 2010. Broad based senior executive with extensive business, financial and general management experience in the NFP, financial services sector and IT industry across both public and private sector. Fifteen years experience as a serving Board Member across a diversity of interests.
<b>David Brant</b>	Director
<b>Qualifications:</b>	Bachelor of Engineering (Mechanical), Post Graduate Diploma Business Administration, FAICD.
<b>Experience:</b>	Director since September 2014, Chair Nillumbik Community Health Services and Director of Birdwood International P/L. Business interests in renewable energy and manufacturing sectors. Extensive experience in non-executive and senior executive roles in the not-for-profit sector and private enterprise.
<b>Janet Boynton</b>	Director
<b>Qualifications:</b>	BTRP (Melb), Grad.Dip Aust. Institute Company Directors , FAICD, FPIA
<b>Experience:</b>	Director since April 2015. Has an extensive background working in executive positions in State and Local Government. Is a former board member of Bendigo Health, CFA and La Trobe University Council. Currently a member of the Bendigo Advisory Committee, AICD, Board Member of the Bendigo Jockey Club, Director of CVGT Australia and Member Councillor Code of Conduct Panel (State Government).

**Warwick Cavanagh**

**Qualifications:**

**Experience:**

Director

Nil formal

Warwick Cavanagh is Chairperson of a key partner agency, Active Community Housing, a Director of National Disability Services (NDS), and a White Ribbon Ambassador. Highly respected across the disability sector, Warwick was the CEO of MOIRA Disability & Youth Services for 24 years, prior to joining the HHS Board.

**Candy Broad**

**Qualifications:**

**Experience:**

Director

Bachelor of Commerce, GAICD, GAIST

Former Member for Northern Victoria and former State Government Minister for Housing, Local Government, Energy and Resources and Ports, and a founding member of Emily's List. Chair of Safe Steps Family Violence Response Centre, Deputy Chair of Women's Health Victoria, Chair of PrimeSafe, a Director of the Australian Council of Superannuation Investors, a Director of First Super, and a Director of Hepburn Community Wind Farm.

#### DIRECTOR MEMBERSHIP OF BOARD SUB-COMMITTEES

	Tony Bridge	Ken Belfrage	Linda Dewar	Sue Clarke	William O'Neil	Andrew Cairns	Melanie Rogers	John Murphy	Janet Boynton	David Brant	Warwick Cavanagh	Candy Broad
Remuneration & Assessment Committee			X	X		X				X		
Risk Committee			X	X	X		X	X			X	X
Corporate Strategy & Governance Committee	X			X	X	X			X			
Finance & Audit Committee	X	X					X	X		X		

#### DIRECTOR'S MEETINGS

During the financial year 12 meetings of directors were held. Attendances were:

Director's Name	Number attended	Number eligible to attend
Sue Clarke	12	12
Ken Belfrage	11	12
William O'Neil	11	12
Melanie Rogers	10	12
Andrew Cairns	9	12
John Murphy	6	6
Linda Dewar	4	5
Tony Bridge	8	12
Jan Boynton	12	12
David Brant	12	12

#### CORPORATE GOVERNANCE

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 a 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.

Remuneration:

	\$0 to \$9,999	\$10,000 to \$19,999	\$20,000 to \$29,999
Total remuneration			
Number of directors	0	9	1

In the previous financial year remuneration was as follows:

	\$0 to \$9,999	\$10,000 to \$19,999
Total remuneration		
Number of directors	9	1


#### AUDIT INDEPENDENCE DECLARATION

A copy of the Auditor's Independence Declaration as required under the *Australian Charities and Not-For-Profits Commissions Act 2012* is set out on page X.

#### BENEFITS UNDER CONTRACTS WITH DIRECTOR'S

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

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

  
..... Sue Clarke - Chairperson  
Dated this day 27 October 2017

## **Independent auditor's report to the members of Loddon Mallee Housing Services Ltd trading as Haven; Home, Safe**

### **Report on the audit of the financial statements**

#### **Our opinion**

In our opinion, the financial report of Loddon Mallee Housing Services Ltd trading as Haven; Home, Safe (the company), is in accordance with the *Australian Charities and Not-for-profits Commission Act 2012*, including:

- i. giving a true and fair view of the company's financial position as at 30 June 2017 and of its performance for the year ended on that date; and
- ii. complying with Australian Accounting Standards – Reduced Disclosure Requirements and the *Australian Charities and Not-for-profits Commission Regulations 2013*.

#### **What we have audited**

The company's financial report comprises the:

- ✓ Statement of financial position
- ✓ Statement of profit or loss and other comprehensive income
- ✓ Statement of changes in equity
- ✓ Statement of cash flows
- ✓ Notes comprising a summary of significant accounting policies and other explanatory notes
- ✓ The directors' declaration of the entity.

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

#### **Independence**

In conducting our audit, we have complied with the independence requirements of the *Australian Charities and Not-for-profits Commission Act 2012*.



**Partners in success**

**Chartered Accountants**

61 Bull Street, Bendigo 3550

PO Box 454, Bendigo 3552

03 5443 0344

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### **Directors' responsibility 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 – Reduced Disclosure Requirements and the *Australian Charities and Not-for-profits Commission Act 2012* and for such internal control as the directors determine is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error.

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

### **Auditor's responsibility 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. Misstatement can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website at: <http://www.auasb.gov.au/home.aspx>. This description forms part of our auditor's report.

**Andrew Frewin Stewart**

61 Bull Street, Bendigo, 3550

Dated this 27<sup>th</sup> day of October 2017

**Adrian Downing**

**Lead Auditor**



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**Auditor's Independence Declaration under section 60.40 of the *Australian Charities and Not-for-profits Commission Act 2012* to the Directors of Loddon Mallee Housing Services Ltd trading as Haven; Home, Safe**

I declare that, to the best of my knowledge and belief, during the year ended 30 June 2017 there has been:

- i. no contraventions of the auditor's independence requirements as set out in the *Australian Charities and Not-for-profits Commission Act 2012* in relation to the audit; and
- ii. no contraventions of any applicable code of professional conduct in relation to the audit.

**Andrew Frewin Stewart**  
61 Bull Street, Bendigo, 3550  
Dated this 27<sup>th</sup> day of October 2017

**Adrian Downing**  
Lead Auditor



## **Independent auditor's report to the members of Loddon Mallee Housing Services Ltd trading as Haven; Home, Safe**

### **Report on the audit of the financial statements**

#### **Our opinion**

In our opinion, the financial report of Loddon Mallee Housing Services Ltd trading as Haven; Home, Safe (the company), is in accordance with the *Australian Charities and Not-for-profits Commission Act 2012*, including:

- i. giving a true and fair view of the company's financial position as at 30 June 2017 and of its performance for the year ended on that date; and
- ii. complying with Australian Accounting Standards – Reduced Disclosure Requirements and the *Australian Charities and Not-for-profits Commission Regulations 2013*.

#### **What we have audited**

The company's financial report comprises the:

- ✓ Statement of financial position
- ✓ Statement of profit or loss and other comprehensive income
- ✓ Statement of changes in equity
- ✓ Statement of cash flows
- ✓ Notes comprising a summary of significant accounting policies and other explanatory notes
- ✓ The directors' declaration of the entity.

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

#### **Independence**

In conducting our audit, we have complied with the independence requirements of the *Australian Charities and Not-for-profits Commission Act 2012*.

### **Directors' responsibility 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 – Reduced Disclosure Requirements and the *Australian Charities and Not-for-profits Commission Act 2012* and for such internal control as the directors determine is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error.

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

### **Auditor's responsibility 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. Misstatement can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website at: <http://www.auasb.gov.au/home.aspx>. This description forms part of our auditor's report.



**Andrew Frewin Stewart**

61 Bull Street, Bendigo, 3550

Dated this 27<sup>th</sup> day of October 2017



**Adrian Downing**

**Lead Auditor**

**Auditor's Independence Declaration under section 60.40 of the *Australian Charities and Not-for-profits Commission Act 2012* to the Directors of Loddon Mallee Housing Services Ltd trading as Haven; Home, Safe**

I declare that, to the best of my knowledge and belief, during the year ended 30 June 2017 there has been:

- i. no contraventions of the auditor's independence requirements as set out in the *Australian Charities and Not-for-profits Commission Act 2012* in relation to the audit; and
- ii. no contraventions of any applicable code of professional conduct in relation to the audit.



**Andrew Frewin Stewart**

61 Bull Street, Bendigo, 3550

Dated this 27<sup>th</sup> day of October 2017



**Adrian Downing**  
Lead Auditor